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General Fund Maintenance of Effort Adjustment

DESCRIPTION:

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. For Fiscal Year (FY) 2007-08, an adjustment has been made to reflect that California met the federal work participation rate (WPR) for the California Work Opportunity and Responsibility to Kids (CalWORKs) program in Federal Fiscal Year (FFY) 2006. California is not expected to meet the federal WPR in FFY 2007. When the State meets this rate, the MOE level falls from 80 percent to 75 percent. In addition, adjustments are made to the MOE as a result of Tribal TANF. Therefore, with the WPR and Tribal TANF MOE Adjustments, the final MOE level is $2.7 billion in FY 2007-08 and $2.9 billion in FY 2008-09.

IMPLEMENTATION DATE:

This premise implemented October 1, 1996.

METHODOLOGY:

To determine the 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 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 total 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 (BY) 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:

The increase is associated with an increased MOE requirement in FY 2007-08.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in BY is primarily attributed to the State's increased MOE requirement in FY 2008-09 due to failure to meet the federal WPR in FFY 2007.

EXPENDITURES:

(in 000's)

	2007-08 Grant	2008-09 Grant
Total	$0	$0
Federal	-734,517	-960,024
State	734,517	960,024
County	0	0
Reimbursements	0	0

Two-Parent Families

DESCRIPTION:

A Two-Parent (TP) family is defined as an assistance unit (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. Beginning in October 1999, TP families were funded with State maintenance of effort (MOE) funds. However, as a result of the Federal Deficit Reduction Act of 2005, all MOE funded programs providing assistance are subject to inclusion in the federal Work Participation Requirement (WPR) calculation. Therefore, effective October 1, 2006, CalWORKs cash assistance, Welfare to Work (WtW) services, and administrative services for TP families are funded with Temporary Assistance for Needy Families (TANF) funds. Child care services will continue to be funded with General Fund (GF) as these families must participate a minimum of 55 hours per week in WtW activities to be eligible for federally funded child care.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10553.
- The grant costs for two-parent families are based on the percentage of two-parent families in the Current Year (CY) and the Budget Year (BY) caseload projections.
- The CY administrative, employment services, and child care costs for two-parent families are held to the Appropriation.
- The costs for BY are based on the percentage of two-parent families in the caseload projection
- The employment services and Stage One child care costs for two-parent families are based on actual expenditure data from Fiscal Year (FY) 2006-07.
- The ratio for two-parents participating in the CalWORKs Mental Health program is 12.54 percent and 13.18 percent in the Substance Abuse program and is based on CalWORKs Welfare-To-Work Monthly Activity Report (WtW 25) and WtW 25A caseload data for FY 2006-07.

METHODOLOGY:

The total cost or savings associated with two-parent families was determined by multiplying the appropriate percentage of two-parent families to the total cost or savings. Refer to the auxiliary table for the “Two-Parent Families” for more detailed information.

Two-Parent Families

FUNDING:

- CalWORKs grants for two-parent families are funded 97.5 percent TANF and 2.5 percent county funds.
- Administration and employment services are funded with 100 percent TANF.
- Child care is funded with 100 percent GF.

CHANGE FROM THE APPROPRIATION:

- The increase for CalWORKs grants is due to the cost of the cost of living adjustment that was given for two months.
- The administration, employment services, and child care costs include new premises that were not included in the May 2007 Revise.
- The administration costs increased due to the use of a different methodology when determining the costs attributed to two parent cases.

REASON FOR YEAR-TO-YEAR CHANGE:

- The BY decrease for CalWORKs grants is due to caseload decline.
- The BY decrease for CalWORKs administration is due to caseload decline and the impact of the Graduated Full Family Sanctions premise.
- The BY increase in employment services is primarily due to the implementation of the Graduated Full Family Sanction premise.
- The BY increase in child care cost is primarily due to the implementation of the Graduated Full Family Sanction premise and the impact of the increased Regional Market Rate.

Two-Parent Families

CASELOAD:

	2007-08	2008-09
Average Monthly Caseload	32,306	31,076

EXPENDITURES:

(in 000's)

ITEM 101 - Total	2007-08 Total	2008-09 Total
Total	$378,547	$363,685
Federal	353,814	338,147
State	18,357	19,340
County	6,376	6,198
Reimbursements	0	0

ITEM 101 - CalWORKs Grants	2007-08 Grant	2008-09 Grant
Total	$255,057	$247,908
Federal	248,681	241,710
State	0	0
County	6,376	6,198
Reimbursements	0	0

Two-Parent Families

EXPENDITURES (CONTINUED):

(in 000's)

ITEM 101 - CalWORKs Services	2007-08 Services	2008-09 Services
Total	$67,881	$69,011
Federal	67,881	69,011
State	0	0
County	0	0
Reimbursements	0	0

ITEM 101 - CalWORKs Administration	2007-08 Admin.	2008-09 Admin.
Total	$37,252	$27,426
Federal	37,252	27,426
State	0	0
County	0	0
Reimbursements	0	0

ITEM 101 - CalWORKs Stage One Child Care	2007-08 Child Care	2008-09 Child Care
Total	$18,357	$19,340
Federal	0	0
State	18,357	19,340
County	0	0
Reimbursements	0	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 adjustments are necessary in order to avoid budgeting the impact twice. This premise also includes an adjustment for Proposition L, which raised the minimum wage level for people working in San Francisco County.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11450.
- For Fiscal Year (FY) 2007-08, a total of 10,459,815 All Other Families (AF) personmonths and 1,497,053 Two-Parent (TP) personmonths are anticipated. For FY 2008-09, 10,265,755 AF personmonths and 1,455,649 TP personmonths are projected.
- For both current year (CY) and budget year (BY), AF cases consist of 2.35 persons and TP cases consist of 3.95 persons.
- 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 (RNEs),” and “Emergency Freeze Response.” Also, an adjustment is made for the costs associated with new tribes establishing Tribal Temporary Assistance for Needy Families (TANF) programs.
- Costs are included for the Diversion Program. Based on the most recent California Work Opportunity and Responsibility to Kids (CalWORKs) Cash Grant Caseload Movement Reports (CA 237) and CalWORKs Expenditure Reports (CA 800D), the average monthly diversion caseload is estimated at 63 for the CY and 62 for the BY with an average cost per case of $2,324 for the both years.
- The estimated cost per person is based on an average of the actual cost per person from January to June 2007.
- The AF cost per person is $227.16 for CY and BY. The TP cost per person is $165.72 for CY and BY.
- The AF and TP basic costs are adjusted for the OASDI COLA. The Consumer Price Index (CPI)-W COLAs are 3.3 percent effective January 1, 2007, 2.3 percent effective January 1, 2008, and 1.7 percent effective January 1, 2009.
- 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 2007-08 reduction in cash grants of $2,577,461 and a FY 2008-09 reduction of $3,671,017.
- Effective January 2005, Proposition L provides a minimum wage increase every January for San Francisco County based on the current CPI-U. This will result in approximately $16,631 in grant savings in FY 2007-08, and $69,987 in grant savings in FY 2008-09. Approximately 387 recipients in CY and 390 in BY will receive additional earnings. The CPI-U is 2.3 percent for both calendar years 2007 and 2008.

CalWORKs – Basic Grants

KEY DATA/ASSUMPTIONS (continued):

- The CY and BY reflect a shift of funds from the RNE program associated with persons in mixed cases that are TANF-eligible and are reflected in the separate RNE premise.

METHODOLOGY:

- The personmonths are multiplied by the cost per person to determine AF and TP basic costs.
- AF and TP basic costs are reduced for the OASDI COLA adjustment
- Diversion costs are calculated by multiplying the average monthly caseload by the cost per case, and the annual Diversion costs are added to the basic grant costs.
- The total AF and TP basic costs are reduced by the amounts of the costs for "Cal Learn Bonuses," "Cal Learn Sanctioned Grants," "RNEs," "Emergency Freeze Response," new tribes establishing Tribal TANF programs, and Proposition L to reflect the basic grant costs.

DATA COMPARISON CHART:

FY 2007-08	AF	TP
Projected Personmonths	10,459,815	1,497,053
Projected Casemonths	4,445,068	379,166
Persons Per Case	2.35	3.95
FY 2008-09	AF	TP
Projected Personmonths	10,265,755	1,455,649
Projected Casemonths	4,362,685	368,832
Persons Per Case	2.35	3.95

FUNDING:

The CY and BY reflect a shift of funds from the RNE program associated with persons in mixed cases that are TANF-eligible. These cases are funded with General Fund (GF) in this premise.

The funding in CY and BY is 96.4 percent TANF, 1.1 percent GF, and 2.5 percent county for CY.

CHANGE FROM THE APPROPRIATION:

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

The CalWORKs caseload was previously projected to decrease 1.9 percent. The caseload is now projected to decrease 1.0 percent. The slower rate of caseload decline results in higher grant costs which is offset by a larger shift out of basic for RNE caseload resulting in an overall decrease in cash grants.

CalWORKs – Basic Grants

REASON FOR YEAR-TO-YEAR CHANGE:

The caseload is projected to decrease by 1.9 percent from CY to BY.

CASELOAD:

	2007-08	2008-09
Average Monthly Caseload	402,020	394,293
Average Monthly Persons	996,406	976,784

EXPENDITURES:

(in 000's)

	2007-08 Grant	2008-09 Grant
Total	$2,584,855	$2,527,015
Federal	2,491,272	2,434,882
State	28,962	28,958
County	64,621	63,175
Reimbursements	0	0

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Previous CalWORKs Reform Efforts

DESCRIPTION:

This premise combines two former premises into one: the Welfare Reform/Work Participation premise associated with the implementation of Senate Bill (SB) 1104 (Chapter 229, Statutes of 2004), and the Temporary Assistance for Needy Families (TANF) Reauthorization premise associated with the implementation of Assembly Bill (AB) 1808 (Chapter 75, Statutes of 2006). The implementation of these two bills has significantly changed the California Work Opportunity and Responsibility to Kids (CalWORKs) Welfare-to-Work (WTW) program from its original structure mandated by AB 1542 (Chapter 270, Statutes of 1997). Changes to the CalWORKs WTW program were intended to further increase self-sufficiency and personal responsibility by increasing the number of individuals who work or participate in work-related activities while maintaining critical services, and to also meet the federal work participation rate (WPR) and other requirements in the federal Deficit Reduction Act (DRA) of 2005.

SB 1104

SB 1104 amended Welfare and Institutions Code (W&IC) section 11454 to eliminate the 18- or 24-month time limit. Prior to this change, individuals were allowed to participate in the full range of WTW activities intended to lead to employment, based on an individual assessment, up to an 18- or 24-month time period from the signing of their WTW plan, depending on their beginning date of aid and personal circumstances. After this period, individuals were required to meet the 32- or 35-hour per week work participation requirement solely through work or community service activities.

SB 1104 also amended W&IC sections 11325.21 and 11322.8 to require universal engagement for nonexempt individuals, and the implementation of the core/non-core activity structure. Universal engagement means that within 90 days of receipt of aid, nonexempt individuals, with certain exceptions, must sign a WTW plan. Prior to SB 1104, there was no timeframe in which a WTW plan had to be signed. In addition, to meet the 32- or 35-hour work participation requirement, SB 1104 requires that individuals participate a minimum of 20 hours per week in core (work or work-related) activities, and up to 12 hours per week for one parent families and up to 15 hours per week for two-parent families, in non-core (education and/or mental health, substance abuse, and domestic abuse services) activities necessary to obtain or retain employment. Amendments were also made to W&IC section 11322.8 to specify circumstances under which certain non-core activities, in excess of the 12- or 15-hour limitation, may count toward the core-hour requirement.

AB 1808

Changes to the CalWORKs program were also made in AB 1808 in response to the TANF Reauthorization provisions of the DRA. Changes made in the DRA result in a need for California to significantly increase the number of recipients participating in activities that count toward the WPR requirements of 50 percent for all families and 90 percent for two-parent families. Based on the provisions contained in AB 1808 (including requirements for county CalWORKs Plan Addenda, Penalty Pass-On, Data Publishing/Data Master Plan, and County Peer Reviews) there is a renewed focus on work participation to increase California's WPR.

IMPLEMENTATION DATE:

SB 1104 implemented on December 1, 2004 and AB 1808 implemented on July 1, 2007.

Previous CalWORKs Reform Efforts

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 10533, 10534, 10540.6,10544, 11322.8, 11325.21.
- Services and child care costs for Fiscal Year (FY) 2007-08 are held to the Appropriation.
- As a result of the reform efforts, this estimate assumes an increase in the WPR of four percent in Federal Fiscal Year (FFY) 2008 and an additional six percent increase by the end of FFY 2009 for a total of 10 percent. Based on historical experience between FFY 1997 and FFY 1999, the WPR increased 12 percent. Because of the renewed focus on participation resulting from the provisions of AB 1808, it is assumed that the State will experience a similar increase in work participation.
- Excluding Safety Net, Sanctioned, and Child Only cases, in FY 2007-08 and 2008-09 there are 203,192 and 198,753 cases, respectively, with an aided adult.
- Based on the FFY 2006 CalWORKs Characteristics Survey (Q5), 39 percent of the cases with an aided adult are currently participating in work activities, and 24.6 percent of the cases are fully meeting the federal WPR.
- As a result of previous welfare reform efforts, including SB 1104 and AB 1808, it is estimated that by the end of FY 2007-08 the percentage of cases participating will increase to 41.2 percent and the percentage meeting the federal WPR will increase to approximately 32 percent. In FY 2008-09, it is expected that these percentages will both increase to 41.3 percent.
- The impact of previous welfare reform efforts are assumed to be phased in over a 15-month period beginning July 2007.
- In order to reach the projected four percent increase in the WPR in FFY 2008, it is assumed that 15,050 recipients that are currently partially participating will need to increase their hours of participation, on average, 22 hours per month by June 2008.
- As a result of county efforts, it is projected that an additional 4,831 cases partially participating will increase their participation, on average, ten hours per month and 4,564 cases currently not participating will begin participating by June 2008.
- In order to reach the total projected WPR increase of ten percent in FFY 2009, it is assumed that a total of 33,275 current recipients will either need to increase their hours of participation or begin participating by June 2009.
- It is assumed that of those cases that are expected to increase their work or participation hours, 68 percent will do so through increased work and 32 percent will do so through non-work activities.
- Because of the renewed focus on participation, it is assumed that cases working or participating less than 20 hours per week will increase weekly work or participation hours by between 10 and 20 hours per week. It is assumed that newly working cases will work 32 hours per week.
- The average monthly grant savings achieved for those cases that increase work hours is approximately $240.

Previous CalWORKs Reform Efforts

KEY DATA/ASSUMPTIONS (CONTINUED):

- The impact of Quarterly Reporting/Perspective Budgeting (QR/PB) results in a delay of grant savings due to employment. QR/PB assumes that one-third of individuals will be required to report earnings in the month employment is obtained, one-third in the second month after employment is obtained, and the remaining one-third in the third month after employment is obtained
- Based on historical child care utilization rates, it is estimated that approximately 3,435 cases will receive child care services in the Budget Year (BY).
- On average, there are 1.9 children per case with an average child care cost per child of $761.09 in BY.
- Based on historical transportation and ancillary services utilization rates, it is estimated that in the BY approximately 5,742 cases on average each month will receive transportation and 1,044 will receive ancillary services.
- The cost per case for transportation is $68.43 and the cost per case for ancillary services is $78.00.
- Due to the elimination of the 18- or 24-month time limit, administrative savings are achieved by eliminating the staff time required to track cases that are pre 18- or 24-months. Based on WTW 25 data reports, there is an average of 0.74 percent of the total cases in assessment per month.
- By eliminating the 18- or 24-month time limit, it is assumed one hour of case management time and one-quarter hour of orientation/appraisal time would be saved for each case. The average hourly cost for staff to conduct an assessment is $57.57.
- Based on the November 2007 projected total CalWORKs caseload used for this estimate [452,178 for the BY], and accounting for an accumulating 15-month phase in beginning July 2007, an average of 3,304 cases per month are projected to be in assessment in the BY.
- Pursuant to AB 1808, the Budget includes an additional $90 million in federal TANF block grant funds for the CalWORKs program to assist the counties in improving their WPR. This estimate assumes full expenditure of the $90 million in employment services in the Current Year (CY) and assumes an additional $90 million in the BY.
- It is assumed that it will cost $2.6 million in the CY to reprogram existing systems to implement the provisions of CalWORKs Previous Reform Efforts including $500,000 intended for Data Master Plan efforts. The funding for the automation costs is 100 percent federal/TANF.

METHODOLOGY:

- Total grant savings for the CY were determined by multiplying the number of cases that need to fully participate (12,611 cases assuming a 15-month phase in) by 68 percent (the number of individuals who will participate by working). This caseload is multiplied by the estimated average monthly grant savings. (12,611 *.68 *$241 *12)

- Total grant savings for the BY were determined by multiplying the number of cases that need to fully participate by 68 percent (the number of individuals who will participate by working). This caseload is multiplied by the estimated average monthly grant savings. (33,275 *0.68 * $241 *12)

Previous CalWORKs Reform Efforts

METHODOLOGY (CONTINUED):

- Total child care costs were determined by multiplying the monthly caseload projected to receive child care, the average number of children per case, and the cost per child, by 12 months. (3,435 *1.9 *761.09 *12)

- Total services costs were determined by multiplying the monthly caseload projected to receive transportation and ancillary services, by the cost per case, by 12 months. (5,742 *$68.43 *12) + (1,044 *$78*12)
- The projected cases in assessment is multiplied by the average cost for staff time, the amount of time saved by eliminating the 18- or 24-month time clock, and then by the number of impacted months (3,304 x 57.57 x 1.25 hours x 12 = $2,853,386 in the BY).
- Services costs are offset by $2.8 million in assessment savings.

FUNDING:

- The grant funding for the CalWORKs program in the CY and BY is 96.40 percent TANF, 1.10 percent General Fund (GF), and 2.5 percent county.
- The funding for transportation and ancillary costs in the CY is 98.6 percent TANF and 1.4 percent GF. The BY is 99.27 percent TANF and 0.73 percent GF.
- The funding for child care in the CY is 96.7 percent TANF and 3.3 percent GF and the BY is 96.8 percent TANF and 3.2 percent GF. Child care funding for two-parent families continues to be funded with GF.

CHANGE FROM THE APPROPRIATION:

The decrease in grant savings is due to the premise not implementing until July 2007.

CY services and child care costs were held to the Appropriation.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in grant savings in the BY is due to nine months of full program implementation.

EXPENDITURES:

101 – CalWORKs Basic Grants	2007-08	2008-09
	Grant	Grant
Total	-$24,461	-$65,442
Federal	-23,581	-63,086
State	-268	-720
County	-612	-1,636
Reimbursement	0	0

Previous CalWORKs Reform Efforts

EXPENDITURES (CONTINUED):

101 – CalWORKs Services	2007-08	2008-09
	Services	Services
Total	$93,535	$92,840
Federal	92,188	92,163
State	1,347	677
County	0	0
Reimbursement	0	0

101 – CalWORKs Stage One Child Care	2007-08	2008-09
	Child Care	Child Care
Total	$63,441	$59,597
Federal	61,342	57,691
State	2,099	1,906
County	0	0
Reimbursement	0	0

141-TANF Reauthorization	2007-08	2008-09
(AB 1808) – Automation		
Total	$2,600	$0
Federal	2,600	0
State	0	0
County	0	0
Reimbursements	0	0

Previous CalWORKs Reform Efforts

EXPENDITURES (CONTINUED):

NET TOTAL	2007-08	2008-09
Total	$135,115	$86,994
Federal	132,549	86,767
State	3,178	1,863
County	-612	-1,636
Reimbursement	0	0

Maximum Aid Payment – July 2007 COLA

DESCRIPTION:

This premise reflects the cost of adding a cost-of-living adjustment (COLA) to the California Work Opportunity and Responsibility to Kids (CalWORKs) maximum aid payment (MAP). The COLA is based on the changes determined by the Department of Finance (DOF) in the California Necessities Index (CNI), which are 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 the effective date of the COLA is July 1 of each year.

As part of the 2007 Budget Act, Senate Bill (SB) 84 (Chapter 177, Statutes of 2007) eliminated the Fiscal Year (FY) 2007-08 COLA

IMPLEMENTATION DATE:

This premise implemented July, 1 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11453.
- SB 84 (Chapter 177, Statutes of 2007) eliminated the FY 2007-08 COLA.
- Due to the late signing of the budget, the COLA was issued for July and August.
- The cost associated with giving the COLA for two months based on the current CNI rate of 3.7 percent is $20.3 million.
- The cost avoidance associated with eliminating the COLA based on the current CNI rate is $101 million

METHODOLOGY:

Costs for the annual COLA are based on the CNI rate of 3.7 percent, which increased the average CalWORKs grant by 4.16 percent.

FUNDING:

The funding for this premise is 85.91 percent Temporary Assistance for Needy Families funds, 11.59 percent General Fund, and 2.5 percent county funds.

CHANGE FROM THE APPROPRIATION:

Due to the late signing of the budget, two months of the COLA increase was given to CalWORKs recipients.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a current year only item.

Maximum Aid Payment – July 2007 COLA

EXPENDITURES:

(in 000's)

	2007-2008 Grant	2008-09 Grant
Total	$20,273	$0
Federal	17,416	0
State	2,350	0
County	507	0
Reimbursements	0	0

Maximum Aid Payment – July 2008 COLA

DESCRIPTION:

This premise reflects the cost of adding a cost-of-living adjustment (COLA) to the California Work Opportunity and Responsibility to Kids (CalWORKs) maximum aid payment (MAP). The COLA is based on the changes determined by the Department of Finance in the California Necessities Index (CNI), which are 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, the effective date of the COLA is July 1 of each year.

IMPLEMENTATION DATE:

This premise implements on July 1, 2008.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11453.
- The cost associated with the 2008 COLA is based on the estimated CNI rate of 4.25 percent is $134.4 million.

METHODOLOGY:

The CNI of 4.25 percent increases the average CalWORKs grant by 4.75 percent. To determine the effect of the COLA, the total CalWORKs Assistance payments, less Tribal Temporary Assistance for Needy Families (TANF), was increased by 4.75 percent.

FUNDING:

The funding for this premise is 85.34 percent TANF funds,

12.16 percent General Fund, and 2.5 percent county funds.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

Maximum Aid Payment – July 2008 COLA

EXPENDITURES:

(in 000's)

	2007-08 Grant	2008-09 Grant
Total	$0	$134,408
Federal	0	114,704
State	0	16,344
County	0	3,360
Reimbursements	0	0

Homeless Assistance

DESCRIPTION:

This premise reflects the costs and savings associated with changes to the existing Homeless Assistance (HA) program, as mandated by Assembly Bill (AB) 1808 (Chapter 75, Statutes of 2006), which increased temporary homeless shelter rates from $40 per day to $65 per day and allowed for once-in-a-lifetime permanent housing (PH) assistance under threat of eviction. These changes are expected to result in fewer families becoming homeless and utilizing Temporary Housing (TH). Because PH will stabilize the recipient's shelter needs, it is anticipated that these recipients will comply with Welfare to Work (WtW) requirements.

The rent threshold for PH is changed from 80 percent of the maximum aid payment (MAP) to 80 percent of the total monthly household income. PH is available to pay up to two months of rent arrearages to prevent eviction. HA remains a once-in-a-lifetime program.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2006.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11450.
- Current year (CY) services and administration costs are held to the Appropriation.
- The provisions in AB 1808 allow additional cases to become eligible for PH.
- Los Angeles County's Emergency Assistance Prevent Eviction (EAPE) is a county program that provides PH assistance to prevent eviction which is similar to the requirements of AB 1808.
- Data showed that the EAPE program approved approximately 261 PH cases a month for rent arrearage payments.
- Los Angeles County represents approximately 44 percent of the statewide cases that are approved for PH monthly.
- An estimated 594 new monthly cases will be eligible for PH to prevent homelessness. This caseload is determined by using the EAPE results to develop a statewide projection (261÷ 44 percent = 595).
- Based on the CalWORKs Homeless Assistance Program report (CA 237 HA), approximately 59 monthly cases were denied PH prior to the policy change of AB 1808.

Homeless Assistance

KEY DATA/ASSUMPTIONS: (continued)

- It is assumed 33 percent, or 20 cases, were denied due to the recipient's rent threshold exceeding 80 percent of MAP. It is estimated these 20 cases will now be eligible and approved for PH because the maximum payment for PH is based on 80 percent of the total monthly income rather than 80 percent of MAP.

- An estimated 615 new monthly cases will receive PH as a result of the HA changes included in AB 1808 (595 + 20 = 615). This caseload will gradually increase from 108 cases to 615 cases from July 2007 to June 2009.
- The impact of AB 1808 is determined by comparing actual data from September 2005 to June 2006 on the CA 237 CalWORKs Homeless Assistance (HA) Program report to the September 2006 to June 2007 period.
- The data shows approved PH cases per month increased by 108 cases and the cost per case increased from $779 to $863.
- The estimated increased TH cost is the net effect of the increase in the number of TH cases and an increase in the daily TH rate from $40 to $65 per day.
- The data shows the number of approved TH cases increased by 44 cases per month and the cost per case increased from $398 to $633.

Grants

- Assuming the continual phase-on of cases through June 2008, the average monthly projected new cases eligible for PH in the CY is 246 and 499 in the budget year (BY).
- Based on historical participation rates of all CalWORKs families, it is assumed that in the CY, 58 new cases each month will participate in Welfare to Work (WtW) activities as a result of stabilizing their housing situation. In the BY, 118 new cases each month will participate in WtW activities.
- The average monthly new cases participating in WtW with earnings for CY is 40 and BY is 80. The caseload accumulates monthly resulting in an average monthly caseload of 390 in the CY and 1,129 in the BY.
- The grant savings per case applies the earned income disregards and accounts for the minimum wage increases from $6.75 to $7.50 per hour in January 2007 and to $8.00 per hour in January 2008. It is assumed that these cases will work 20 hours a week.
- The CY grant savings is based on 390 monthly cases that will work with an average monthly savings of $227 per case for 12 months. The $227 average is impacted by both minimum wage increases. In the BY 1,129 monthly cases will work with an average monthly savings of $234 per case for 12 months.

- The total grant cost is the net value of the increased costs for PH and TH from FY 2005-06, offset by the grant savings associated by the new cases projected to work.

Homeless Assistance

KEY DATA/ASSUMPTIONS: (continued)

Employment Services

- The employment services costs are based on the new cases that will participate in WtW activities which include transportation and ancillary costs.
- Based on actual expenditures and the WtW 25 and 25a reports, approximately 50.75 percent of the cases participating in WtW utilize transportation services at a cost of $68.43, per case and approximately 9.23 percent utilize ancillary services at a cost of $78.00 per case.
- The average monthly cases that will utilize transportation services in the BY is 843 cases.
- The average monthly cases that will utilize ancillary services in the BY is 153.

Child Care Services

- The CY child care costs are held to the Appropriation.
- The BY reflects a full year impact with an accumulating caseload.
- Based on child care data and expenditures, approximately 34.5 percent of cases participating in WtW activities utilize child care services. On average, each case has 1.9 children.
- The child care cost per case is $761 for FY 2008-09
- A monthly average of 1,010 children will utilize child care services in the BY.

Administrative Costs

- The CY administrative costs are held to the Appropriation.
- The BY administrative costs are based on an average of 596 new monthly cases that will submit applications to receive PH.
- Based on an historical HA time study report, the average amount of time it takes to process each case is 2.26 hours.
- The estimated administrative cost per hour is $57.57.

METHODOLOGY:

Grant Costs:

- The total grant cost is the net result of the increased costs for PH and TH from FY 2005-06, offset by the grant savings associated with the new cases projected to work monthly.
- The total PH grant cost for FY 2005-06 is $9 million.

Homeless Assistance

METHODOLOGY (continued):

- The projected PH grant cost for FY 2007-08 is $13 million, an increase of $4 million from 2005-06. The projected PH grant cost for FY 2008-09 is $18 million, an increase of $9 million from 2005-06.
- The total grant costs for TH in FY 2005-06 is $11 million.
- The projected TH grant cost for CY is $18 million, an increase of $7 million over FY 2005-06. The projected TH grant cost for BY is $19 million, an increase of $8 million over FY 2005-06.
- The PH and TH increases are offset by one million dollars in grant savings associated with the newly working cases in the CY and three million dollars in the BY.

Employment Services:

- The annual employment services cost includes transportation and ancillary costs.
- The transportation cost is determined by multiplying the average monthly number of cases by the cost per case.
- The ancillary cost is determined by multiplying the average monthly number of cases by the cost per case.

Child Care:

- Child care costs are determined by multiplying the average number of children by the cost per child.

Administrative Costs:

- The administrative cost is determined by multiplying the average monthly number of new cases eligible for PH by the cost per case.

FUNDING:

In the CY, the grant costs are 85.91 percent federal funds, 11.59 percent General Fund (GF) and 2.5 percent county funds. In the BY, the costs are 85.34 percent federal funds, 12.16 percent GF and 2.5 percent county funds

In the CY, employment, child care, and administrative services funding is held to the Appropriation.

In the BY, the employment and administrative services costs are 87.53 percent federal funds and 12.47 percent GF.

In the BY, child care costs are 95.06 percent federal funds and 4.94 percent GF.

Homeless Assistance

CHANGE FROM THE APPROPRIATION:

The Appropriation Homeless Assistance estimate compared the 2007-08 projection to the 2006-07 data when it should have compared the 2007-08 projection to the 2005-06 data (the timeframe before the provision was implemented) which resulted in an understated cost.

The CY child care, administrative, and services costs are held to Appropriation.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in grant, child care, services, and administrative costs in the BY are due to the phase in of the remaining PH caseload.

EXPENDITURES:

(in 000's)

ITEM 101 - CalWORKs Assistance Payments	2007-08 Grants	2008-09 Grants
Total	$10,253	$13,659
Federal	8,809	11,657
State	1,188	1,661
County	256	341
Reimbursements	0	0

Homeless Assistance

EXPENDITURES (continued):

(in 000's)

ITEM 101 - CalWORKs Services	2007-08 Services	2008-09 Services
Total	$439	$757
Federal	385	663
State	54	94
County	0	0
Reimbursements	0	0

ITEM 101 - CalWORKs Administration	2007-08 Administration	2008-09 Administration
Total	$649	$931
Federal	569	815
State	80	116
County	0	0
Reimbursements	0	0

ITEM 101 - CalWORKs Child Care	2007-08	2008-09
Total	$5,149	$9,225
Federal	4,979	8,769
State	170	456
County	0	0
Reimbursements	0	0

Minimum Wage Increases (AB 1835)

DESCRIPTION:

This premise reflects costs associated with increasing the minimum wage pursuant to State law. Assembly Bill (AB) 1835 (Chapter 230, Statutes of 2006) raisedthe State minimum wage from $6.75 to $7.50 per hour effective January 1, 2007. The minimum wage is further increased to $8.00 per hour, effective January 1, 2008.

The California Work Opportunity and Responsibility to Kids (CalWORKs) and California Food Assistance Program (CFAP) cases with an adult who works with hourly earnings between $6.75 and $8.00 an hour will be impacted. As monthly earned income increases, the monthly cash grant and CFAP benefits correspondingly decrease, resulting in grant and CFAP savings.

In-Home Supportive Services (IHSS) are provided through one of three modes: welfare staff, individual provider, and county contract. The wages and benefits paid to the IHSS service provider vary by mode. Wages and benefits are set by statute, by the public authority, or nonprofit consortium established in each county to deliver IHSS services. Increasing the minimum wage will increase costs for those counties with wages at or below $8.00 per hour.

IMPLEMENTATION DATE:

This premise implemented January 1, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Labor Code section 1182.12.

CalWORKs

- It is assumed that grant savings will be realized one month after implementation.
- Due to the effects of Quarterly Reporting/Prospective Budgeting (QR/PB), wage increases are phased in through the initial three months, effective in February of each fiscal year.
- The average recipient works 108.7 hours per month.
- The grant savings reflect the January 2007 and the January 2008 minimum wage increases.
- For the first minimum wage increase, cases with an adult who earns $6.75 an hour received a 75 cent increase, and cases with an adult who earns between $6.75 and $7.50, on average, receive a 38 cent increase. Effective, January 1, 2008, cases with an adult earning $7.50 will receive an additional 50 cent increase and cases with an adult who earns between $7.50 and $8.00 will, on average, receive a 23 cent increase.
- It is assumed all cases with earned income currently have the CalWORKs earned income disregard ($225 plus 50 percent of the remainder) applied towards their monthly grant. Grant savings are estimated using only the 50 percent disregard of the additional earned income attributed to the minimum wage increase.
- The projected total CalWORKs caseload for Current Year (CY) is 457,844 and for Budget Year (BY) is 452,178.

Minimum Wage Increases (AB 1835)

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on the Federal Fiscal Year (FFY) 2006 CalWORKs Characteristics Survey (Q5) information, an estimated 53 percent of the total CalWORKs caseload has an aided adult (CY: 459,295 x 53 percent is 243,922, and BY: 452,178 x 53 percent is 240,143).
- Of the cases with an aided adult, six percent earn $6.75 an hour, four percent earn between $6.75 and $7.50 per hour, and three percent earn between $7.50 and $8.00 per hour.
- The estimate includes additional cases with an adult who are expected to be working due to the Emergency Freeze Response and Previous CalWORKs Reform Efforts premises.
- The CY savings from July 2007 through March 2008 reflects the January 2007 minimum wage increase. Due to the effects of quarterly reporting, the CY savings from February 2008 through June 2008 reflects both the January 2007 and the January 2008 minimum wage increases.
- For CY, on average, 24,807 monthly cases have an average grant savings of $33 per case per month for nine months and 27,004 monthly cases have an average grant savings of $58 per month for five months. There will be a two month overlap in months due to QR/PB.
- For BY, on average, 35,406 monthly cases will have an average grant savings of $58 per case per month for 12 months.
- For CY, the administrative savings are held to the Appropriation
- The BY administrative savings are based on the following:
    - Based on FFY 2006 Q5 data, an estimated 0.059 percent of the monthly CalWORKs caseload will be discontinued from aid due to excess income, as a result of the minimum wage increase.
    - Due to the phased-in approach associated with QR/PB, the average monthly caseload discontinued will be 267 for 12 months.
    - The administrative cost for mid-quarter activities is $8.63 per case per month.
    - The administrative cost for quarterly activities is $24.95 per case per month.
    - The administrative savings are a result of cases that will discontinue due to excess income.

CFAP

- The projected total CFAP cases for CY is 8,382 and 8,776 in the BY. In the CY, there are 6,445 Non-Assistance Food Stamp (NAFS) cases and 1,938 Public Assistance Food Stamp (PAFS) cases. In the BY, there are 6,748 NAFS cases and 2,029 PAFS.
- It is assumed that CFAP savings will be realized one month after implementation.
- Due to the effects of QR/PB, wage increases for both CY and BY will be phased-in through the initial three months, effective in February of each fiscal year.
- The average recipient works 108.7 hours per month.

Minimum Wage Increases (AB 1835)

KEY DATA/ASSUMPTIONS (CONTINUED):

- For the January 2007 minimum wage increase, cases with an adult who earns $6.75 an hour will receive a 75 cent increase and cases with an adult who earns between $6.75 and $7.50 will, on average, receive a 38 cent increase. Effective January 1, 2008, cases with an adult earning $7.50 will receive an additional 50 cent increase and cases with an adult who earns between $7.50 and $8.00 will, on average, receive a 23 cent increase.
- Based on FFY 2006 Q5 data, an estimated six percent of cases earn $6.75 per hour, 4.52 percent earn between $6.76 and $7.50 per hour, and 2.63 percent earn between $7.51 and $8.00 per hour.
- For CY, on average, 761 NAFS monthly cases reflect a CFAP savings of $27 per case. On average, 229 monthly PAFS cases reflect a CFAP savings of $10 per case.
- For BY, on average, 899 monthly NAFS cases will reflect a CFAP savings of $36 per case. On average, 270 PAFS monthly cases will reflect a CFAP savings of $13 per case.

IHSS

- The wage and benefit rates are based on the individual counties' current rate information.
- The casemonths and average hours per case are based on the individual counties' data.
- Nineteen counties will only increase wages to $8.00 per hour effective January 1, 2008.

METHODOLOGY:

CalWORKs

Grant Savings:

- For CY and BY, the average monthly cases that will receive additional earnings is determined by multiplying the number of cases with an adult by the percentage of cases with earnings and adding the number of cases that are impacted due to the Emergency Freeze Response and Previous CalWORKs Reform Efforts premises.
- The grant savings are calculated by multiplying the average monthly savings per case by the number of cases that will receive additional earnings.
- To calculate the savings, the average monthly effected caseload is multiplied by the savings per case and by the number of months (CY: 24,087 x $33 x 9 + 27,004 x $58 x 5).
- The total savings for the BY is calculated by taking the savings per case that combines the effects of both minimum wage increases by the caseload and by 12 months (35,406 x $58 x 12).
- To calculate the January 2007 minimum wage impact, the average monthly savings per case was multiplied by the number of cases that will receive additional earnings(CY: 27,143 x $33 x 12, for BY: 28,989 x $33 x 12).
- The January 2008 minimum wage impact was determined by taking the difference between the total grant savings and the January 2007 minimum wage impact.

Minimum Wage Increases (AB 1835)

METHODOLOGY (CONTINUED):

Administrative Savings:

- The CY administrative savings are held to Appropriation.
- The annual administrative savings is calculated by multiplying the average monthly cases that will discontinue due to excess income by the estimated savings per case. The BY reflects a full year of savings (BY: 267 x $33.58 x 12).

CFAP

- For CY and BY, the average monthly cases that will receive additional earnings is determined by multiplying the number of cases with an adult by the percentage of cases with earnings.
- The annual NAFS savings is calculated by multiplying the average monthly savings per case by the number of cases that will receive additional earnings (CY: 761 x $27 x 12, BY: 899 x $36 x 12).
- The annual PAFS savings is calculated by multiplying the average monthly savings per case by the number of cases that will receive additional earnings (CY: 229 x $10 x 12, BY: 270 x $13 x 12).
- The total CFAP savings is calculated by adding the annual savings for NAFS and PAFS.

IHSS

In the CY, the estimated cost is computed by multiplying the casemonths by the average hours per case by the difference between the November 2006 per hour rate and the current per hour rate. For the BY, the estimated cost is computed by multiplying the casemonths by the average hours per case by the difference between the current per hour rate and $8.00 per hour.

FUNDING:

CalWORKs

The grant savings for CY is funded with 85.91 percent Temporary Assistance for Needy Families (TANF), 11.59 percent General Fund (GF) and 2.5 percent county funds. In the BY, the grant savings are funded with 85.34 percent TANF, 12.16 percent GF, and 2.5 percent county funds.

The administrative savings for CY is held to the Appropriation. The BY savings is 87.53 percent TANF and 12.47 percent GF.

CFAP

The CFAP savings is 100 percent GF.

IHSS

- In the Personal Care Services Program (PCSP), the Title XIX Federal Medical Assistance percentage rate is 50 percent.

Minimum Wage Increases (AB 1835)

FUNDING (CONTINUED):

- The nonfederal share is 65 percent state and 35 percent county.
- In the Residual Program, the State share is 65 percent of the total, and the county share is 35 percent.

CHANGE FROM THE APPROPRIATION:

CalWORKs

The CalWORKs grant caseload has been updated to include cases projected to work from the Emergency Freeze Response and Previous CalWORKs Reform Efforts premise. There is a decrease in grant savings due to caseload decline.

In the CY, there is no change to the CalWORKs administrative costs.

CFAP

There is a decrease in savings due to a decrease in the PAFS caseload.

IHSS

The CY increase reflects current caseload and actual wage and benefit increases.

REASON FOR YEAR-TO-YEAR CHANGE:

CalWORKs and CFAP

The increased savings reflect a full year implementation of the January 2008 minimum wage increase.

IHSS

The net BY increase reflects costs for 18 counties to increase wages to $8.00 per hour, including caseload growth. The cost of the January 1, 2007 increase to $7.50 is included in the PCSP/Residual IHSS Basic Costs premise.

EXPENDITURES:

(in 000's)

ITEM 101 -	2007-08	2008-09
CalWORKs Grants	Grant	Grant
January 2007 Increase		
Total	-$10,724	-$11,658
Federal	-9,213	-9,950
State	-1,243	-1,417
County	-268	-291
Reimbursements	0	0

ITEM 101 -	2007-08	2008-09
CalWORKs Grants	Grant	Grant
January 2008 Increase		
Total	-$4,142	-$12,943
Federal	-3,558	-11,045
State	-480	-1,574
County	-104	-324
Reimbursements	0	0

ITEM 101 -	2007-08	2008-09
CalWORKs Administration	Administration	Administration
Total	-$149	-$108
Federal	-130	-95
State	-19	-13
County	0	0
Reimbursements	0	0

Minimum Wage Increases (AB 1835)

EXPENDITURES (CONTINUED):

(in 000's)

ITEM 101 - CFAP	2007-08 Coupon	2008-09 Coupon
Total	-$280	-$433
Federal	0	0
State	-280	-433
County	0	0
Reimbursements	0	0

ITEM 111 - IHSS January 1, 2007	2007-08 Grant	2008-09 Grant
Total	$21,490	$0
Federal	0	0
State	6,984	0
County	0	0
Reimbursements	14,506	0

ITEM 111 - IHSS January 1, 2008	2007-08 Grant	2008-09 Grant
Total	$11,253	$23,284
Federal	0	0
State	3,657	7,567
County	0	0
Reimbursements	7,596	15,717

Minimum Wage Increases (AB 1835)

EXPENDITURES (CONTINUED):

(in 000's)

PCSP	2007-08	2008-09
January 1, 2007		
Total	$18,157	$0
Federal	0	0
State	5,901	0
County	0	0
Reimbursements	12,256	0

PCSP	2007-08	2008-09
January 1, 2008		
Total	$9,850	$20,379
Federal	0	0
State	3,201	6,623
County	0	0
Reimbursements	6,649	13,756

Residual Program	2007-08	2008-09
January 1, 2007		
Total	$3,333	$0
Federal	0	0
State	1,083	0
County	0	0
Reimbursements	2,250	0

Minimum Wage Increases (AB 1835)

EXPENDITURES (CONTINUED):

(in 000's)

Residual Program	2007-08	2008-09
January 1, 2008		
Total	$1,403	$2,905
Federal	0	0
State	456	944
County	0	0
Reimbursements	947	1,961

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Undocumented Citizens (SB 1569)

DESCRIPTION:

This premise represents the costs associated with extending social services and benefits to noncitizen victims of human trafficking, domestic violence, and other serious crimes. Pursuant to provisions contained in Senate Bill (SB) 1569 (Chapter 672, Statutes of 2006), these individuals are eligible for services and benefits to the same extent as persons who are eligible under the federal Refugee Act of 1980, including, but not limited to, refugee cash assistance, refugee medical assistance, employment social services, and Healthy Families Program benefits.
SB 1569 requires victims of human trafficking to file for a T visa with the appropriate federal agency, to prepare to file an application for federal status, or to show evidence that they are taking steps to meet the conditions for federal benefits eligibility to qualify for State public social services. Victims of domestic violence and other serious crimes must file a formal application for a U visa with the appropriate federal agency to qualify. In order to remain eligible for benefits and services, victims of trafficking must show evidence that they have applied for the T visa within one year from the date of application for State public social services.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18945.
- Based on an annual report from the federal Attorney General's Office entitled "US Government Activities to Combat Trafficking in Persons" (updated June 2007) to the United States Congress, an estimated 17,500 undocumented trafficking victims are in the United States.
- Based on a published news article by the San Diego Tribune, the federal government has received 3,011 U visa applications over a four year period (2001 to 2005).
- Based on a publication by the Census Bureau published in 2000, an estimated 32 percent of undocumented citizens are in California. Assuming 50 percent of these undocumented citizens apply for a visa, approximately 3,200 people will be eligible for services and benefits.
- Based on historical data trends on social services and benefits to the refugee population, it is estimated that 17 persons will be eligible for Cash Assistance Program for Immigrants (CAPI), 16 persons for Refugee Cash Assistance (RCA), 435 persons for California Work Opportunity and Responsibility to Kids (CalWORKs), and 389 persons for other services.

CalWORKs

- It is assumed that recipients who apply for U visas are adults who are added to existing CalWORKs cases. These cases receive additional CalWORKs benefits and services associated with adding one person to the existing Assistance Unit. Recipients who apply for T visas are more likely to be single and would not be eligible for CalWORKs.

Undocumented Citizens (SB 1569)

KEY DATA/ASSUMPTIONS (CONTINUED):

- Recipients are required to apply for a U visa to become eligible for CalWORKs. Until the U visa application is approved or denied, these recipients can continue to receive CalWORKs benefits and services. To date, the federal government has not adopted regulations to either process, deny, or approve U visa applications. Therefore, this estimate will reflect an accumulated caseload from Current Year (CY) to Budget Year (BY) with no attrition.

- Between January and June 2007, actual data reported from the counties show 70 adults have been added to existing CalWORKs cases under SB 1569. An additional 365 adults are projected to be added to existing CalWORKs cases by the end of the BY.

- The cost of adding an adult to an existing AU is $139 per case.

- It is assumed these recipients are not legally able to work to receive earned income to offset the monthly grant.

- The average monthly number of new cases for CY and BY is 15.

- The CY administrative costs are held to the Appropriation

- The BY administrative costs include a one-time cost of $8.63 for adding an adult to the existing caseload.

- The provisions of SB 1569 state these recipients are subject to the same welfare-to-work (WtW) requirements and exemptions as other participants, provided that compliance with these requirements is authorized by law. The county will assist these recipients to engage in work activities once these recipients achieve legal residency.

- The employment services costs for CY are held to the Appropriation.

- The CY child care costs are held to the Appropriation.

- For BY, it is assumed that there are 1.9 children per case and assumed that 34.5 percent of the cases that are required to participate in welfare to work activities utilize child care services.
- The child care cost per case is $761 in the BY.
- The average number of children who will receive services is 230 in the BY.

California Food Assistance Program (CFAP)

- The average monthly number of CFAP recipients is 371 in the CY and 534 in the BY. This includes unduplicated persons estimated to receive benefits for CalWORKs, CAPI, and RCA.

- The average monthly coupon benefit per person is $88.48 from July 2007 through September 2007. The benefits will increase to $91.36 from October 2007 through September 2008, and will further increase to $94.33 October 2008 due to the annual federal cost of living adjustments.

Undocumented Citizens (SB 1569)

KEY DATA/ASSUMPTIONS (CONTINUED):

- An estimated 7.2 percent of the new cumulative caseload will be subject to mid-quarter reporting.
- The administrative costs include one-time intake cost of $51.00 for new cases, ongoing costs of $13.11 per case per month, and mid-quarter costs of $28.23 per case per month.

RCA

- Recipients will receive benefits for no more than eight months.
- Cases were phased in starting in July 2007.
- The projected average monthly number of RCA recipients is 11 in CY and 16 in BY.
- Based on actual data reported by the counties, the average combined RCA grant and administrative cost per case is $421.93.

CAPI

- Cases were phased in beginning in June 2007.
- The projected average monthly number of CAPI recipients is eight in CY and 17 in BY.
- Based on actual data reported by the counties, the average combined CAPI grant and administrative cost per case is $986.49.

Refugee Employment Social Services (RSS)

- The projected average monthly number of RSS recipients is 137 in CY and 389 in BY.
- Based on the level of RSS funding currently provided for refugees under the federal program, the average monthly RSS cost per case is $79.26.

METHODOLOGY:

For the BY, the table has been reorganized to encompass all program elements of undocumented citizens into three categories: Grants, Services, and Administration costs. For CY, all program elements are listed separately.

CalWORKs

- The grant cost is calculated by multiplying the average monthly number of cases by the cost per case.
- The employment services costs include case management, transportation, and ancillary costs. The average monthly number of cases for BY is 351, which is multiplied by the utilization rate for each service and the corresponding cost per case. The utilization rates and cost per case are as follows: Case management (41.2 percent; $206), transportation (50.75 percent; $68), and ancillary (9.23 percent; $78).

Undocumented Citizens (SB 1569)

METHODOLOGY (CONTINUED):

- The employment services costs are calculated by multiplying the average monthly number of cases utilizing the service by the cost per case.
- The one-time administrative cost associated with adding the adult to the existing CalWORKs case is calculated by multiplying the average monthly number of new adults by the cost per case.
- The child care costs are calculated by multiplying the average monthly number of children by the cost per child.

CFAP

- The coupon costs are calculated by multiplying the average monthly coupon benefit per person by the projected monthly number of CFAP recipients.
- The one-time intake administrative costs are calculated by multiplying the average monthly number of new RCA and CAPI cases by the cost per case.
- The on-going quarterly administrative costs are calculated by multiplying the average monthly number of cases by the average monthly cost per case.
- The ongoing mid-quarter administrative costs are calculated by multiplying the average monthly number of cases by the percentage of cases subject to mid-quarter reporting, and then multiplied by the cost per case.

RCA

- The RCA costs are calculated by multiplying the average grant and administrative cost per case by the projected monthly number of recipients.

CAPI

- The CAPI costs are calculated by multiplying the average grant and administrative cost per case by the projected monthly number of recipients.

RSS

- The RSS costs are calculated by multiplying the average monthly cost per case by the projected monthly number of recipients.

FUNDING:

CalWORKs grants are funded with 97.5 percent General Fund (GF) and 2.5 percent county.

CalWORKs employment services, administrative services, child care, CFAP, RCA, CAPI, and RSS are funded with 100 percent GF.

Under Title 45 of the Code of Federal Regulations Section 263.2(b), these cases are not Maintenance of Effort eligible.

Undocumented Citizens (SB 1569)

CHANGE FROM THE APPROPRIATION:

CalWORKs/CFAP

In the Appropriation, it was assumed that there would be new cases added to the caseload. However, data from the counties show that the undocumented recipients are adults who are added to existing CalWORKs cases which resulted in a decrease in grant costs.

There is no change in administration, employment services, and child care.

RCA/CAPI/RSS

CY costs decreased due to a lower average monthly caseload than projected.

REASON FOR YEAR-TO-YEAR CHANGE:

The CalWORKs grants, employment services, administrative services, child care, CFAP, RCA, RSS, and CAPI costs reflect a change from the CY to the BY due to an accumulating caseload that is projected to phase-in beginning July 2007.

EXPENDITURES:

(in 000's)

ITEM 101 - CalWORKs Assistance Payments	2007-2008	2008-2009
	Grant	Grant
Total	$282	$0
Federal	0	0
State	275	0
County	7	0

ITEM 101 - CalWORKs Services	2007-2008	2008-2009
	Services	Services
Total	$598	$0
Federal	0	0
State	598	0
County	0	0

Undocumented Citizens (SB 1569)

EXPENDITURES (CONTINUED):

(in 000's)

ITEM 101 - CalWORKs Administration	2007-08 Administration	2008-09 Administration
Total	$143	$0
Federal	0	0
State	143	0
County	0	0

ITEM 101 - CalWORKs Child Care	2007-08 Services/ Administration	2008-09 Services/ Administration
Total	$1,145	$0
Federal	0	0
State	1145	0
County	0	0

ITEM 101 - CFAP Coupon	2007-08 Food Assistance Programs	2008-09 Food Assistance Programs
Total	$430	$0
Federal	0	0
State	430	0
County	0	0

ITEM 101 - RCA	2007-08 Services/ Administration	2008-09 Services/ Administration
Total	$56	$0
Federal	0	0
State	56	0
County	0	0
Reimbursements	0	0

Undocumented Citizens (SB 1569)

EXPENDITURES (continued):
(in 000's)

ITEM 111 - CAPI	2007-08 Services/ Administration	2008-09 Services/ Administration
Total	$90	$0
Federal	0	0
State	90	0
County	0	0
Reimbursements	0	0

ITEM 141	2007-08	2008-09
CFAP Administration	County Administration	County Administration
Total	$83	$0
Federal	0	0
State	83	0
County	0	0

ITEM 151 - RSS	2007-08 Services	2008-09 Services
Total	$131	$0
Federal	0	0
State	131	0
County	0	0
Reimbursements	0	0

Undocumented Citizens (SB 1569)

EXPENDITURES (CONTINUED):
(in 000's)

ITEM 101 - Grand Total	2007-08	2008-09
Total	$0	$4,609
Federal	0	0
State	0	4,594
County	0	0
Reimbursements	0	15

ITEM 101 - Grants	2007-08	2008-09
Total	$0	$1,493
Federal	0	0
State	0	1,478
County	0	0
Reimbursements	0	15

ITEM 101 - Services	2007-08	2008-09
Total	$0	$3,007
Federal	0	0
State	0	3,007
County	0	0
Reimbursements	0	0

Undocumented Citizens (SB 1569)

EXPENDITURES (CONTINUED):

(in 000's)

ITEM 101 - Administration	2007-08	2008-09
Total	$0	$109
Federal	0	0
State	0	109
County	0	0
Reimbursements	0	0

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CalWORKs Resources (AB 2466)

DESCRIPTION:

This premise reflects the costs associated with the provisions of Assembly Bill (AB) 2466 which excludes the principal and interest of certain assets, such as 401(k) plans, 403(b) plans, Individual Retirement Accounts (IRA), 457 plans, 529 college savings plans, or Coverdell Education Savings Accounts (ESA), from being considered as property when redetermining eligibility for California Work Opportunity and Responsibility to Kids (CalWORKs) recipients. Prior to the passage of AB 2466, some of these accounts were excluded from consideration when determining applicant eligibility. This bill no longer allows for this exclusion and these resources will be considered when determining eligibility for new applicants.

IMPLEMENTATION DATE:

This premise implemented January 1, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11155.6.
- Both current year (CY) and budget year (BY) are held to Appropriation.
- It is assumed that one percent of the cases that are discontinued due to excess resources will no longer be discontinued.
- Since 401(k) plans, 403(b) plans, IRA, 457 plans, 529 college savings plans, and Coverdell ESAs are now excluded from consideration for recipients, it is assumed the number of discontinuances will decrease by two cases per month.
- The average monthly recipient caseload is 25 for CY and BY.
- It is assumed that there will be a 0.5 percent increase in cases that are denied due to excess resources.
- It is assumed one new case per month will be denied for excess resources because these accounts are considered property for applicants.
- The average monthly applicant caseload is 13 in CY and BY.
- The average monthly grant per case is $545.
- The mid-quarter activities monthly cost per case is $8.63 and $24.95 for quarterly activities.
- The average monthly child care cost per child is $626.28. The utilization rate is 24.5 percent and the average number of children per case is 1.7.
- The intake cost per case is $197.75.
- The cost of employment services is anticipated to increase by 0.001 percent associated with cases that would have been discontinued from CalWORKs due to excess resources.

CalWORKs Resources (AB 2466)

METHODOLOGY:

CalWORKs Grants

The grant costs associated with cases that are no longer discontinued is offset by the grant savings associated with new denials due to excess resources. The net grant cost is $81,687 in CY and BY.

CalWORKs Services

- The costs for administration, child care, and employment services programs are combined and are included in the services premise line.
- The net impact to administration costs associated with cases that are no longer discontinued and cases that are denied due to excess resources is $5,037 in CY and BY.
- The net impact to employment services costs associated with cases that are no longer discontinued and cases that are denied due to excess resources is $26,200 in CY and BY.
- The net impact to child care costs associated with cases that are no longer discontinued and cases that are denied due to excess resources is $26,213 in CY and BY.

FUNDING:

- The grant funding is 97.5 percent federal and 2.5 percent county.
- The services funding is shared 100 percent federal.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

CalWORKs Resources (AB 2466)

EXPENDITURES:

(in 000's)

101-CalWORKs
Basic Grants

	2007-08 Grant	2008-09 Grant
Total	$82	$82
Federal	80	80
State	0	0
County	2	2
Reimbursements	0	0

101-CalWORKs
Services & Admin.

	2007-08 Services	2008-09 Services
Total	$57	$57
Federal	57	57
State	0	0
County	0	0
Reimbursements	0	0

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CalWORKs Resources (AB 1078)

Description:

This is a new premise that reflects the costs associated with the provisions of Assembly Bill (AB) 1078 which modified some of the provisions included in AB 2466. Prior to the passage of AB 2466, certain investment accounts were excluded from consideration as resources when determining applicant eligibility for California Work Opportunity and Responsibility to Kids (CalWORKs) benefits. As a provision of AB 2466, these resources were no longer excluded when determining applicant eligibility. [Please see the separate premise description for CalWORKs Resources (AB 2466) for more details.] AB 1078 reversed this provision in AB 2466, resulting in the exclusion of these resources for determining applicant eligibility.

IMPLEMENTATION DATE:

This premise will implement on January 1, 2008.

KEY DATA/ASSUMPTIONS:

- Authorizing statutes: Welfare and Institutions Code sections 11155.6.
- It is assumed that one new case per month will be granted CalWORKs due to the exclusion of certain investment accounts as resources.
- The childcare, administration, employment services and grant costs are based on the May 2007 Revise data because AB 1078 is a reversal of a portion of the AB 2466 May Revise estimate.
- The average monthly grant cost per case is $545.
- No funds for employment services were budgeted in the current year (CY) as the county employment service allocations were held to the appropriation level.
- In the budget year (BY), the cost of employment services is anticipated to increase by 0.005 percent associated with cases that will now be approved.
- The employment services utilization rate is 67.4 percent.
- The employment services cost for the entire caseload is $567 million.
- Based on updated historical CalWORKs data, 24.5 percent of the AB 1078 caseload will utilize child care. There are an estimated 1.7 children per case. The average child care cost is $626.28 per month.

METHODOLOGY:

CalWORKs Grants

- The grant cost is calculated by multiplying the average monthly number of cases by the cost per case. The CY will have a six month impact and the BY will have a full year impact (for CY: 3.5 cases x $545 x six months, for BY: 12.5 cases x $545 x 12 months).

CalWORKs Services

- The costs for administration, childcare, and employment services programs are combined and are included in the services premise line.

CalWORKs Resources (AB 1078)

METHODOLOGY (CONTINUED):

- For CY, the overall administration, child care, and employment services costs are held to the Appropriation. This is a new premise, therefore, no funds were budgeted in the Appropriation.
- For BY, the employment services cost is calculated by multiplying the anticipated 0.005 percent increase by the total caseload's employment services cost (0.005 percent x $567 million).
- For BY, the administration costs are calculated by multiplying the total casemonths by the administration cost per case, which includes the mid-quarter activities cost and the quarterly reporting cost (150 x $8.63 + 150 x $24.95).
- For BY, the child care costs are calculated by multiplying the number of children that will receive child care by the cost per child (150 cases x 67.4 percent services utilization x 24.5 percent child care rate x 1.7 children per case x $626.28).

FUNDING:

CalWORKs grants are funded with 97.5 percent federal funds and 2.5 percent county funds.

Employment services costs are fund with 100 percent federal funds.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

CalWORKs grants:

The BY represents a full year impact. Also, the caseload accumulates from CY to BY.

CalWORKs Services:

The BY cost increase is because no funding was included in the CY.

CalWORKs Resources (AB 1078)

Expenditures:

(in 000's)

ITEM 101 - CalWORKs Assistance Payments	2007- 2008 Grant	2008-2009 Grant
Total	$11	$82
Federal	10	80
State	0	0
County	1	2

ITEM 101 - CalWORKs Services	2007-2008 Services	2008-2009 Services
Total	$0	$57
Federal	0	57
State	0	0
County	0	0

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Subsidized Employment (AB 98)

DESCRIPTION:

This premise provides funding to counties outside of the California Work Opportunity and Responsibility to Kids (CalWORKs) Program single allocation to pay 50 percent of a CalWORKs Welfare-to-Work (WTW) participant's wage subsidy while participating in public or private sector subsidized employment pursuant to Assembly Bill 98 (Chapter 589, Statutes of 2007). The State's participation in the wage subsidy is limited to a maximum of six months for each WTW participant, up to 50 percent of the maximum aid payment for the family.

IMPLEMENTATION DATE:

This premise implements January 1, 2008.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11322.9.
- The net cost of the program is approximately $0.2 million in current year (CY) and $5.7 million in budget year (BY). These costs only reflect the incremental increase associated with the additional state share of the subsidy payment, offset by associated grant savings. This estimate does not account for any increased costs associated with the establishment of additional subsidized employment slots. It is assumed that any additional costs of this program will be funded through the county CalWORKs single allocation.
- It is assumed that approximately 380 monthly cases statewide will participate in public or private subsidized employment statewide, based on data extrapolated from Los Angeles County's existing program.
- Assuming a January 2008 effective date, and allowing three months to secure subsidized employment slots, participants will be phased into the work subsidy program over a six-month period beginning April 2008. The full 380 new monthly participants will be achieved in the sixth month following implementation, or September 2008.
- Based on Los Angeles's employment training program, 23 percent or 87 participants will not complete the subsidized employment program. It is assumed that each group of participants will experience an attrition of 11.5 percent in the second month of the subsidized employment program. Another 11.5 percent will enroll in the program but will not complete the program due to various reasons.
- It is assumed the average wage subsidy cost is $723 per month per participant and the State's share of the subsidy is $362.
- Based on the federal fiscal year 2006 CalWORKs Characteristics Survey (Q5) data, 68 percent of individuals who are currently participating do so through work activities and the remaining 32 percent participate in non-work activities.
- Without regard to the subsidized employment program, it is assumed 68 percent of individuals would have participated in employment and 32 percent in non-work activities.
- The cost of the subsidy is partially offset by grant savings for the 32 percent that would have not otherwise worked resulting in a net subsidy cost of $113.00 per case per month.

Subsidized Employment (AB 98)

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on Los Angeles's statistics from Fiscal Year (FY) 2006-07, 77 percent of subsidized employment cases, or 293 participants per month will fully complete the program. Of those that completed the program, 56 percent or 164 participants will enter unsubsidized employment with an average hourly wage of $9.28.
- Current budgetary assumptions (associated with Previous CalWORKs Reforms) regarding increased work participation and the associated fiscal implications impact grant savings from unsubsidized employment. It is assumed that 68 percent of the population would have otherwise participated through work activities at an average of $8.00 per hour and assumes an average of 20 hours per week of unsubsidized employment
    - Of those that enter unsubsidized employment after completion of the subsidized work program, 68 percent would have increased hourly earnings of $1.28 per hour and 32 percent are newly employed, earning $9.28 per hour.
- The impact of Quarterly Reporting/Perspective Budgeting (QR/PB) results in a delay of grant savings due to employment (subsidized or unsubsidized). QR/PB assumes that one-third of individuals will be required to report earnings in the month employment is obtained, one-third in the second month after employment is obtained, and the remaining one-third in the third month after employment is obtained.
- This premise does not include additional costs for child care and other services. Child care and services costs for all program activities are included in the Previous CalWORKs Reforms premise.

METHODOLOGY:

Beginning April 2008, the population receiving services are phased in over a six-month period, with each group remaining in the subsidized employment program for six months. The Subsidized Employment population is divided into two groups; one that represents the grant savings and services costs associated with the 68 percent employment population, and one that represents the grant savings and services costs associated with the 32 percent non-work population. The net cost is $0.2 million in FY 2007-08 and $5.7 million in FY 2008-09.

<u>Wage Subsidy Cost</u>

- Wage subsidy costs associated with the 68 percent employment population are $0.15 million in FY 2007-08 and $5.1 million in FY 2008-09.
- Wage subsidy costs associated with the 32 percent employment population are $0.05 million in FY 2007-08 and $1.0 million in FY 2008-09.

<u>Grant Savings</u>

- It is assumed there are no grant savings from participants that enter unsubsidized employment in FY 2007-08.
- Grant savings associated with the 68 percent employment population is $0.09 million in FY 2008-09.

Subsidized Employment (AB 98)

METHODOLOGY (CONTINUED):

- Grant savings associated with the 32 percent employment population is $0.27 million in FY 2008-09.

FUNDING:

The funding for the CalWORKs grant savings is 96.5 percent Temporary Assistance for Needy Families (TANF), 1.00 percent General Fund (GF), and 2.5 percent county. The funding for the wage subsidy is 99.0 percent TANF and 1.00 percent GF.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY services cost represents accumulation of the phased in wage subsidy cases. Grant savings begin in BY following completion of the subsidized employment program.

EXPENDITURES:

(in 000's)

101 – CalWORKs Grants	2007-08	2008-09
	Grants	Grants
Total	0	-$357
Federal	0	-344
State	0	-4
County	0	-9
Reimbursements	0	0

101 – CalWORKs Services	2007-08	2008-09
	Services	Services
Total	$197	$6,095
Federal	196	6,051
State	1	44
County	0	0
Reimbursements	0	0

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Tribal TANF

DESCRIPTION:

This premise reflects the General Fund (GF) cost to operate Tribal Temporary Assistance for Needy Families (TANF) programs in California. Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) allowed GF to be provided for tribes to administer a Tribal TANF program. The California Department of Social Services has established a memorandum of understanding with the following: California Tribal TANF Partnership (CTTP) that represents the tribal members in Amador, Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Modoc, Napa, Plumas, Solano, San Joaquin, Sutter, Trinity, and Yuba counties. With Hoopa that represents tribal members in Humboldt County. With Morongo that represents tribal members in Riverside County. With North Fork Rancheria (NFR) that represents the tribal members in Fresno, Madera, Mariposa, and Merced counties. With Owens Valley Career Development Center (OVCDC) that represents the tribal members in Fresno, Inyo, Kern, Kings, and Tulare counties. With Tule Reservation Scott's Valley that represents the tribal members in Contra Costa county. With the Southern California Tribal Chairman Association (SCTCA) that represents tribal members in Santa Barbara and San Diego counties. With Soboba that represents tribal members in Riverside County. With the Torres-Martinez Tribal TANF (TMTT) that represents tribal members in Los Angeles and Riverside counties. With the Washoe Tribe of Nevada and California (WTNC) that represents tribal members in Alpine, Alameda, El Dorado, Nevada, Placer, Sacramento, San Francisco, San Joaquin, San Mateo, Santa Clara, and Santa Cruz counties. Finally with Yurok that represents tribal members in Del Norte and Humboldt counties.

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

Previously under Senate Bill 1104 (Chapter 229, Statutes of 2004) state funding for existing tribal TANF programs was based on actual program caseloads, including assistance and service only cases effective July 1, 2005 through June 30, 2006. The state funding did not exceed the original state share designated for the tribal TANF program in the original negotiation of 1994 caseload counts. Those programs that had received funding for less than three years did not have their state funding adjusted.

Pursuant to AB 1808 (Chapter 75, Statutes of 2006) beginning July 1, 2006 state funding for tribal TANF programs shall be based on the caseload used to develop the TFAG negotiated with the federal Administration for Children and Families and the state. The state funding will not exceed the original state share designated for the tribal TANF program in the original negotiation of 1994 caseload counts.

Tribal TANF

IMPLEMENTATION DATE:

- The original CTTP tribes implemented in July 2003. CTTP Phase II consisting of tribes in Amador, Butte, Colusa, Del Norte, Humboldt, Lake, Modoc, and Trinity counties implemented in July 2004. CTTP Phase III-A in San Joaquin County implemented in June 2006. CTTP Phase III-B in Calaveras, Mendocino, Shasta, Tehama, and Yolo counties pending federal approval is expected to implement in February 2008.
- The Graton tribe that represents tribal members from Marin and Sonoma counties is expected to implement in January 2008.
- The original Hoopa tribe in Humboldt implemented in October 2004.
- The Karuk tribe that represents tribal members from Siskiyou and Humboldt counties is expected to implement in February 2008.
- The Morongo Band of Mission Indians in Riverside County implemented in March 2006. Morongo-Phase II in Riverside County is expected to implement in January 2008.
- The original tribes in NFR implemented in August 2003. NFR-Phase II in Fresno County implemented in July 2007.
- The original OVCDC tribes in Inyo and Kern implemented in May 2001 and October 2001 respectively. The OVCDC tribe expansion in Tule River Reservation and Tulare County implemented in July 2002. Additional OVCDC tribes in Fresno and Kings counties implemented in January 2004. Mono and Ventura counties are expected to implement in March 2008.
- The Scotts Valley Band of Pomo Indians that represents tribal members from Contra Costa County will implement in January 2008.
- The original SCTCA tribes implemented in March 1998. Seventeen additional tribes in San Diego County implemented in May 1999. Another tribal expansion in San Diego County implemented in June 2006.
- The Soboba Band of Luiseno Indians in Riverside County implemented in October 2005.
- The original TMTT tribes in Los Angeles and Riverside counties implemented in May 2001. The TMTT tribal service area expansion in nine additional cities in Riverside implemented in April 2002. Another tribal expansion in Riverside County is expected to implement in January 2008. Additional TMTT tribes in Imperial, Orange and San Bernardino counties are expected to implement in April 2008.
- The original Washoe tribes implemented in January 2003. Washoe Phase II implemented in July 2005. Washoe Phase III was not implemented in California because it included two counties in the State of Nevada and was therefore, negotiated with Nevada. Phase IV was not implemented because it included counties that were already covered by other Tribes and were not available to Washoe. Washoe Phase V consisting of Monterey, San Benito, San Luis Obispo, and Sierra counties is expected to implement in April 2008.
- The Yurok tribes in Del Norte and Humboldt counties implemented on August 1, 2006.

Tribal TANF

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10553.25.
- TANF transferred directly to the tribes and the state participation rates for FFY 1994 are estimated based on the following:
  - The average monthly cash aid cost of $211.34 per person is based on the average cash aid expenditure amount per person for FFY 1994;
  - The average monthly number of cash aid cases is 19,223 in the Current Year (CY) and 23,997 in Budget Year (BY);
  - The average persons per case is 2.9;
  - The average monthly number of cases receiving Welfare-to-Work (WTW) services is 2,095 in the CY and 2,691 in the BY;
  - The average monthly WTW services cost per person is $206.36;
  - The average monthly administrative cost per case is $50.73.

METHODOLOGY:

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

- The grant costs were derived by multiplying the average number of persons per case by the number of cases to determine the total number of persons. The total number of persons was then multiplied by the cash aid cost per person.
- The WTW services costs were derived by multiplying average monthly number of persons receiving WTW services by the average monthly WTW services cost per person.
- The administrative costs were derived by multiplying the average number of cash aid cases by the average monthly administrative cost per case.

FUNDING:

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

CHANGE FROM APPROPRIATION:

The CY costs were updated to reflect revised implementation dates.

Tribal TANF

REASON FOR YEAR-TO-YEAR CHANGE:

The BY costs reflect full-year costs for tribes that implemented in part of the CY.

EXPENDITURES:

(in 000's)

	2007-08			2008-09		
	Grants	WTW Services	County Admin.	Grants	WTW Services	County Admin.
Total	$66,512	$1,983	$4,389	$83,926	$2,564	$5,534
Federal [1]	0	0	0	0	0	0
State	66,512	1,983	4,389	83,926	2,564	5,534
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 $78.3 million in FY 2007-08 and $98.9 million in FY 2008-09.

Prospective Budgeting

DESCRIPTION:

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

Assembly Bill (AB) 444 (Chapter 1022, Statutes of 2002) required 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 required the State to adopt the QR/PB system in the FS program to the extent permitted by federal law, regulations, waivers and directives. The Code of Federal Regulations (7 CFR) Section 273.21 requires states to determine FS eligibility using either a prospective or retrospective budgeting methodology consistent with the State's Temporary Assistance for Needy Families (TANF) program unless a waiver is granted by the United States Department of Agriculture (USDA) Food and Nutrition Services (FNS).

Under the QR/PB system, recipients' eligibility and benefits for a three-month period are based on information provided on the Quarterly Eligibility Report Form (QR 7) and are determined using prospective budgeting and income averaging rules. Recipients have mandatory mid-quarter reporting requirements during the quarter. All CalWORKs recipients with earnings are required to report: income that exceeds the Income Reporting Threshold (IRT) which is the greater of the CalWORKs eligibility limit, or 130 percent of the Federal Poverty Level (FPL) for the family size; drug felony convictions; fleeing felon status; parole/probation violations; and address changes. FS recipients are only required to report address changes in mid-quarter. Certain non-assistance FS (NAFS) recipients are also required to report changes in work hours that could affect eligibility.

Recipients have the option to report changes that would result in increased grant/coupon benefits when they occur. To determine whether the change results in increased benefits mid-quarter, currently reported income and reasonably expected income for the rest of the quarter will be averaged for the current and the remaining months and subsequent benefits are adjusted accordingly.

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

IMPLEMENTATION DATE:

The implementation of this premise varied by counties between November 1, 2003, through June 30, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: 7 CFR Section 273.21(b), and Welfare and Institutions Code sections 11265.1-11265.3 and 11450.1-11450.3.
- The California Department of Social Services (CDSS) received a USDA-FNS waiver approval to implement QR/PB for the FS program.

Prospective Budgeting

KEY DATA/ASSUMPTIONS (CONTINUED):

- The estimated grant/coupon costs and administrative savings are based on comparing statistical information from the previous Monthly Retrospective Reporting Budgeting (MRRB) system to the current QR/PB reporting system.
- The current year (CY) costs and savings are based on 5,494,131 CalWORKs casemonths; 6,085,291 NAFS casemonths; 20,400 RCA casemonths; and 100,586 CFAP casemonths.
- The budget year (BY) costs and savings are based on 5,426,140 CalWORKs casemonths; 6,522,546 NAFS casemonths; 20,736 RCA casemonths; and 105,313 CFAP casemonths.
- It is assumed that 10.4 percent of the total NAFS/CFAP cases are currently subject to nonmonthly/change reporting based on the FS Characteristics Survey. The remaining cases, 5,452,421 NAFS cases and 90,125 CFAP cases in CY; and 5,844,201 NAFS cases and 94,360 CFAP cases in the BY, are subject to quarterly reporting.
- Based on actual caseload and expenditure data, the cost for on-going activities for CalWORKs cases under monthly reporting was $42.75 per month per case and $25.01 per month per case for NAFS.
- The CalWORKs eligibility worker cost per hour is $57.57.
- Based on county time study data collected during October and November 2005, the amount of time needed for CalWORKs continuing case activities under QR/PB is 26 minutes per month at a cost of $24.95 per case.
- Based on county time study data collected during October and November 2005, the amount of time needed to process CalWORKs mid-quarter activities averages nine minutes per month per case at a cost of $8.63 per case.
- Based on county time study data collected during March 2005, the NAFS/CFAP on-going case activities under QR/PB are at a cost of $39.33 per case.
- Based on county time study data collected during March 2005, the NAFS/CFAP mid-quarter case activities under QR/PB are estimated to cost $28.23 per case.
- Mid-quarter administrative activities for CalWORKs and NAFS/CFAP cases include voluntary and mandatory mid-quarter reporting and county initiated contact.
- CalWORKs mid-quarter activities also include IRT reporting.
- The current cost for mailing a monthly report form to a recipient is $0.78. It is assumed that the cost for mailing the quarterly report is $0.78 per household/case.
- It is assumed that only one-third of the total CalWORKs, NAFS, CFAP, and RCA cases will report each month under QR/PB. The remaining two-thirds of the cases will only report outside their normal quarterly report month in certain circumstances.

Prospective Budgeting

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on the CalWORKs Report on Reasons for Discontinuances of Cash Grant, (CA 253 CW), 8.73 percent of CalWORKs cases are discontinued each month, and 12.39 percent of the cases are discontinued due to income exceeding CalWORKs eligibility limits under MRRB. 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 are exempt from mid-quarter reporting when their income exceeds the IRT. This group of recipients accounts for 0.55 percent of the CalWORKs caseload under MRRB. 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.
- Due to the difference in income level between the CalWORKs eligibility limit and the IRT, it is assumed that 40.04 percent of the CalWORKs cases currently are discontinued due to excess earned income. 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 a quarterly report is filed.
- Based on data from the Fraud Investigation Activity Report (DPA 266) for Fiscal Year (FY) 2006-07, fraud cases account for 2.35 percent of total CalWORKs cases. Fifty percent of the cases will result in an overpayment for one month and 50 percent of the cases will result in a two-month overpayment. Based on fraud overpayment collection experience, it is assumed that 50 percent of the overpayments will be recovered after a six-month period.
- Based on the Employment Development Department wage data prior to becoming ineligible due to excess income, the average CalWORKs case receives a grant of $206.50 and the average CFAP household receives a benefit of $85.00
- Based on a county survey regarding Reduced Income Supplemental Payments (RISPs) applications, it is estimated that 2.72 percent of the total caseload will have decreased earnings and will report the decrease during the non-quarterly report months.
- Under monthly reporting rules recipients may receive supplemental payments equal to 80 percent of the grant increase. Under QR/PB, CalWORKs recipients will receive a grant adjustment equal to 100 percent of the grant increase associated with reported decrease in income. The average CalWORKs grant impact for cases that would report decreased income in non-quarterly report months is estimated at $116.67.
- CFAP cases will receive a supplemental payment equal to the increase; under monthly reporting, these cases do not receive a supplemental payment. The average CFAP benefit for cases that would report decreased income in non-quarterly report months is $53.03.

Prospective Budgeting

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on the CA 253, FY 2006-07 reports, 0.88 percent of CalWORKs monthly cases would become ineligible for the following reasons: no eligible child, excess resources, and no deprivation. It is assumed that 50 percent of these cases will continue to receive one additional full month of the grant and 50 percent will continue to receive two additional months of the full grant before being discontinued.
- Based on data from the CA 253, FY 2002-03 reports, 4.73 percent of CalWORKs and CFAP cases were discontinued each month for not submitting a Monthly Eligibility Report (CW 7) under the monthly reporting system. It is assumed that 25 percent of these cases now delay discontinuance for one or two months under the quarterly reporting system. It is assumed that 50 percent of the remaining cases will continue to receive one additional full month of grant and 50 percent will continue to receive two additional full months of grant before being discontinued.
- The average CalWORKs monthly grant is $534.51 based on the CA 800 CalWORKs expenditure reports for FY 2006-07.
- The average CFAP benefit per case is $218.70 based on the DFA 256 Reports for FY 2006-07.
- Based on Refugee Services Program Services Participation and Outcomes Report (RS 50) data, 1.26 percent of the current RCA cases are terminated due to employment, and 0.45 percent of the cases have their grant reduced due to employment.
- Based on the most recent actual RCA expenditures, the average grant per case for RCA is $309.56 in the CY and BY. The average grant for RCA cases just prior to exiting the program is estimated at $119.47.
- It is estimated that 11 CFAP cases per month that otherwise would have discontinued due to income exceeding eligibility limits will not be discontinued until their quarterly report month. 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 full months of grant before being discontinued.
- It is estimated that 22 CFAP cases per month that would have otherwise had their benefits decreased due to increased income will continue to receive additional benefits. It is assumed that 50 percent of these cases will continue to receive one month of increased benefits and 50 percent will continue to receive two additional months of increased benefits.
- The costs and savings under QR/PB are compared to MRRB. Assuming one-third of the income increases occur in each month, the result is one month of costs, one month of savings, and one month of no cost or savings to the CalWORKs and CFAP programs. The net effect is zero in those cases with increased income of all ranges of non-reporting.
- Based on a county survey, 4.47 percent of the NAFS/CFAP caseload will report a change of address, change in household composition, or shelter cost that will result in mid-quarter administrative activity. An additional 0.69 percent of the NAFS/CFAP caseload will be subject to a county initiated action during mid-quarter months.

Prospective Budgeting

KEY DATA/ASSUMPTIONS (CONTINUED):

- 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 47, Food Stamp Program Work Registrant, ABAWD, and Food Stamp Employment and Training (FSET) Program Caseload Report, for calendar year 2006, 0.12 percent of the monthly NAFS/CFAP caseload for non-waiver counties (3,468,323 in CY and 3,717,538 in BY) experience a reduction in work hours causing them to become ineligible for the FS program.

METHODOLOGY:

Administration

- The CalWORKs, NAFS, CFAP and RCA prospective budgeting administrative costs are calculated by adding the administrative costs to process the quarterly reports and mid-quarter changes.
- The CalWORKs and RCA CY administrative costs and savings are held to the Appropriation.
- The NAFS and CFAP CY administrative savings increased because of caseload growth.
- For BY, the CalWORKs and RCA administrative savings associated with continuing case activities under monthly reporting are calculated by multiplying the monthly continuing case cost by the total casemonths [CalWORKs BY: ($42.75 x 5,426,140)].
- The CalWORKs and RCA administrative costs associated with continuing case activities under QR/PB are calculated by multiplying the monthly continuing case cost by the casemonths of those required to report on a quarterly basis [CalWORKs BY: ($24.95 x 5,426,140)].
- The CalWORKs and RCA administrative costs to process mid-quarter changes are calculated by multiplying the casemonths by the cost per month [CalWORKs BY: (5,426,140 x $8.63)].
- The NAFS and CFAP administrative savings associated with no longer processing monthly reports are calculated by multiplying the monthly cost to process a continuing case by the total casemonths [NAFS BY: ($25.01 x 5,844,201)].
- The NAFS and CFAP administrative costs to process quarterly reports are calculated by multiplying the quarterly cost to process a continuing case by the casemonths of those required to report on a quarterly basis [NAFS BY: ($39.33 x 5,844,201 x 33 percent)].
- The NAFS and CFAP administrative costs to process a change resulting in increased benefits are calculated by multiplying the number of cases that would report their reduced earnings outside the quarterly reporting months by the cost per case [NAFS BY: (5,844,201 x 2.72 percent x $28.23)].
- The NAFS and CFAP administrative costs to process a change of address, change in household composition, or shelter costs during non-quarterly report months are

Prospective Budgeting

METHODOLOGY (CONTINUED):

calculated by multiplying the number of cases that would report the changes outside the quarterly reporting months by the cost per case [NAFS BY: (5,844,201 x 4.47 percent x $28.23)].

- The NAFS and CFAP administrative costs to process a county initiated actions is calculated by multiplying the number of cases that would report the changes outside the quarterly reporting months by the cost per case [NAFS BY: (5,844,201 x 0.69 percent x $28.23)].
- The administrative cost to process discontinuances for ABAWDs who do not meet the work requirements is calculated by multiplying the number of cases that would report outside the quarterly report month and are not exempted from the ABAWD waivers by the cost per case [NAFS BY: (3,717,538 x 0.12 percent x $28.23)].
- The CalWORKs, NAFS, CFAP and RCA administrative cost to mail quarterly reports is calculated by multiplying the annual casemonths by one-third to determine the number of cases in a quarter; then multiplying by the mailing cost which is determined based on the monthly number of mid-quarter reports x $0.78 [NAFS BY: (5,844,201 x 33 percent x $0.78), for CalWORKs BY: 5,426,140 x 33 percent x $0.78)].
- The CalWORKs, NAFS, CFAP and RCA administrative savings due to not mailing monthly reports is calculated by multiplying the number of cases reporting monthly by the mailing cost [NAFS BY: (5,844,201 x $0.78), for CalWORKs BY: (5,426,140 x $0.78)].

Grants/Benefits

- CalWORKs grant and CFAP coupon costs associated with noncompliance cases who do not submit their monthly reports are calculated by multiplying the average monthly grant/coupon per case by the impacted casemonths, assuming 50 percent receive one month of additional grant and 50 percent receive two months of additional grant [CalWORKs BY: ($534.51 x 67,392 x 50 percent) + (($534.51 x 67,392 x 50 percent x 2)].
- CalWORKs grant and CFAP coupon costs associated with not discontinuing ineligible cases until the quarterly report month are calculated by multiplying the monthly average grant/coupon per case by the impacted casemonths, assuming 50 percent receive one month of additional grant and 50 percent receive two months of additional grant [CalWORKs BY: [($534.51 x 44 x 50 percent) + ($534.51x 44 x 50 percent x 2)].
- RCA grant costs for not adjusting cases with increased earnings until the quarterly report month are calculated by multiplying the impacted casemonths by the monthly average reduction in grants of $119.47 [RCA BY: (63 x $119.47x 50 percent) + (63 x $119.47 x 50 percent x 2)].
- CalWORKs grant costs for not discontinuing cases with income over the CalWORKs eligibility limit but under the IRT until the quarterly report are calculated by multiplying the impacted casemonths by the average grant per case assuming 50 percent receive one month of additional grant and 50 percent receive two months of additional grant [CalWORKs BY: ($206.50 x 988 x 50 percent) + ($206.50 x 988 x 50 percent x 2)].

Prospective Budgeting

METHODOLOGY (CONTINUED):

- CalWORKs grant costs for those cases exempt from reporting when their income exceeds the IRT because they have unearned income only, are calculated by multiplying the impacted casemonths by the associated average grant per case, assuming 50 percent receive one month of additional grant and 50 percent receive two months of additional grant [CalWORKs BY: ($206.50 x 14,102x 50 percent) + ($206.50 x 14,102 x 50 percent x 2)].
- CalWORKs grant costs for increasing the benefits of those cases reporting a decrease in income during mid-quarter months are calculated by multiplying the impacted casemonths by the average grant increase of $116.67 [CalWORKs BY: ($116.67 x 147,425 x 50 percent) + ($116.67 x 147,425 x 50 percent x 2)].
- Overpayments for those cases that will not report income exceeding the IRT are calculated by multiplying the average grant per case by the impacted casemonths of those that will not report, assuming that 50 percent receive one additional monthly grant and 50 percent receive two additional monthly grants, and 50 percent of the overpayments will be recovered after a six-month period [CalWORKs in BY: [($206.50 x60 x 50 percent) x 50 percent] + ($206.50 x 60 x 50 percent x 2 x 50 percent)].
- CFAP coupon costs for not discontinuing cases with income over the eligibility limit are calculated by multiplying the impacted casemonths by the average grant per case assuming 50 percent receive one month of additional grant and 50 percent receive two months of additional grant [CFAP BY: ($85.00 x 11 x 50 percent) + ($85.00 x 11 x 50 percent x 2)].
- CFAP coupon costs for those cases reporting a decrease in income during mid-quarter months are calculated by multiplying the impacted casemonths by the average coupon increase [CFAP BY: ($53.03 x 2,564) + ($53.03 x 2,564 x 50 percent)].
- CFAP coupon costs for not decreasing benefits for cases that have an increase in income are calculated by multiplying the impacted casemonths by the average increased coupon amount times two months [CFAP BY: ($53.03 x 2,564 x 2)].

FUNDING:

CalWORKs

The funding for CalWORKs grants for CY is 85.91 percent TANF, 11.59 percent General Fund (GF) and 2.5 percent county. For BY, funding is 85.34 percent TANF, 12.16 percent GF, and 2.5 percent county.

The funding for CalWORKs administration for CY is held to the Appropriation. The funding for BY is 87.53 percent TANF and 12.47 percent GF.

NAFS and CFAP

For CY and BY, the FS funding is 50 percent federal, 35 percent State, and 15 percent county funds. CFAP costs are 100 percent GF.

Prospective Budgeting

FUNDING (CONTINUED):

RCA

RCA costs for CY and BY are funded with 100 percent federal funds.

CHANGE FROM THE APPROPRIATION:

CalWORKs

The CY CalWORKs grant costs reflect an increase due to fewer cases being discontinued.

The CY administrative savings have not changed from to the Appropriation.

NAFS and CFAP

The increase in NAFS administrative savings is due to an increase in caseload. The CFAP administrative savings and coupon increase is due to an increase in the average number of CFAP households.

RCA

The CY grant cost shows no significant change due to the declining caseload offset by the increase in the RCA average grant.

There is no change in administrative savings.

REASON FOR YEAR-TO-YEAR CHANGE:

The CalWORKs grant costs and administrative savings decreased from CY to BY due to caseload decline.

The BY increase in NAFS administrative savings reflects an increase in projected caseload.

The BY increase in CFAP administrative savings is associated with a growing number of CFAP households

The BY increase in CFAP coupon costs is associated with a growing number of CFAP households

There is no significant change for the RCA grant costs.

Prospective Budgeting

EXPENDITURES:

(in 000's)

ITEM 101 – CalWORKs Grants	2007-08	2008-09
	Grant	Grant
Total	$85,610	$84,552
Federal	73,548	72,158
State	9,922	10,280
County	2,140	2,114
Reimbursements	0	0

ITEM 101 – CalWORKs Administration	2007-08	2008-09
	Admin.	Admin.
Total	-$53,352	-$52,611
Federal	-46,777	-46,051
State	-6,575	-6,560
County	0	0
Reimbursements	0	0

ITEM 101 – RCA Grants	2007-08	2008-09
	Grant	Grant
Total	$11	$11
Federal	11	11
State	0	0
County	0	0
Reimbursements	0	0

Prospective Budgeting

EXPENDITURES (CONTINUED):

(in 000's)

ITEM 101 – CFAP Grants	2007-08	2008-09
	Grant	Grant
Total	$873	$914
Federal	0	0
State	873	914
County	0	0
Reimbursements	0	0

ITEM 141 – Food Stamp Administration	2007-08	2008-09
	Admin.	Admin.
Total	-$55,889	-$59,904
Federal	-27,944	-29,952
State	-19,561	-20,967
County	-8,384	-8,985
Reimbursements	0	0

ITEM 141- CFAP Administration	2007-08	2008-09
	Admin.	Admin.
Total	$-924	$-967
Federal	0	0
State	-924	-967
County	0	0
Reimbursements	0	0

Prospective Budgeting

EXPENDITURES (CONTINUED):

(in 000's)

ITEM 141 – RCA Administration	2007-08	2008-09
	Admin.	Admin.
Total	-$546	-$546
Federal	-546	-546
State	0	0
County	0	0
Reimbursements	0	0

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Recent Noncitizen Entrants

DESCRIPTION:

This premise reflects the cost of providing aid to Recent Noncitizen Entrants (RNEs). 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) from receiving Temporary Assistance for Needy Families (TANF) program benefits 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.
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:

- The current year (CY) employment services, administration, and child care costs are held to the Appropriation.
- Based on the Fiscal Year (FY) 2006-07 Summary Report of Assistance Expenditures (CA 800L and CA 800M), the projected average monthly persons is 15,673 for the CY and 15,477 for the budget year (BY).
- The overall CalWORKs caseload is projected to decrease by 0.42 percent in CY and 1.24 percent in BY.
- Based on the FY 2006-07 CA 800L and CA 800M reports, the average grant per person is $157.48.
- Cal Learn Bonuses and Sanction grant costs for RNE recipients in the CY is projected to be $50,000 and $52,000 in the BY.
- Based on claims from the counties for FY 2006-07, the administration cost for RNEs was approximately $7.9 million.
- The percentage of persons that are TANF eligible is 49.98 percent.
- The funds associated with persons that are TANF eligible are reflected in the Basic premises for grants, childcare, and administration and employment services.
- In the BY, the services costs are based on actual expenditure data from FY 2006-07.

Recent Noncitizen Entrants

KEY DATA/ASSUMPTIONS: (continued)

- Of the total amount of $10.9 million for RNE employment services from FY 2006-07, $5.4 million are TANF eligible and are shifted to the CalWORKs Basic premise (refer to that premise for more detailed information regarding services).
- For CalWORKs child care, the cost is 0.68 percent of the CalWORKs Stage One Child Care cost in the BY (refer to that premise for more detailed information regarding child care.) The percentage is based upon actual expenditures from FY 2006-07.
- For Cal Learn, the RNE costs in CY and BY reflect 1.6 percent of the Cal Learn cost which is reflected in the Cal Learn premise. The percentage is based upon actual expenditures from FY 2006-07.

METHODOLOGY:

- The grant costs were calculated by multiplying the projected monthly recipients by the average grant per person by 12 months (BY:15,477 x 157.48 x 12 months).
- The administration costs for the RNEs are based on actual expenditures from FY 2006-07 that have been adjusted for projected caseload decline. Of the total costs, 49.98 percent represent federal households and remains in the CalWORKs basic Administration, funded with General Fund (GF). The remaning portion of RNEs is reflected in this premise.
- The child care costs for the RNEs is 0.68 percent based on Stage One expenditures from FY 2006-07. Of the 0.68 percent, 49.98 percent represent federal households and remains in the Stage One Basic Program, funded with GF. The remaining portion of RNEs is reflected in this premise.
- The services costs for the RNEs are based on actual expenditures from FY 2006-07. Of the total cost, 49.98 percent represent federal households and remain in CalWORKs Employment Services Basic, funded with GF. The remaining portion of RNEs is reflected in this premise.

FUNDING:

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

CHANGE FROM THE APPROPRIATION:

The increase in grant cost is due to an increase in the percentage of state funded RNEs.

There is no change for administration, child care and employment services costs.

Recent Noncitizen Entrants

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in grants, administration costs, and child care costs reflect a declining caseload from CY to BY.

The increase in services costs reflects an increase in expenditures.

EXPENDITURES:

(in 000's)

ITEM 101 - CalWORKs Grants	2007-08	2008-09
	Grant	Grant
Total	$29,619	$29,249
Federal	0	0
State	28,138	27,787
County	1,481	1,462
Reimbursements	0	0

ITEM 101 - CalWORKs Services	2007-08	2008-09
	County Services	County Services
Total	$5,197	$5,427
Federal	0	0
State	5,197	5,427
County	0	0
Reimbursements	0	0

Recent Noncitizen Entrants

EXPENDITURES (CONTINUED):

(in 000's)

ITEM 101 -	2007-08	2008-09
CalWORKs Administration	Admin.	Admin.
Total	$4,834	$3,880
Federal	0	0
State	4,834	3,880
County	0	0
Reimbursements	0	0

ITEM 101 -	2007-08	2008-09
CalWORKs Stage One Child Care	Services/ Administration	Services/ Administration
Total	$1,763	$1,179
Federal	0	0
State	1,763	1,179
County	0	0
Reimbursements	0	0

CalWORKs and Food Stamps Freeze Emergency Response

DESCRIPTION:

The Governor declared 18 counties as disaster areas due to recent weather conditions that devastated many farming-related businesses and left many farm workers unemployed.

This premise will reflect ongoing costs associated with cases that will receive California Work Opportunity and Responsibility to Kids (CalWORKs) cash assistance, employment services, child care, federal food stamps, and California Food Assistance Program (CFAP) benefits as a result of this effort.

IMPLEMENTATION DATE:

This premise implemented on January 31, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Government Code section 8686(a).
- Due to freezing weather conditions that occurred during the period of January 11th to January 17th, 2007, 18 counties were declared disaster areas. Those counties are El Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba.
- The estimated cost is based on current data reported from the counties reflecting new applications for Food Stamp and CalWORKs benefits.
- Actual data received from counties was used to project costs for the non-reporting counties.

CalWORKs

- Based on actual data provided by the counties, 783 families have applied for CalWORKs benefits.
- Based on actual data provided by the counties, approximately 342 cases are receiving CalWORKs benefits beginning in July 2007.
- The average cost per case is $534.51 for Current Year (CY) and Budget Year (BY).
- The total administrative, employment services and child care costs for the CY are held to the Appropriation.
- The total administrative costs for the BY include mid-quarter costs of $8.63 per case per month and ongoing costs of $24.95 per case per month.
- Monthly mid-quarter and quarterly administrative costs are included for 342 cases per month for the BY.
- All cases that receive CalWORKs cash assistance have an aided adult. The costs for employment services for these cases include case management, transportation, and ancillary costs.

CalWORKs and Food Stamps Freeze Emergency Response

KEY DATA/ASSUMPTIONS (CONTINUED):

- The monthly case management cost per case is $206.02. The percentage of cases utilizing transportation services is 50.75 percent with a cost of $68.43 per case. The percentage of cases utilizing ancillary services is 9.23 percent with a cost of $78.00 per case.
- Approximately 34.47 percent of the CalWORKs caseload that is required to participate in work activities utilizes child care services. On average, each case has 1.9 children. The monthly child care cost is $761 per child in the BY.
- The average number of cases that will utilize child care services for the BY is 118 cases.
- There are approximately 224 children who will receive child care in the BY.

Non-Assistance Food Stamps (NAFS) and CFAP

- Based on actual data from reporting counties, 2,397 families applied for Food Stamp benefits.
- Based on actual data from reporting counties, approximately 59.7 percent of applications received are approved.
- Based on actual data reported from the counties, 1,432 new cases will receive NAFS benefits in the CY and BY.
- Based on data reported by the counties, 50 percent of new cases are CFAP cases and 50 percent are federal NAFS cases.
- The average coupon cost per case for CFAP is $219 from July 2007 to September 2007, $226 from October 2007 to September 2008, and $233 from October 2008 to June 2009.
- The total administrative costs include mid-quarter costs of $28.23 per case per month for approximately 7.2 percent of the monthly caseload, and ongoing costs of $13.11 per case per month.

METHODOLOGY:

CalWORKs

- The grant costs are determined by multiplying the average monthly number of cases by the average cost per case by 12 months.
- The total employment services costs are determined by combining the costs for case management, transportation and ancillary services.
- The case management costs are determined by multiplying the average monthly number of cases by the monthly cost per case by 12 months.
- The transportation costs are determined by multiplying the monthly number of cases that will utilize transportation services by the monthly cost per case and by 12 months.

CalWORKs and Food Stamps Freeze Emergency Response

METHODOLOGY (CONTINUED):

- The ancillary costs are determined by multiplying the average monthly number of cases that will utilize ancillary services by the monthly cost per case and by 12 months.
- The administrative costs include mid-quarter and ongoing costs.
- The mid-quarter costs are determined by multiplying the average number of cases by the cost per case.
- The ongoing costs are determined by multiplying the average number of cases by the cost per case.
- The child care costs are determined by multiplying the number of children by the cost per child.

NAFS and CFAP

- The CFAP coupon costs are determined by multiplying the average number of cases by the average cost per case.
- The total administrative costs include mid-quarter and ongoing costs.
- The mid-quarter costs are determined by multiplying the percentage of cases that report during the mid-quarter period by the cost per case.
- The ongoing costs are determined by multiplying the average number of cases by the cost per case.
- Fifty percent of the total administrative costs reflect the administrative costs for CFAP.
- Twenty-three percent of the CFAP administrative costs are maintenance of effort (MOE) eligible and 77 percent of the costs are not MOE eligible.

FUNDING:

CalWORKs

The funding for CalWORKs grants for the CY is 95.61 percent federal, 1.89 percent General Fund (GF), and 2.5 percent county. For the BY, funding is 95.60 percent federal, 1.90 percent GF, and 2.5 percent county.

Funding for CalWORKs administrative and employment services costs for the CY is held to the Appropriation and for the BY is 98.05 percent federal and 1.95 percent GF.

Funding for child care for the CY is held to the Appropriation and for the BY is 96.12 percent federal and 3.88 percent GF.

NAFS and CFAP

For the CY and BY, the funding for NAFS administration is 50 percent federal, 35 percent GF, and 15 percent county funds. The CFAP administrative costs are 100 percent GF.

CalWORKs and Food Stamps Freeze Emergency Response

CHANGE FROM THE APPROPRIATION:

There is no change for administrative, services, and child care costs.

The CalWORKs grant costs decreased as a result of fewer applications received than projected in the Appropriation.

The Food Stamp costs increased as a result of more applications received than projected in the Appropriation.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change for CalWORKs grants.

The cost for CFAP benefits increased due to increased coupon costs. There are no new cases in the BY.

The increase in employment services costs is due to a change in methodology which assumes all cases have an adult.

The increase in child care is due to an increase in the cost per child.

EXPENDITURES:

(in 000's)

ITEM 101 -	2007-08	2008-09
CalWORKs Assistance Payments	Grant	Grant
Total	$2,194	$2,194
Federal	2,098	2,097
State	41	42
County	55	55
Reimbursements	0	0

CalWORKs and Food Stamps Freeze Emergency Response

EXPENDITURES (CONTINUED):

(in 000's)

ITEM 101 - CalWORKs Services	2007-08	2008-09
	Services	Services
Total	$753	$1,018
Federal	742	999
State	11	19
County	0	0
Reimbursements	0	0

ITEM 101 - CalWORKs Administration	2007-08	2008-09
	Admin.	Admin.
Total	$187	$138
Federal	184	135
State	3	3
County	0	0
Reimbursements	0	0

ITEM 101 - CalWORKs Child Care	2007-08	2008-09
Total	$1,558	$2,046
Federal	1,507	1,967
State	51	79
County	0	0
Reimbursements	0	0

CalWORKs and Food Stamps Freeze Emergency Response

EXPENDITURES (CONTINUED):

(in 000's)

ITEM 101 - CFAP	2007-08 Coupon	2008-09 Coupon
Total	$1,925	$1,988
Federal	0	0
State	1,925	1,988
County	0	0
Reimbursements	0	0

ITEM 141 - NAFS	2007-08 County Admin.	2008-09 County Admin.
Total	$260	$260
Federal	130	130
State	91	91
County	39	39
Reimbursements	0	0

ITEM 141 - CFAP	2007-08 County Admin.	2008-09 County Admin.
Total	$260	$260
Federal	0	0
State	260	260
County	0	0
Reimbursements	0	0

Graduated Full Family Sanction

DESCRIPTION:

This premise reflects the fiscal impact associated with implementing a graduated full family sanction policy for noncompliant cases.

This proposal strengthens work requirements and recipient accountability by imposing a graduated sanction model for the California Work Opportunity and Responsibility to Kids (CalWORKs) program that will eventually lead to a full family sanction for able-bodied recipients who fail to comply with program work participation requirements over an extended period of time. Currently in CalWORKs, adults who do not comply with program rules are given 20 days to establish good cause or enter into a compliance plan, or a sanction is imposed the first of the following month (30 days after the notification of noncompliance is issued). At the end of the 30 days, those adults who are not participating without good cause are sanctioned and removed from the assistance unit. The current sanction policy, however, allows sanctioned adults to continue receiving aid for their eligible children (until these children reach 18 years of age) without ever having to end their sanction or participate.

Under this proposal, adults who remain in sanction status for an accumulated total of six months will receive an escalated sanction: the family grant will be reduced to 50 percent of the child-only grant. Families with an adult who has been sanctioned for not participating for a second accumulated total of six months (i.e., adults who have a total of 12 months in sanction) will receive a full family sanction, thereby closing the case.

Implementation of a graduated full family sanction policy will support current county efforts to get adults engaged in work activities, and better position the state to meet federal work participation rate (WPR) requirements.

IMPLEMENTATION DATE:

This premise assumes a March 1, 2008 enactment of Legislation with a June 2008 implementation date.

KEY DATA/ASSUMPTIONS:

- Beginning in June 2008, sanctioned cases will be provided a notice that informs them of the consequences of continuing in sanction. At each additional sanction, an additional reminder notice will be provided regarding the consequences of and options for curing their sanctions.

- Prior to imposition of the 50 percent reduction, counties will contact the sanctioned recipient to urge program compliance, ensure the recipient understands the participation requirements, and connect adults to resources in order to remove barriers to participation. Contacts may consist of some combination of phone calls, letters, and home visits.

- It is assumed that based on this policy 45 percent of the existing sanction caseload will cure their sanction before the case receives a full family sanction.

Graduated Full Family Sanction

KEY DATA/ASSUMPTIONS (CONTINUED):

- The total projected sanction caseload in Fiscal Year (FY) 2007-08 is 41,691.
- The following represents the ongoing impact to the sanctioned caseload as a result of this policy change (the estimate assumes a six month phase in):
  - It is assumed that 12,977 cases will cure before the first instance of increased sanction (i.e., before cumulated six months) as a result of county contacts, home visits and communication of the overall changes to the sanction policy. Of this number, 7,192 cure as a result of increased county contacts.
  - It is assumed that 28,714 cases will be subject to increased penalty. All cases will receive the 50 percent grant reduction.
  - It is assumed that 5,784 cases will cure before imposition of full family sanction.
  - It is assumed that 22,930 cases will be subject to a full family sanction. All cases will receive the full family sanction.
  - It is assumed that 6,280 cases will cure and return to CalWORKs after receiving a full family sanction.
  - It is assumed that 16,650 cases do not return to CalWORKs after receiving the full family sanction.
  - The overall cure rate of the policy change is 60 percent.
  - Cases will begin curing sanctions in June 2008.
  - Cases will begin receiving the 50 percent grant reduction in December 2008.
  - Cases will begin receiving the full family sanction in June 2009.
- Los Angeles (LA) County (which represents 31 percent of the total sanctioned caseload) experienced a 25 percent cure rate of their existing sanction caseload when they implemented a home visit program.
- It is assumed that the remainder of the counties will experience similar results with the statewide implementation of mandated home visits/increased county contacts.
- Of the cases that cure as a result of county contact efforts, 15 percent will be determined to be exempt, 42.5 percent are assumed to fully meet federal requirements, and 42.5 percent are assumed to partially participate but not fully meet federal requirements.
- Of the cases that cure as a result of the receiving a 50 percent reduction to the child-only grant, 50 percent will fully meet federal requirements, and 50 percent will not fully meet federal requirements.
- Based on the Federal Fiscal Year 2006 CalWORKs Characteristics Survey (Q5), 68 percent of the non-exempt cases that will cure will participate through work activities, and 32 percent will participate in non-work activities.

Graduated Full Family Sanction

KEY DATA/ASSUMPTIONS (CONTINUED):

- It is estimated that 9,172 cases will reapply for CalWORKs following a graduated full family sanction. Of that amount, it is assumed 6,280 cases will have their CalWORKs benefits restored. Fifteen percent will be exempt. The remaining 42.5 percent will immediately fully participate, and 42.5 percent will not be immediately participating.

- The average monthly grant savings resulting from a 50 percent reduction of the child-only grant is $292 per case.

- The average hourly eligibility worker (EW) cost is $57.57. It is assumed that it will take 2.4 hours of administrative time per case to process an application for restoration of benefits resulting in a total cost of $138.43 per case.

- The monthly administrative cost per case is $33.69.
- For cases that cure before receiving the 50 percent grant reduction, those that cure through work will have an average monthly grant savings of $95 and those that cure through non-work or by exemption will have an average monthly grant cost of $139.

- For cases that cure after receiving the 50 percent grant reduction, those that cure through work will have an average monthly grant cost of $197, and those that cure through non-work will have an average monthly grant cost of $431.

- It is assumed the average grant amount is $533.58 for cases that return to CalWORKs following a full family sanction.

- Based on current experience in the CalWORKs program, it is assumed that newly participating cases will utilize child care services at the same rate as the overall CalWORKs caseload. The average number of children per case is 1.9 and the average cost per child is $761.09.

- Based on current experience in the CalWORKs program, it is assumed that 8.85 percent of the newly participating cases will utilize ancillary services. The average cost is $68.64 per month.
- Based on current experience in the CalWORKs program, it is assumed that 49.82 percent of the newly participating cases will utilize transportation services. The average cost is $69.38 per month.

METHODOLOGY:

- Cases that Cure as a Result of County Efforts
  - Of the cases that cure their sanction through county efforts (assuming a six month phase in) a monthly average of 1,798 cases in Current Year (CY) and 6,593 in Budget Year (BY), will cure their sanctions based on a determination of exemption, or participation through work or non-work activities; with 50 percent fully participating and 50 percent partially participating.
  - Fifteen percent of the curing population or a monthly average of 270 cases in CY and 989 cases in BY, will cure their sanctions and be determined as exempt from work participation.

Graduated Full Family Sanction

METHODOLOGY (CONTINUED):

- As a result of curing, each case will generate a cost of $139 per month. This results in grant costs of $0.1 million in CY and $1.7 million in BY.
- Eighty-five percent of the curing population or a monthly average of 1,528 cases in CY and 5,604 cases in BY, will fully or partially participate through work or non-work activities. Of this group:
    - It is assumed that 50 percent, or a monthly average of 764 in CY and 2,802 in BY, cure their sanction but do not fully participate. As a result of curing, each case will generate a cost of $139 per month. This results in a grant cost of $0.2 million in CY and $4.7 million in BY.
    - For the remaining 50 percent of the curing population, or a monthly average of 764 in CY and 2,802 in BY, it is assumed:
        - Sixty-eight percent, or a monthly average of 520 cases in CY and 1,906 in BY, will participate by working an average of 20 hours per week. As a result of curing, each case will generate a savings of $95 per month. This results in grant savings of $0.1 million in CY and $2.2 million in BY.
        - Thirty-two percent, or a monthly average of 245 cases in CY and 897 in BY, will participate through non-work activities. As a result of curing, each case will generate a cost of $139 per month. This results in grant costs of $0.1 million in CY and $1.5 million in BY.

- On an annual basis, 11,569 cases will cure their sanction prior to receiving a full family sanction (excluding the cases that cure based on county efforts). Fifty percent, or 5,784 sanctioned cases, will cure prior to receiving increased sanctions, and the remaining 50 percent, or 5,784 cases, will cure following a 50 percent grant reduction.
    - Cases that Cure Prior to Receiving a Grant Reduction
        - Of the cases that cure prior receiving additional sanctions (assuming a six month phase in) it is assumed that 50 percent, or a monthly average of 723 cases in CY and 2,651 in BY, will cure their sanctions but not fully participate. As a result of curing, each case will generate a cost of $139 per month. This results in a cost of $0.2 million in CY and $4.4 million in BY.
        - For the remaining 50 percent of cases that cure prior to receiving additional sanctions, it is assumed:
            - Sixty-eight percent, or a monthly average of 492 cases in CY and 1,803 in BY, will participate by working an average of 20 hours per week. As a result of curing, each case will generate a savings of $95 per month. This results in grant savings of $0.1 million in CY and $2.1 million in BY.
            - Thirty-two percent, or a monthly average of 231 cases in CY and 848 in BY, will participate through non-work activities. As a result of curing, each case will generate a cost of $139 per month. This results in grant costs of $64,000 in CY and $1.4 million in BY.

Graduated Full Family Sanction

METHODOLOGY (CONTINUED):

- Cases that Cure after Receiving a Grant Reduction
    - Of the cases that cure after receiving a 50 percent reduction to the child-only grant, it is assumed that 50 percent, or a monthly average of 1,988 cases in BY, cure their sanctions but do not fully participate. As a result of curing, each case will generate a cost of $431 per month. This results in grant costs of $6.9 million in BY.
    - Of the remaining 50 percent, it is assumed:
        - Sixty-eight percent, or a monthly average of 1,352 cases in BY, will participate by working an average of 20 hours per week. As a result of curing, each case will generate a cost of $197 per month. This results in grant costs $2.1 million in BY.
        - Thirty-two percent, or a monthly average of 636 cases in BY, will participate through non-work activities. As a result of curing, each case will generate a cost of $431 per month. This result in grant costs of $2.2 million in BY.

- Cases that Cure after Receiving Full Family Sanction
    - It is assumed that 55 percent of the total projected sanction caseload, a monthly average of 22,930 in BY, will receive a full family sanction.
    - Following a full family sanction, it is assumed that 40 percent, or a monthly average of 9,172 cases in BY, will reapply for CalWORKs benefits. Administration costs associated with processing the reapplication for CalWORKs total $1.3 million in BY.
    - Of the monthly average 9,172 cases that reapply, it is assumed that restoration of aid will be approved for 1,047 cases (assuming a six month phase in beginning in June 2009). This results in administrative costs of $35,000 and grant costs of $0.6 million in BY. For the cases who are approved for the restoration of aid:
        - Fifteen percent of the restorations, or 157 cases, will cure their sanctions and be determined as exempt from work participation.
        - It is assumed that 42.5 percent, or 445 cases, will fully participate through increased work or non-work activities.
        - It is assumed that 42.5 percent, or 445 cases, cure their sanction and partially participate

- The cases that receive a full family sanction, a monthly average of 22,930 cases in BY, result in an additional grant savings of $292 per case due to the discontinuance of the CalWORKs case. This results in grant savings of $13.4 million and administration savings of $0.6 million in BY.

Graduated Full Family Sanction

METHODOLOGY (CONTINUED):

- Ancillary and transportation services costs were determined by multiplying the number of newly participating cases, or a monthly average of 2,974 in CY and 13,631 in BY, by the ratio of cases who utilize ancillary/transportation services, then by the average monthly costs. This results in costs of $0.2 million in CY and $6.6 million in BY.
- Child care services costs were determined by multiplying the number of newly participating cases, or 1,983 cases in CY and 12,413 in BY, by the utilization rate, the average number of children per case, and the average Stage One Child Care payment per child. This results in costs of $1.0 million in CY and $76.1million in BY.

FUNDING:

The funding for the CalWORKs Program is 96.3 percent Temporary Assistance for Needy Families (TANF), 1.2 percent General Fund (GF), and 2.5 percent county. The funding for administration, transportation, and ancillary costs are shared 99.2 percent TANF and 0.8 percent GF. Child care funding is 96.5 percent TANF and 3.5 percent GF.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise implements in CY. The BY reflects a culmination of costs and savings for the curing cases and the cases that receive both a 50 percent grant reduction and a full family sanction.

EXPENDITURES:

(in 000's)

101-Grants	2007-08	2008-09
Total	$429	-$61,411
Federal	413	-59,200
State	5	-676
County	11	-1,535
Reimbursements	0	0

Graduated Full Family Sanction

EXPENDITURES (CONTINUED):

101-Services	2007-08	2008-09
Total	$242	$6,647
Federal	240	6,599
State	2	48
County	0	0
Reimbursements	0	0

101-Admin	2007-08	2008-09
Total	$0	$-240
Federal	0	-238
State	0	-2
County	0	0
Reimbursements	0	0

101-Child Care	2007-08	2008-09
Total	$1,013	$76,086
Federal	974	73,400
State	39	2,686
County	0	0
Reimbursements	0	0

Net Total	2007-08	2008-09
Total	$1,683	$21,082
Federal	1,627	20,561
State	45	2,056
County	11	-1,535
Reimbursements	0	0

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CalWORKs Modified Safety Net

DESCRIPTION:

Safety Net families are families who have exceeded their 60-month assistance time limit but continue to be eligible for California Work Opportunity and Responsibility to Kids (CalWORKs). Currently in the program, a Safety Net family can receive aid for the eligible children (until these children reach 18 years of age) without having to participate in welfare-to-work activities. Aid to Safety Net families is not a requirement under federal Temporary Assistance for Needy Families (TANF) and most states do not aid this population. Safety Net benefits are funded with General Fund (GF) dollars which are countable toward the Maintenance of Effort (MOE) in the TANF program. As a result of TANF Reauthorization, Safety Net families are now included in the federal work participation rate (WPR) calculation.

In order to move more CalWORKs families off aid and out of poverty, it is critical to encourage families' progress toward self-sufficiency by increasing their participation. This proposal would create an incentive for Safety Net families to fully participate, encourage self-sufficiency through participation, and help increase the WPR, bringing the state closer to meeting federal WPR requirements in Federal Fiscal Year (FFY) 2009.

The Modified Safety Net proposal creates an incentive for families to fully participate by rewarding working families who are fully participating in federally allowable work activities with continued maximum Safety Net benefits, while eliminating benefits for families that do not meet work participation requirements.

This premise is necessitated by the above circumstances and the budget balancing reductions.

IMPLEMENTATION DATE:

This reduction assumes a March 1, 2008 enactment of Legislation with a June 1, 2008 implementation date.

KEY DATA/ASSUMPTIONS:

- In order to implement this proposal, statutory changes are required.
- Recipients who do not meet the WPR will be impacted by this policy change with the cases being discontinued effective June 2008.
- The projected average monthly Safety Net caseload for June 2008 is 47,408 cases.
- The projected average monthly Safety Net caseload for Budget Year (BY) is 48,524 cases.
- For Current Year (CY) and BY, the data sources used to determine the impacted caseload were the FY 2006-07 CalWORKs Cash Grant Caseload Movement Report (CA 237) for grants and the CalWORKs Welfare-To-Work Monthly Activity Report (WTW 25/25A) for services.
- Based on the FFY 2005 CalWORKs Characteristics Survey (Q5) data, it is assumed that 31.1 percent of the Safety Net caseload will meet the federal WPR through work and non-work related activities and will remain eligible for assistance.
- The average monthly grant for Safety Net cases that participate in work, but less than 17 hours a week is $456.

CalWORKs Modified Safety Net

KEY DATA/ASSUMPTIONS (CONTINUED):

- The average monthly grant for Safety Net cases that do not work is $584.
- Based on FFY 2005 Q5 data, 19.6 percent of the current Safety Net caseload works sufficient hours to meet the WPR.
- Based on FFY 2005 Q5 data, 9.3 percent of the Safety Net caseload works more than 17 hours a week, but less than 30 hours a week.
- It is assumed that as a result of this program change, 70 percent of the 9.3 percent will increase their work hours to avoid being discontinued from the Safety Net program.
- Based on FFY 2005 Q5 data, 11.4 percent of the Safety Net caseload are cases that work less than 17 hours a week. It is assumed that these cases will not increase hours sufficient to remain in the Safety Net program.
- Based on FFY 2005 Q5 data, 2.27 percent of the Safety Net caseload are cases that participate in non-work activities and meet the WPR.
- Based on FFY 2005 Q5 data, 3.88 percent of the Safety Net caseload are cases that participate in non-work activities and partially meet the WPR.
- It is assumed that as a result of this program change 70 percent of the 3.88 percent will increase their hours to avoid being discontinued from the Safety Net program.
- Based on FFY 2005 Q5 data, 54.7 percent of the Safety Net caseload are not participating in work activities and will not meet the WPR.
- The total number of cases expected to be discontinued for not meeting the WPR is 33,435.
- Based on FFY 2005 Q5 data, 67 percent of the current Safety Net cases receiving services will continue receiving services as a result of this policy change.
- For CY, there are no employment services savings because the overall Employment Services costs were held to the Appropriation.
- The funding for services in the BY is projected to be $7,634,000.
- For CY, there are no administration savings because the overall Administration costs were held to the Appropriation.
- The funding for administration costs in the BY is projected to be $32,428,000.
- Based on actual expenditures from the county expense claims, the administration cost for Safety Net cases represents 9.65 percent of the total CalWORKs eligibility expenditures.

METHODOLOGY:

- In the BY, grant savings are calculated by multiplying the projected Safety Net caseload that will discontinue due to this proposal by the cost per case. For recipients who worked 17 or more hours per week, but will not meet the WPR: ((48,524 cases x 11.4 percent + 48,524 x 9.3 percent x 30 percent) x $456). For recipients that currently do not work: (48,524 cases x 54.7 percent x $584).

CalWORKs Modified Safety Net

METHODOLOGY (CONTINUED):

- For BY, a 4.25 percent Cost of Living Adjustment (COLA) will be added to the total grant cost.
- For CY, grant savings are calculated by reducing the monthly BY grant cost before the COLA by the percent difference between the average BY caseload and the June 2008 caseload [18,644,525 + (47,408 – 48,524)/48,524 x 18,644,525].
- In the BY, the employment services savings are calculated by subtracting the cost of Safety Net cases that will meet the WPR from the Safety Net services total. [$7,634,000 - (67 percent x $7634000)].
- In the BY, the administration savings are calculated by subtracting the administration costs associated with the cases remaining on Safety Net from the 2008-09 total Safety Net administration costs. [$32,428,000 – ($32,428,000 x 31.1 percent)].

FUNDING:

The Safety Net savings associated with CalWORKs grants is 97.5 percent GF/Maintenance of Effort and 2.5 percent county funds. The Safety Net savings associated with employment services and administration are 100 percent GF.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects a full year of savings and the impact of the COLA.

EXPENDITURES:

(in 000's)

ITEM 101 - CalWORKs Grants	2007-08 Grants	2008-09 Grants
Total	-$18,216	-$234,362
Federal	0	0
State	-17,761	-228,503
County	-455	-5,859
Reimbursements	0	0

CalWORKs Modified Safety Net

EXPENDITURES (CONTINUED):

(in 000's)

ITEM 101 - CalWORKs Services	2007-08 Services	2008-09 Services
Total	$0	-$2,523
Federal	0	0
State	0	-2,523
County	0	0
Reimbursements	0	0

ITEM 101 - CalWORK Administration	2007-08 Admin.	2008-09 Admin.
Total	$0	-$22,344
Federal	0	0
State	0	-22,344
County	0	0
Reimbursements	0	0

CalWORKs Child Only Time Limit

DESCRIPTION:

Under current California Work Opportunity and Responsibility to Kids (CalWORKs) regulations, child only cases include eligible children of families whose adult parent/caregiver relative(s) are undocumented non-citizens, drug felons or fleeing felons, recipients of Social Security Insurance (SSI), or have reached their 60-month time limit. In these cases the adult parent/caregiver relative is ineligible for CalWORKs assistance or services, but the children receive aid until they reach age 18.

This proposal establishes a 60-month time limit on the receipt of aid for children whose parent or caretaker relative(s) is an undocumented non-citizen, a drug felon or a fleeing felon.

This premise is necessitated by the budget balancing reductions.

IMPLEMENTATION DATE:

This reduction assumes a March 1, 2008 enactment of Legislation with a June 2008 implementation date.

KEY DATA/ASSUMPTIONS:

- In order to implement this proposal, statutory changes are required.
- No administration savings are budgeted for the current year (CY) because the overall CalWORKs administration is held to the Appropriation.
- Child-only cases where the unaided adult is an undocumented non-citizen, drug felon, or fleeing felon that have been on aid for 60 or more months will be impacted by this policy change with the first cases being discontinued effective June 2008.
- Based on projections from the CalWORKs Cash Grant Caseload Movement Report (CA 237) from Fiscal Year (FY) 2006-07, the June 2008 caseload is projected to be 458,524 cases and the average FY 2008-09 caseload is 452,178.
- Based on the Federal Fiscal Year (FFY) 2005 CalWORKs Characteristics Survey (Q5) data, 0.69 percent of the CalWORKs caseload are child only cases with a drug felon adult.
- Based on FFY 2005 Q5 data, 0.13 percent of the CalWORKs caseload are child only cases with a fleeing felon adult.
- Based on FFY 2005 Q5 data, 19.2 percent of the CalWORKs caseload are child only cases with an undocumented non-citizen adult.
- Based on FFY 2005 Q5 and Medi-Cal Eligibility Data Systems (MEDS) data, approximately 40.56 percent of child only cases with an undocumented non-citizen, drug felon, or fleeing felon adult have been on aid for 60 or more months, resulting in approximately 37,233 cases affected by this policy change in the CY and 36,717 in the budget year (BY).

CalWORKs Child Only Time Limit

KEY DATE/ASSUMPTIONS (CONTINUED):

- The average monthly grant that these cases receive is $491.21.
- The BY grant savings includes the 4.25 percent cost of living adjustment (COLA). Based on the 4.25 percent COLA increase, the impact to the CalWORKs average grant is an increase of 4.75 percent.
- The monthly administrative cost per case is $24.95 and the mid-quarter administrative cost is $8.63 per month.

METHODOLOGY:

- In the CY, the discontinuance of 37,233 cases results in grant savings of $18.3 million (37,233 x $491.21 x 1).
- In the BY, the discontinuance of 36,717 cases will result in grant savings of $226.7 million (36,717 x $491.21 x 12 x 1.0475).
- In the BY, the discontinuance of 36,717 cases will result in administrative savings of $14.8 million.

FUNDING:

The funding for the CalWORKs grants is 97.5 percent Temporary Assistance for Needy Families (TANF) and 2.5 percent county funds. Funding for CalWORKs administration is 100 percent TANF.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

Due to the June 1, 2008 implementation date, costs for the CY reflect one month of savings and the BY reflects 12 months of savings.

EXPENDITURES:

(in 000's)

101-Grants	2007-08	2008-09
Total	-$18,289	-$226,712
Federal	-$17,832	-221,044
State	0	0
County	-457	-5,668
Reimbursements	0	0

CalWORKs Child Only Time Limit

EXPENDITURES (CONTINUED):

101-Admin	2007-08	2008-09
Total	$0	-$14,796
Federal	0	-14,796
State	0	0
County	0	0
Reimbursements	0	0

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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 federal criteria to be counted toward Temporary Assistance for Needy Families Program maintenance of effort (MOE) requirements.

IMPLEMENTATION DATE:

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

KEY DATA/ASSUMPTIONS:

It is assumed $45 million will be available from the ETF in FY 2007-08 and $35 million in FY 2008-09 .

METHODOLOGY:

Once the total cost of providing CalWORKs employment services is calculated, it is reduced by the ETF amount 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 decrease in savings is due to a $10 million reduction in available ETF funds.

EXPENDITURES:

(in 000's)	2007-08	2008-09
	County Admin.	County Admin.
Total	-$45,000	-$35,000
Federal	0	0
State	-45,000	-35,000
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 individuals in the CalWORKs Welfare-to-Work (WTW) program. Employment services provided to WTW participants include a wide variety of work, educational, and training activities designed to assist individuals in obtaining and retaining employment.

IMPLEMENTATION DATE:

This premise implemented January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 15204.3(a), amended by Assembly Bill (AB) 1111, Senate Bill (SB) 1104, and SB 68.
- Fiscal Year (FY) 2007-08 is held to the Appropriation.
- The base funding for CalWORKs Services Basic is $737.9 million for FY 2007-08.
- FY 2008-09 reflects no change to the caseload from FY 2006-07.
- Staff development costs in FY 2008-09 are $5.0 million, based on FY 2006-07 actual expenditures.
- The Wagner-Peyser reimbursement amount is $2.7 million for FY 2008-09.
- Time limit savings are $161.1 million in FY 2008-09.
- In FY 2008-09, $10.9 million of the CalWORKs Services Basic expenditures are for Recent Noncitizens Entrant (RNEs). Of the $10.9 million, $5.4 million reflects the costs for federally eligible recipients in mixed households and are funded with General Fund (GF) in this premise.
- Cal Learn RNEs are funded with GF in the amount of $223,000 in FY 2008-09.
- Contract costs are projected to be $3.9 million for FY 2008-09.
- A single allocation adjustment amount of $191.9 million (previously budgeted in a separate premise) is now included in this premise.

METHODOLOGY:

- The basic funding for FY 2007-08 is adjusted to reflect staff development expenditures, time limit savings, single allocation adjustment, Cal Learn RNE costs, contract costs, and the Wagner-Peyser reimbursement. Funds for Temporary Assistance for Needy Families (TANF) ineligible RNEs were subtracted and shifted to the RNE premise.

FUNDING:

- The costs for RNE families are 100 percent GF. All other costs are 100 percent TANF.
- The GF is countable toward the State's maintenance of effort requirement.

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

CHANGE FROM THE APPROPRIATION:

Effective FY 2007-08, the single allocation adjustment budget item has been rolled into this premise.

REASON FOR YEAR-TO-YEAR CHANGE:

FY 2008-09 reflects the net effect of increased staff development and Cal Learn RNE costs, offset by an increased RNE shift.

EXPENDITURES:

(in 000's)	2007-08	2008-09
	County Admin.	County Admin.
Total	$769,237	$769,659
Federal	763,839	764,012
State	5,398	5,647
County	0	0
Reimbursements	0	0

CalWORKs Safety Net Program

DESCRIPTION:

This premise reflects the cost of continued assistance and services for the Safety Net Program. The California Work Opportunity and Responsibility to Kids (CalWORKs) Program, established by Assembly Bill 1542 (Chapter 270, Statutes of 1997), mandates that an adult may only receive a maximum of 60 months of CalWORKs assistance, but that children may continue to receive aid until they reach 18 years of age. In accordance with Welfare and Institutions Code (W&IC) Section 11320.15, adults who have received aid for a total of 60 months are removed from the assistance unit for the purpose of calculating aid. At county option, however, these adults may continue to receive post 60-month time limit employment services which may include, but are not limited to, transportation, ancillary, and case management services. In addition, former recipients who are working or participating in an approved welfare-to-work (WTW) activity after leaving aid are eligible for up to two years of transitional child care.

IMPLEMENTATION DATE:

This premise implemented January 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing Statute: W&IC sections 11320.15, 11450.13, and 11454.5.
- Individuals began reaching their CalWORKs 60-month time limit in January 2003.
- The data sources used to determine the impacted caseload for the current year (CY) and the budget year (BY) are the CA 237 for grants, WTW 25/25A for services, and the CW 115/115A for child care.
- The cases that reach the time limit and are working or participating in WTW activities are eligible to receive up to 24 months of transitional child care and, at county option, up to 12 months of job retention services.

Grants

- The average monthly grant ($445) for Safety Net cases is calculated using Fiscal Year (FY) 2006-07 actual data reported on the CA 800 and CA 237 reports.
- The average monthly Safety Net caseload is 46,464 in the CY.
- The average monthly Safety Net caseload is 48,524 in the BY.

Services

- The funding for the CY is held to the Appropriation.
- The funding for the BY reflects an increase in caseload.
- The estimated cost is based on the following:

CalWORKs Safety Net Program

KEY DATA/ASSUMPTIONS (continued):

- The monthly cost of providing Safety Net employment services in the BY is $382 per case based on the cases reported on the WTW 25/25A Reports and the County Expense Claim (CEC) for Safety Net employment services for FY 2006-07.
- The projected average monthly caseload for the BY is 1,665.

Administration

- The funding for the CY is held to the Appropriation.
- The funding for the BY is based on actual expenditures from the FY 2006-07 CEC.
- The administrative cost for Safety Net cases represents 11.54 percent of the total CalWORKs eligibility expenditures.

Child Care

- The funding for the CY is held to the Appropriation.
- In the BY, the projected monthly Stage One Safety Net caseload (children) is 2,594 based on actual Safety Net cases reported on the CW 115/115A for FY 2006-07.
- Based on actual Safety Net expenditures and caseload from FY 2006-07 as reported on the CEC and the CW 115/115A reports, the monthly cost of Stage One Safety Net is $155 per child.

METHODOLOGY:

Grants

- For the CY and BY, Safety Net grant costs are calculated by multiplying the average monthly Safety Net cases by the cost per case (CY: 46,464 x $445 x 12, BY: 48,524 x $445 x 12).

Services

- In the BY, the employment services costs are calculated by multiplying the number of Safety Net cases receiving services by the monthly services cost multiplied by 12 months (BY: 1,665 x $382 x12).

Administration

- In the BY, the shift in administrative costs from CalWORKs to the Safety Net was calculated by applying 11.54 percent of the total CalWORKs eligibility expenditures for FY 2006-07. ($281 million x 11.54 percent).

Child Care

- The Stage One Child Care Safety Net costs are calculated by multiplying the caseload (children) by the cost per child multiplied by 12 months. The total cost for the BY is $4.8 million (2,594 x $155 x 12 = $4.8 million). $172,098 of the total cost is due to the effect of the regional market rate (RMR) increase and is reflected in the RMR impact premise. Five percent of the remaining costs are reflected in the Stage One/Two Child Care Holdback premise. Therefore, the net cost for the BY is $4.4 million.

CalWORKs Safety Net Program

FUNDING:

The Safety Net cost associated with CalWORKs grants is 97.5 percent General Fund (GF)/Maintenance of Effort and 2.5 percent county funds. The Safety Net costs associated with employment services, administration, and child care are 100 percent GF.

CHANGE FROM THE APPROPRIATION:

Grant costs decreased due to the caseload increasing at a slower rate than projected in the Appropriation.

For employment services, administration, and child care, there is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in Safety Net grants, services, and administration reflect an increase to the projected caseload.

For the Appropriation, Stage One Safety Net child care costs were based on FY 2004-05 data. The change in the BY is based on updated caseload and expenditures.

EXPENDITURES:

(in 000's)

ITEM 101 - CalWORKs Grants	2007-08 Grants	2008-09 Grants
Total	$248,148	$259,153
Federal	0	0
State	241,944	252,674
County	6,204	6,479
Reimbursements	0	0

ITEM 101 - CalWORKs Services	2007-08 Admin.	2008-09 Admin.
Total	$7,219	$7,634
Federal	0	0
State	7,219	7,634
County	0	0
Reimbursements	0	0

CalWORKs Safety Net Program

EXPENDITURES (continued):

(in 000's)

ITEM 101 -	2007-08	2008-09
CalWORKs Administration	Admin.	Admin.
Total	$29,977	$32,428
Federal	0	0
State	29,977	32,428
County	0	0
Reimbursements	0	

ITEM 101 -	2007-08	2008-09
CalWORKs Stage One Child Care	Child Care	Child Care
Total	$9,556	$4,419
Federal	0	0
State	9,556	4,419
County	0	0
Reimbursements	0	0

Substance Abuse Services

DESCRIPTION:

This premise reflects the cost to provide substance abuse services for California Work Opportunity and Responsibility to Kids (CalWORKs) Welfare-to-Work program participants. Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) mandated the implementation of the CalWORKs program. In addition, the bill mandated counties to 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 long-term employment. The county welfare departments and county alcohol and drug departments are required to collaborate to ensure an effective system is available to provide evaluations and substance abuse treatment.

IMPLEMENTATION DATE:

This premise implemented January 1, 1998.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code sections 11322.6 and 11325.8.

- The projected average monthly caseload is 2,168 in Fiscal Year (FY) 2007-08 and 2,183 for FY 2008-09. The FY 2007-08 caseload is based on a 12-month linear regression and projection from July 2006 through June 2007. The FY 2008-09 caseload is held to the June 2008 level.

- The cost per case is $1,918 in 2007-08 and 2008-09. This cost is based on FY 2006-07 expenditures divided by the FY 2006-07 average monthly caseload.

METHODOLOGY:

The projected average monthly caseload is multiplied by the projected cost per case.

FUNDING:

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

CHANGE FROM THE APPROPRIATION:

The FY 2007-08 estimate reflects an increase in the cost per case.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in budget year is due to an increase in the projected average monthly caseload.

Substance Abuse Services

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Services	County Services
Total	$49,908	$50,244
Federal	0	0
State	49,908	50,244
County	0	0
Reimbursements	0	0

Mental Health Services

DESCRIPTION:

This premise provides necessary mental health services, including case management and treatment, to California Work Opportunity and Responsibility to Kids (CalWORKs) program Welfare-to-Work participants in need of these services to obtain or retain employment. Assembly Bill 1542 (Chapter 270, Statutes of 1997) mandated the implementation of the CalWORKs program. In addition, it mandated that counties provide a plan 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 long-term employment.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11322.6.
- The projected average monthly caseload is 7,919 in Fiscal Year (FY) 2007-08 and 8,263 in FY 2008-09. The FY 2007-08 caseload is based on a nine month linear regression and projection from FY 2006-07. The 2008-09 caseload is held to the June 2008 level.
- The cost per case is $688 in FY 2007-08 and 2008-09. This cost is based on FY 2006-07 expenditures divided by FY 2006-07 average monthly caseload.

METHODOLOGY:

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

FUNDING:

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

CHANGE FROM THE APPROPRIATION:

The FY 2007-08 estimate reflects an increase in the cost per case.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in budget year reflects an increase in the average monthly caseload.

Mental Health Services

EXPENDITURES:

(in 000's)

	2007-08 County Services	2008-09 County Services
Total	$65,369	$68,211
Federal	0	0
State	65,369	68,211
County	0	0
Reimbursements	0	0

Mental Health/Substance Abuse Services for Indian Health Clinics

DESCRIPTION:

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

The services may include: (a) outreach and identification of individuals who are receiving, or may be eligible for, California's Work Opportunity and Responsibility to Kids (CalWORKs) Program assistance; (b) screening of individuals for substance abuse and/or mental health issues; (c) ensuring that individuals have transportation to the county welfare department (CWD) to apply for CalWORKs 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 in Fiscal Year (FY) 2001-02. Nine additional clinics implemented in FY 2002-03.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11322.6.
- The Legislature has appropriated $2.1 million to services for Indian health clinics for FY 2007-08.

FUNDING:

This premise is funded with 100 percent General Fund, which is countable toward the TANF maintenance of effort requirement. The funds for FY 2007-08 will be distributed quarterly through an interagency agreement (IA) with the Department of Alcohol and Drug Program (DAPD) for allocation to the Indian health clinics. Beginning FY 2008-09, funding will remain with the California Department of Social Services (CDSS).

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects CDSS no longer having an IA with the DAPD beginning FY 2008-09. Direct administration and oversight will be transferred to CDSS resulting in a shift in costs from local assistance to State operations.

Mental Health/Substance Abuse Services for Indian Health Clinics

EXPENDITURES:

(in 000's)

	2007-08	2008-09
Total	$2,100	$1,943
Federal	0	0
State	2,100	1,943
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 receive an annual performance incentive allocation beginning Fiscal Year (FY) 1997-98, subject to the amounts appropriated in the annual Budget Act. The California Department of Social Services (CDSS) began advancing incentive payments to counties as they were earned, but prior to their expenditure. The incentive allocations to counties are for use in either the federal Temporary Assistance for Needy Families (TANF) Program or the CalWORKs Program.

In 2001, the United States Department of Health and Human Services advised CDSS 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, CDSS 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, CDSS used part of the recoupment to fund the CalWORKs Program in FY 2002-03. The remainder of the recouped funding was allocated to the counties in FY 2003-04. Unexpended funds as of June 30, 2007, are reappropriated in the current year.

IMPLEMENTATION DATE:

This premise implemented January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing Statute: Welfare and Institutions Code sections 10544.1 and 10544.2.
- Section 10544.2 provides that incentive funds shall be available for encumbrance and expenditure by counties without regard to fiscal year until all funds are expended. After the supplemental claims the unexpended performance incentive balance was $19.9 million, as reflected in the FY 2007-08 TANF Performance Incentives allocation.
- Pursuant to an agreement with the County Welfare Director's Association (CWDA), unspent performance incentives were considered in the methodology for distribution in the FY 2007-08 CalWORKs single allocation.
- It is assumed all incentive funds will be spent in FY 2007-08.

METHODOLOGY:

The available fiscal incentives for FY 2007-08 are based on the unexpended balance as of FY 2006-07.

FUNDING:

This premise is funded with 100 percent TANF block grant funds.

County Performance Incentives

CHANGE FROM THE APPROPRIATION:

The balance of unexpended funds from FY 2006-07 is re-appropriated to the current year.

REASON FOR YEAR-TO-YEAR CHANGE:

No county performance incentives will be provided in the budget year.

EXPENDITURES:

(in 000's)

	2007-08[1] Services	2008-09 Services
Total	$19,996	$0
Federal	19,996	0
State	0	0
County	0	0
Reimbursements	0	0

[1] – The current year amount represents unspent funding appropriated in FY 2003-04 and is a non-add item in the Detail Tables.

Pay for Performance

DESCRIPTION:

Pay for Performance is an investment strategy to encourage counties to achieve critical California Work Opportunity and Responsibility to Kids (CalWORKs) program outcomes. The original proposal established a three-year pilot project to ensure that counties invest resources in activities that are most effective and efficient in achieving the desired outcomes.

Subject to an appropriation, payments for the Pay for Performance program were scheduled to begin in Fiscal Year (FY) 2006-07. However, funds were not set aside for the Appropriation in FY 2006-07 and the program was delayed.

In accordance with Assembly Bill (AB) 1808 (Chapter 47, Statutes of 2006) and AB 1078 (Chapter 622, Statutes of 2007), the California Department of Social Services is required to periodically publish the county-specific outcomes measured by the Pay for Performance program. A total of $40 million was shifted from the Temporary Assistance for Needy Families (TANF) reserve from FY 2006-07 to fund incentives in FY 2007-08 for counties that meet or exceed program outcome goals. County performance will be evaluated based on the following outcome measures:

- Employment rate of county CalWORKs cases.
- Modified federal participation rate that accounts for State allowable activities of county CalWORKs cases.
- Percentage of county CalWORKs cases that have earned income three months after ceasing to receive assistance.
- Effective January 1, 2008, the percentage of county CalWORKs cases, and cases that have left aid, that have earned income equal to or in excess of the maximum income level for the Earned Income Tax Credit.

IMPLEMENTATION DATE:

This premise implemented July 1, 2005.

KEY DATA/ASSUMPTIONS:

- A total of $40 million is budgeted in FY 2007-08 and FY 2008-09 for counties that meet or exceed performance outcome goals.

FUNDING:

This program is 100 percent federally funded.

Pay for Performance

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

101 – CalWORKs Services	2007-08	2008-09
	Services	Services
Total	$40,000	$40,000
Federal	40,000	40,000
State	0	0
County	0	0
Reimbursement	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 for CalWORKs Welfare-to-Work Program participants.

IMPLEMENTATION DATE:

This is an ongoing premise based on an annual appropriation.

METHODOLOGY:

Funding amounts are identified and provided by EDD.

FUNDING:

The EDD receives 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)

	2007-08	2008-09
	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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CalWORKs Pay for Performance Reduction

DESCRIPTION:

This premise reflects the elimination of the $40 million in Pay for Performance incentive funds in Fiscal Year (FY) 2007-08 (see the Pay for Performance premise for details on this program). Counties have not yet been awarded funds for this incentive program. This premise does not impact the $40 million reflected in the FY 2008-09 Pay for Performance premise for those counties that achieve improved program outcomes during FY 2007-08. This proposal will reduce the impact on the General Fund costs by $40 million in FY 2007-08. This premise is necessitated by the budget balancing reductions.

IMPLEMENTATION DATE:

This reduction assumes a March 1, 2008 enactment of Legislation which will eliminate the $40 million appropriated in FY 2007-08.

KEY DATA/ASSUMPTIONS:

- In order to implement this reduction, statutory changes are required.
- The $40 million in Pay for Performance funds will be eliminated in FY 2007-08.

FUNDING:

This program is 100 percent federally funded.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise impacts current year funding only.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
Total	-$40,000	0
Federal	-40,000	0
State	0	0
County	0	0
Reimbursements	0	0

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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 include the California Community Colleges (CCC), the California Department of Education (CDE), and the California Department of Health Services (DHS).

The purpose of the CCC pass-through is to reimburse CCC for the federal share of costs of educational services provided to participants of the WTW Program. The purpose of the CDE pass-through is to reimburse CDE for the federal share of costs of average daily attendance hours, including CalWORKs WTW hours that exceed each school district's cap. The DHS pass-through is for Community Challenge Grant projects aimed at reducing adolescent and unwed pregnancies, and encouraging father-child involvement by linking community-based organizations, schools, health educators, social service providers, parents, and youth.

IMPLEMENTATION DATE:

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

KEY DATA/ASSUMPTIONS:

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

	FY 2007-08	FY 2008-09
CCC	$ 8.39 million	$ 8.39 million
CDE	$ 9.98 million	$ 9.98 million
DHS	$20.00 million	$20.00 million

METHODOLOGY:

The California Department of Social Services (CDSS) entered into interagency agreements that specified the amounts of TANF funds to be transferred from CDSS to the contracting departments.

FUNDING:

This premise is funded with 100 percent TANF funds

CHANGE FROM THE APPROPRIATION:

There is no change.

TANF Pass-Through for State Agencies

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$38,374	$38,374
Federal	38,374	38,374
State	0	0
County	0	0
Reimbursements	0	0

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 supportive services payments and 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 waiver authority, sanctioned Cal Learn teen parents are not Temporary Assistance for Needy Families (TANF) program-eligible. This sanctioned caseload is funded with General Fund (GF).

IMPLEMENTATION DATE:

This premise implemented April 1, 1994.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11331.7.
- Cal Learn services costs for Fiscal Year (FY) 2007-08 are held to Appropriation.
- The projected average monthly caseload for Cal Learn is 8,208 in FY 2007-08 and 8,457 in FY 2008-09.
- Cal Learn incentives include 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 caseload (337 in FY 2007-08 and 347 in FY 2008-09) represents 4.1 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 2006-07.
- The sanctioned grant cost is $484 per month. These rates are based on the Maximum Aid Payment (MAP) for an assistance unit (AU) of two minus the $100 sanction.

Cal Learn

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on actual FY 2006-07 caseload as reported on the Stat 45 Reports, it is assumed that 5.7 percent of the Cal Learn participants receive the $100 bonus and one percent receives the $500 bonus.
- The average hourly eligibility worker (EW) cost is $57.57.
- It is assumed the EW requires one hour of administrative time per month for each case.
- The case management cost is $2,739 per case per year for all activities performed by the case manager. The rate is based on FY 2006-07 case management expenditures divided by the total Cal Learn caseload.
- It is assumed that 39.8 percent of the total Cal Learn caseload will utilize transportation services at a cost of $13.63 per month per participant. The utilization rate is based on the FY 2006-07 caseload as reported on the monthly Stat 45 Reports. The cost is based on FY 2006-07 county transportation expenditure claims.
- It is assumed that 4.3 percent of the total Cal Learn caseload will utilize ancillary services at a cost of $47.41 per month per participant. The utilization rate is based on FY 2006-07 caseload as reported on the monthly Stat 45 Reports. The cost is based on FY 2006-07 county ancillary expenditure claims.
- Subsidized child care is available for Cal Learn participants attending high school. Please refer to the “CalWORKs Child Care - Stage One Services and Administration” premise for the assumptions and methodology used to develop the estimate.
- The funding for FY 2008-09 for Services and Administration costs are based on the following key data/assumptions:
    - The estimate assumes that 8,457 CalWORKs cases 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 2006-07 on the monthly Stat 45 Reports and projected through June 2009.
    - Automation costs for Cal Learn tracking is approximately $173,625.
    - The Recent Noncitizen Entrants (RNEs) caseload of 127 represents 1.5 percent of the projected Cal Learn caseload and is funded with GF.
    - The sanctioned caseload of 347 represents 4.1 percent of the projected Cal Learn caseload and is funded with GF.

METHODOLOGY:

- For FY 2007-08 and 2008-09, the case management cost was multiplied by the projected Cal Learn caseload to determine the annual cost.
- The EW cost per hour was multiplied by the Cal Learn caseload, and then multiplied by 12 months to determine the annual county administration cost.

Cal Learn

METHODOLOGY (CONTINUED):

- The transportation cost was determined by multiplying the Cal Learn caseload by the transportation utilization rate, multiplied by the transportation cost per case, and then multiplied by 12 months to determine the annual cost.
- The ancillary service cost was determined by multiplying the Cal Learn caseload by the ancillary utilization rate, multiplied by ancillary cost per case, and then multiplied by 12 months to determine the annual cost.
- The utilization rates for the $100 and $500 bonuses were each multiplied by the total caseload, then multiplied by 12 to determine the annual costs. The 1.5 percent of bonuses for RNE cases are backed out and displayed in a separate premise.
- The State-only (sanctioned) rate was multiplied by the total caseload to determine the sanctioned caseload, multiplied by the MAP for an AU of two minus $100 to determine the sanctioned grant costs.

FUNDING:

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

CHANGE FROM THE APPROPRIATION:

The increase in bonuses is due to an increase in the $100 bonus utilization rate. The increase in sanctioned grants is due to an increase in the sanctioned caseload. There is no change in services costs.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in bonuses and sanctioned grants is due to a projected increase in caseload in the budget year. The decrease in Cal Learn services is due to a decrease in the case management, transportation, and ancillary costs per case.

CASELOAD:

	2007-08	2008-09
Average Monthly Caseload	8,208	8,457

Cal Learn

EXPENDITURES [1]:
(in 000's)

101 – CalWORKs Bonuses	2007-08	2008-09
	Grant	Grant
Total	$990	$1,020
Federal	990	1,020
State	0	0
County	0	0
Reimbursement	0	0

101 – CalWORKs Sanctioned Grants	2007-08	2008-09
	Grant	Grant
Total	$1,957	$2,015
Federal	0	0
State	1,957	2,015
County	0	0
Reimbursement	0	0

101 – CalWORKs Services & Administration	2007-08	2008-09
	Services	Services
Total	$29,799	$29,715
Federal	28,352	28,270
State	1,447	1,445
County	0	0
Reimbursement	0	0

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

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 to Kids (CalWORKs) Program. The basic costs include the costs for general administration, coordination and overhead for the programs such as the salaries and benefits of staff performing activities related to eligibility determination, preparation of budgets, monitoring programs, and fraud units, services related to accounting, litigation, payroll and personnel, and costs for the goods and services required for the administration of the program such as supplies, equipment, utilities, rental of office space and maintenance of office space.

Historically, the budget for county administration was based on counties' administrative budget requests made through a Proposed County Administrative Budget (PCAB) process, modified by a cost containment system consistent with Welfare and Institutions Code (W&IC) section 14154. Beginning with fiscal year (FY) 2001-02 the PCAB process was suspended and the last PCAB process, FY 2000-01, established the base from which future year costs are established. Adjustments for caseload changes and other factors are made during each subvention process.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 14154.
- FY 2007-08 is held to the Appropriation .
- The FY 2007-08 base funding for CalWORKs County Administrative Basic is $639.4 million.
- The estimate reflects a projected caseload decline of 1.2 percent in FY 2008-09.
- Staff development costs in FY 2008-09 are $17.3 million based on actual expenditures from FY 2006-07.
- Statewide Automated Welfare System (SAWS) development and testing interface costs are $129,000 in FY 2008-09.
- Administrative costs related to the Merced Automated Global Information Control (MAGIC) automation system are $272,000 in FY 2008-09.
- Electronic Benefit Transfer (EBT) savings are $10.6 million in FY 2008-09.
- Time limit savings are $38.4 million in FY 2008-09.
- Legacy Systems savings are $12.1 million in FY 2008-09.
- Contract costs are $4.1 million for FY 2008-09.
- In FY 2008-09, $7.7 million of the CalWORKs Administrative Basic expenditures are for Recent Noncitizens Entrants (RNEs). Of the $7.7 million, $3.8 million reflects the federally eligible recipients in mixed households.

TANF/CalWORKs Administrative Costs – Basic

KEY DATA/ASSUMPTIONS (continued):

- In FY 2008-09, $138,000 of the CalWORKs Administrative Basic expenditures are for Emergency Freeze Response.

METHODOLOGY:

The basic funding from FY 2007-08 is adjusted to reflect the projected decrease in caseload, staff development expenditures, savings for EBT, time limits, and Legacy Systems, the MAGIC system, the SAWS development and testing and contract costs. Funds for TANF ineligible RNEs were subtracted and shifted to the RNE premise. (For more information see separate RNE premise). Funds associated with administering the Emergency Freeze Response were subtracted and shifted to the Emergency Freeze Response premise. (For more information see separate Emergency Freeze Response premise).

FUNDING:

- The costs for RNE families are 100 percent General Fund (GF).
- All other costs are 100 percent TANF.
- The GF is countable toward the State's maintenance of effort (MOE) requirement.

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

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2008-09 estimate reflects a caseload decrease.

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$593,407	$588,456
Federal	588,503	584,618
State	4,904	3,838
County	0	0
Reimbursements	0	0

Restore California Work Opportunity and Responsibility to Kids (CalWORKs) Administration Costs

DESCRIPTION:

This premise reflects the restoration of $140 million for county CalWORKs administration pursuant to Assembly Bill 1801, (Chapter 47, Statutes of 2006) which restores funding to the actual Fiscal Year (FY) 2005-06 spending level. The counties will utilize these funds consistent with single allocation spending.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2006.

KEY DATA/ASSUMPTIONS:

The county CalWORKs single allocation will be increased by $140 million TANF funds.

METHODOLOGY:

The funding for CalWORKs Administration will be increased by $140 million to restore funding to the actual FY 2005-06 spending level.

FUNDING:

The funds are 100 percent TANF.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

101- CalWORKs Administration	2007-08	2008-09
Total	$140,000	$140,000
Federal	140,000	140,000
State	0	0
County	0	0
Reimbursements	0	0

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Single Allocation Reduction

DESCRIPTION:

Section 15204.2 of the Welfare and Institutions Code provides that state and federal funds shall be appropriated in a single allocation to county welfare departments (CWDs) for the support of administrative activities undertaken by the CWDs to provide benefit payments to California Work Opportunity and Responsibility to Kids (CalWORKs) recipients and to provide work activities and supportive services in order to efficiently and effectively carry out the purposes of the CalWORKs program. Due to pressures on Temporary Assistance for Needy Families (TANF) block grant funding and the overall General Fund (GF) budget, the single allocation has been reduced by $16 million in Fiscal Year (FY) 2007-08.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2006.

KEY DATA/ASSUMPTIONS:

- The CalWORKs single allocation was reduced by $16 million TANF funds in FY 2007-08.
- In FY 2007-08, CWDs can backfill the reduction in the single allocation with county fraud recovery incentive funds previously earned and allocated but not spent.

METHODOLOGY:

The funding for CalWORKs Administration was reduced by $16 million in FY 2007-08.

FUNDING:

This reduction is 100 percent TANF funds.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2007-08 reduction is based on unspent fraud recovery incentives and is a one-time reduction. There will be no similar single allocation reduction in FY 2008-09.

Single Allocation Reduction

EXPENDITURES:

(in 000's)

101 – CalWORKs	2007-08	2008-09
Administration		
Total	-$16,000	0
Federal	-16,000	0
State	0	0
County	0	0
Reimbursement	0	0

Work Verification

DESCRIPTION:

This premise provides an ongoing allocation to counties to comply with enhanced documentation and verification of work participation data mandated by the federal Deficit Reduction Act (DRA) of 2005. One of the key goals of the DRA is to improve work participation information for the Temporary Assistance for Needy Families Program through the uniform and consistent collection of data. The DRA also requires improved verification and oversight of work participation. Each state was required to establish and must maintain work verification procedures and internal controls to ensure compliance with the procedures. The verification and oversight procedures are described in California's federally-approved Work Verification Plan (WVP), which explains procedures for:

- Determining whether activities may be counted as work activities
- Counting and verifying reported hours of work
- Determining who is a work-eligible individual
- Establishing internal controls to ensure compliance with the procedures

The WVP requires counties to document and verify all reported hours of participation, as well as hours that are counted as excused absences. Counties must also document and verify disability and school attendance, if applicable. In addition to increasing verification requirements, the DRA requires California to collect, document, and verify participation data on individuals that were previously excluded from federal reporting requirements in the calculation of participation rates. These changes pose a significant additional workload for county staff.

IMPLEMENTATION DATE:

This premise will implement July 1, 2008.

KEY DATA/ASSUMPTIONS:

- Funding may be used by counties to hire additional staff, retrain existing staff, and/or pay for staffs' additional workload to document and verify work participation required by federal law. Clearly documenting and verifying an individual's participation will enhance California's ability to meet the federal work participation rates and avoid penalties associated with inadequate documentation and verification of the data used in calculating the rates.

- The total projected number of pre 60-month time limit, non-exempt cases with an adult who are subject to work verification requirements is 187,800 in fiscal year (FY) 2008-09.

- The total projected sanctioned/noncompliant/unengaged less than 60 days caseload in FY 2008-09 is 94,100.

- Based on the federal fiscal year 2006 California Work Opportunity and Responsibility to Kids Characteristics Survey (Q5) data, 70 percent of individuals who are currently participating do so through work activities and the remaining 30 percent participate in non-work activities.

- Approximately 52,000 cases are currently participating through work activities per Q5 data.

Work Verification

KEY DATA/ASSUMPTIONS (continued):

- Based on information from the County Welfare Directors Association of California, of the cases that are currently participating through work activities, eighty percent or 41,600 cases have pay stubs that fulfill work verification requirements (documented hours for which the individual was paid); 20 percent or 10,400 cases will require additional documentation by the county.

- It is assumed that 100 percent of the cases that participate through non-work activities will require additional documentation by the county.

- The total projected number of post 60-month time limit or safety net cases subject to work verification requirements in FY 2008-09 is 45,000.

- Per Q5, 40 percent of the safety net caseload is projected to participate either partially or fully through work activities. Two percent is projected to fully participate through non-work activities.

- The average hourly eligibility worker (EW) cost is $57.57. It is assumed that it will take 10 minutes ($9.60) of administrative time per month to verify participation for cases that participate through work, and 15 minutes ($14.39) of administrative time per month for cases that participate through non-work activities.

METHODOLOGY:

Pre 60-Month Time Limit:

- It is assumed that 93,700 non-exempt cases with an adult will be subject to work verification requirements in FY 2008-09. (187,800 non-exempt cases with an adult minus 94,100 sanctioned/noncompliant/unengaged less than 60 days cases.)

- Per Q5, 70 percent or 65,700 cases will participate through work activities and the remaining 30 percent or 28,000 cases will participate in non-work activities.
    - Of the 65,700 cases projected to work, 52,000 are estimated to be currently working cases and 13,700 cases are estimated to become newly working in FY 2008-09.
        - Of the 52,000 working cases, 10,400 or 20 percent will require additional documentation and 100 percent of the newly working cases will require additional documentation by the county resulting in administration costs of $2.8 million in FY 2008-09.

    - Of the 28,000 cases projected to participate through non-work, 100 percent of these cases will require additional documentation by the county resulting in administration costs of $4.8 million in FY 2008-09.

Post 60-Month Time Limit:

- Per Q5, approximately 18,000 safety net cases will participate through work activities and 1,000 cases will participate through non-work activities.

Work Verification

METHODOLOGY (continued):

- One hundred percent of these cases will require additional documentation by the county resulting in administration costs of $2.3 million in FY 2008-09. ($2.1 million in administration costs for cases that participate through work activities and $0.2 million for cases that participate through non-work activities.)

FUNDING:

This premise is 100 percent federally funded for pre 60-month time limit cases and 100 percent General Funds for post 60-month time limit cases.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise implements in FY 2008-09.

EXPENDITURES:

(in 000's)

ITEM 101-
CalWORKs Administration

	2007-08	2008-09
	Admin.	Admin.
Total	$0	$9,888
Federal	0	7,574
State	0	2,314
County	0	0
Reimbursements	0	0

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Fraud Recovery Incentives

DESCRIPTION:

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

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11486(j).
- Based on the FNS 209 Status of Claims Against Households, client-caused overpayments represent 71 percent of all collections.
- The total overpayment collections were $56.9 million for Fiscal Year (FY) 2006-07.
- The total estimated overpayment collections are $59.0 million for FY 2007-08.
- Based on the amount of overpayment collections, incentive payments are made annually to the counties in arrears.
- Effective with the passage of AB 444, the counties receive 12.5 percent of the savings due to client-caused overpayments.
- Overpayments are assumed to be funded 97.5 percent TANF/maintenance of effort and 2.5 percent county.

METHODOLOGY:

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

FUNDING:

The costs are 100 percent TANF.

Fraud Recovery Incentives

CHANGE FROM THE APPROPRIATION:

The FY 2006-07 overpayment collections were estimated to be $62.5 million in the May 2007 Revise. However, the actual overpayment collections for FY 2006-07 were $56.9 million. The Current Year was updated to reflect the most recent data.

REASON FOR YEAR-TO-YEAR CHANGE:

The Budget Year reflects an increase in projected overpayment collections.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
ITEM 101 – TANF	County Admin.	County Admin.
Total	$4,921	$5,102
Federal	4,921	5,102
State	0	0
County	0	0
Reimbursements	0	0

Fraud Recovery Incentives-Reappropriation

DESCRIPTION:

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

IMPLEMENTATION DATE:

This premise implemented on July 1, 2006.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11486(j).
- The Budget Act of 2006, AB 1801.

METHODOLOGY:

The Budget Act of 2006, AB 1801, authorized the reappropriation of funds for fraud recovery incentive payments earned by counties but unexpended as of June 30, 2006. Unexpended Federal Fraud Incentives from Fiscal Year (FY) 1998-99 to FY 2005-06 will be reappropriated to FY 2007-08.

FUNDING:

This premise is funded with 100 percent TANF block grant funds.

CHANGE FROM THE APPROPRIATION:

The decrease reflects the expenditure of federal fraud incentives.

REASON FOR YEAR-TO-YEAR CHANGE:

The unexpended Federal Fraud Incentives from FY 1998-99 to FY 2005-06 have been fully reappropriated.

Fraud Recovery Incentives-Reappropriation

EXPENDITURES:

(in 000's)

	2007-08	2008-09
ITEM 101 – TANF	County Admin.	County Admin.
Total	$16,464	$0
Federal	16,464	0
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 the 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 FS activities for Temporary Assistance for Needy Families (TANF) 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 amount shifted from CalWORKs Administration for Fiscal Year (FY) 2007-08 was held to the Appropriation. The amount shifted to Food Stamps Administration was updated to reflect the most recent caseload and expenditure data.
- The eligibility worker intake administrative costs are divided equally among CalWORKs, PAFS and Medi-Cal. The PAFS share of the common intake costs is $55 million in FY 2008-09.
- County worker costs for Eligibility, Case Management and Program Integrity activities are claimed to Programs Codes (PC) 614, 663, and 618, respectively, on the county expense claim.
- The ratio of administrative costs for PCs 614, 663 and 618 to the total administrative costs is 0.6814 based on the FY 2006-07 expenditures.
- The ratio of PAFS to the CalWORKs caseload is 0.62 based on the average ratio for the July 2006 through June 2007 period.
- Based on FY 2006-07 data reported on the county administrative expense claims, the total CalWORKs administrative cost was $712,236,343.

METHODOLOGY:

The CalWORKs administrative cost, based on actual expenditures, was multiplied by 0.6814 to determine the value of the PAFS/CalWORKs shared administrative costs. The shared administrative costs were multiplied by 0.62. The result was then 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 (NAFS) costs are shared 50 percent federal funds (USDA-FNS), 35 percent General Fund, and 15 percent county funds. The CalWORKs costs shifted are 100 percent federal funds.

CHANGE FROM THE APPROPRIATION:

The CalWORKs administration was held to Appropriation, but the food stamp administration was updated for the most recent actual administrative expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in funds shifting from CalWORKs Administration to FS Administration is due to a slight decrease in the CalWORKs caseload in the budget year.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
ITEM 101 – TANF	County Admin.	County Admin.
Total	-$178,561	-$205,496
Federal	-178,561	-205,496
State	0	0
County	0	0
Reimbursements	0	0

ITEM 141 – Food Stamps	2007-08	2008-09
	County Admin.	County Admin.
Total	$206,164	$205,496
Federal	103,082	102,749
State	72,157	71,923
County	30,925	30,824
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 current year (CY) is held to the Appropriation.
- The initial eligibility determination expenditures are $167.8 million, which represents 19.39 percent of the total CalWORKs eligibility expenditures for Fiscal Year (FY) 2006-07.
- The CalWORKs county administrative cost for FY 2006-07 is $865.1 million, which includes common costs for the Food Stamp and Medi-Cal programs.
- The Medi-Cal, CalWORKs, and Food Stamp programs each share one third of the initial eligibility determination common costs.

METHODOLOGY:

The FY 2008-09 estimate is based on the FY 2006-07 CalWORKs county administrative cost of $865.1 million which is reduced by the FY 2007-08 projected administrative basic caseload decline of 0.4 percent. Of this amount, 19.39 percent represents total CalWORKs eligibility expenditures or $167.1 million of which one third or $55.7 million is attributable to Medi-Cal Services Eligibility/Common Cost in the budget year (BY). This amount was further reduced by the projected 2008-09 caseload decline of 1.2 percent.

FUNDING:

The funds are 100 percent TANF.

Medi-Cal Services Eligibility / Common Costs

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY increase in savings is due to increased Medi-Cal services eligibility expenditures.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	-$49,335	-$55,023
Federal	-49,335	-55,023
State	0	0
County	0	0
Reimbursements	0	0

CalWORKs Administrative Cap Adjustment

DESCRIPTION:

This premise reflects an adjustment to ensure California does not exceed the 15 percent administrative cap required under the Temporary Assistance for Needy Families (TANF) program. Under TANF, states may not spend more than 15 percent of either their federal TANF funds or State maintenance of effort (MOE) dollars on administrative costs. Administrative costs are defined as costs necessary for the proper administration of the TANF or separate state programs. Expenditures in excess of the 15 percent federal cap are considered a misuse of funds which may result in a reduction of federal TANF funds.

IMPLEMENTATION DATE:

This premise implemented October 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Title 45, Code of Federal Regulations, sections 263.0 and 263.13.
- The administrative cap is applied on a statewide basis rather than county specific.
- Administrative activities include, but are not limited to, eligibility determinations, administrative costs incurred by contractors, automation costs not related to tracking and monitoring of TANF requirements, preparation of program plans, procurement, property management, and costs of fraud and abuse units.

METHODOLOGY:

- Actual State and federal administrative expenditures from October 1, 2005 through September 30, 2006 were compared to the net annual TANF grant and the required State MOE for Federal Fiscal Year 2007.
- Administrative expenditures were adjusted between federal TANF (7.94 percent) and State MOE (7.94 percent) until the administrative cost percentages were at the lowest common rate.

FUNDING:

The administrative cap adjustment consists of a shift from federal funds to the GF or GF to federal funds, whichever is necessary to keep the percentages at the lowest common rate.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

CalWORKs Administrative Cap Adjustment

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$0	$0
Federal	-116,000	-116,000
State	116,000	116,000
County	0	0
Reimbursements	0	0

Court Cases

DESCRIPTION:

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

KEY DATA/ASSUMPTIONS:

Item 101 – TANF Administration

- A total of $487,000 is budgeted in Fiscal Year (FY) 2007-08 for attorney fees and settlement costs associated with small court cases expected to be resolved in the current year (CY).
- A total of $300,000 is budgeted in FY 2008-09 for attorney fees and settlement costs associated with small court cases expected to be resolved in the budget year (BY).

Item 141 – FC, AAP, and Food Stamp Administration

- A total of $1,210,000 is budgeted in FY 2007-08 for attorney fees and settlement costs associated with small court cases expected to be resolved in the CY.
- A total of $1,150,000 is budgeted in FY 2008-09 for attorney fees and settlement costs associated with small court cases expected to be resolved in the BY.

METHODOLOGY:

Item 101 – TANF Administration

The estimate is based on actual and projected attorney fees, settlement costs, and miscellaneous writs to be paid in FYs 2007-08 and 2008-09.

Item 141 – FC, AAP, and Food Stamp Administration

The estimate is based on actual and projected attorney fees, settlement costs, and miscellaneous writs to be paid in FYs 2007-08 and 2008-09.

FUNDING:

Item 101 –TANF Administration

The funding is 100 percent TANF.

Item 141 – FC, AAP, and Food Stamp Administration

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

Court Cases

CHANGE FROM THE APPROPRIATION:

This premise was updated based on actual and projected expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects a decrease in court case costs because fewer cases are expect to be resolved in the BY.

EXPENDITURES:

(in 000's)

ITEM 101 –	2007-08	2008-09
TANF Administration	County Admin.	County Admin.
Total	$487	$300
Federal	487	300
State	0	0
County	0	0
Reimbursements	0	0

ITEM 141 –	2007-08	2008-09
FC, AAP, and Food Stamp Administration	County Admin.	County Admin.
Total	$1,210	$1,150
Federal	605	575
State	605	575
County	0	0
Reimbursements	0	0

State/County Peer Reviews

DESCRIPTION:

This premise reflects the costs associated with the provisions in Assembly Bill (AB) 1808 that require the California Department of Social Services (CDSS) to conduct a pilot of State/County Peer Reviews in Fiscal Year (FY) 2006-07 with statewide implementation by July 1, 2007. CDSS staff and staff from two county welfare departments (CWDs) will visit other CWDs to review their California Work Opportunity and Responsibility to Kids (CalWORKs) Program policies, procedures, and data to improve performance outcomes. The primary purpose of these collaborative visits is to identify and share best practices between the CWDs and provide an opportunity for the identification of potential obstacles that may prevent CWDs from achieving the outcomes required by federal law. Since the Peer Reviews are mandatory under AB 1808, it is necessary to provide CWDs with appropriate funding to participate in these visits. This premise reflects the costs associated with backfilling, travel, and per diem costs for the participating county staff.

IMPLEMENTATION DATE:

This premise implemented July 1, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10533.
- There will be up to 20 peer reviews in both FY 2007-08 and FY 2008-09.
- Each peer review will take approximately five days (eight hours per day) to complete. One additional eight hour day is required for preparation and training in the host county for staff from the visiting counties.
- Two staff persons from each of the two visiting counties will travel to the host county for the Peer Review. One manager and two staff persons from the host county will participate in the Peer Review.
- The travel and per diem costs for each person from the visiting counties is $1,336 per visit.
- This estimate includes the costs for county staff backfill for four county staff; one staff person from each of the two visiting counties and two staff persons from the host county. No backfill is assumed for managers.
- The hourly salary and benefits for a worker is $35.80.

METHODOLOGY:

- The cost for travel and per diem for one manager and one staff person from each visiting county for 20 peer reviews is $106,880.
- The average backfill cost for each county staff for 48 hours is $1,718.
- The total backfill cost for four county staff for 20 visits is $137,472.
- The total cost for travel, per diem and county staff backfill is $244,352.

State/County Peer Reviews

FUNDING:

This premise 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)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$244	$244
Federal	$244	244
State	0	0
County	0	0
Reimbursements	0	0

Research and Evaluation

DESCRIPTION:

This premise reflects the costs to develop a research design to ensure a thorough evaluation of the direct and indirect effects of the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. Research and evaluation of the CalWORKs Program was authorized by Welfare and Institutions (W&I) Code sections 11520 through 11521.7. The statute specifies that an independent evaluator or evaluators shall conduct the statewide evaluation and that 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.

In addition, statute specifies that 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&I Code sections 11520 through 11521.7.
- Assembly Bill 1542 (Chapter 270, Statutes of 1997) mandated the evaluation of the CalWORKs Program and county demonstration projects.

METHODOLOGY:

The funding in Fiscal Year (FY) 2007-08 and FY 2008-09 has been held at the Budget Act of 2007 Appropriation level.

FUNDING:

This premise 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.

Research and Evaluation

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$4,000	$4,000
Federal	4,000	4,000
State	0	0
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 the 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 July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 15204.4.
- The individual county requirement for spending is 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.
- Actual county expenditures in FY 1996-97 were $140,540,757. This amount represents the ongoing county MOE requirement. In FY 1996-97, county expenditures were made in the following programs: 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.

METHODOLOGY:

The funds reflected in this premise are the total statewide expenditures for FY 1996-97 minus the estimated county expenditures for the administration of the Food Stamp (FS) program (including the amount of the projected overmatch for FY 2007-08 and FY 2008-09 ($119,873,000 and $131,918,024 respectively).

FUNDING:

This is a shift from federal to county funds.

CHANGE FROM THE APPROPRIATION:

The current year decrease from the Appropriation is due to an increase in the county share of cost in the FS program.

REASON FOR YEAR-TO-YEAR CHANGE:

The decreased amount shifted in the budget year is due to an increase in the county share of cost in the FS program.

County Maintenance of Effort Adjustment

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$0	$0
Federal	-20,668	-8,623
State	0	0
County	20,668	8,623
Reimbursements	0	0

CalWORKs Governor's Proposals- Mailing Cost

DESCRIPTION:

The California Work Opportunity and Responsibility to Kids (CalWORKs) program will be implementing proposals that impact Safety Net cases and child only cases that have a parent or caretaker who is a fleeing felon, drug felon, or undocumented non-citizen. In addition, CalWORKs will implement graduated full family sanctions for cases that do not meet the federal work participation rate. A mailing will be sent out to the entire CalWORKs' caseload to inform them of these changes at a cost of $174,000 in the Current Year (CY).

This premise is necessitated by the budget balancing reductions.

IMPLEMENTATION DATE:

This reduction assumes a March 1, 2008 enactment of Legislation and implementation date.

KEY DATA/ASSUMPTIONS:

- The California Department of Social Services will develop an inter-agency agreement with the Employment Development Department (EDD) to complete this mailing.
- Based on Fiscal Year 2006-07 CalWORKs Cash Grant Caseload Movement Report (CA 237), the CalWORKs caseload is approximately 458,000 cases.
- Based on current United States Postal Service rates, the cost to mail each letter is $0.38.

METHODOLOGY:

The administration cost is determined by multiplying the caseload by the cost per letter.

FUNDING:

This premise is funded with 88.42 percent Temporary Assistance for Needy Families funding and 11.58 percent General Fund.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a one time CY cost.

CalWORKs Governor's Proposals- Mailing Cost

EXPENDITURES:

(in 000's)

101-Admin	2007-08	2008-09
Total	$174	$0
Federal	154	0
State	20	0
County	0	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 families who are working or participating in a work activity while on aid and former CalWORKs recipients who are unable to transfer to Stage Two due to the lack of available slots, and 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 (AB) 1542 (Chapter 270, Statutes of 1997) authorized CalWORKs Stage One Child Care. Child care services for Cal Learn participants were authorized by Senate Bill (SB) 35 (Chapter 69, Statutes of 1993) and SB 1078 (Chapter 1252, Statutes of 1993).

The CalWORKs Child Care Program is administered in three stages. Stage One is administered by the California Department of Social Services (CDSS). Stage Two, administered by the California Department of Education (CDE), 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. Stage Three is also administered by CDE and serves participants who have been off aid for two years.

As a result of Temporary Assistance for Needy Families (TANF) Reauthorization, two-parent families will no longer be funded with Maintenance of Effort (MOE) for CalWORKs Grants, Services, and Administration. However, CalWORKs child care for two-parent families will continue to be funded with General Fund (GF) as these families must work or participate a minimum of 55 hours per week in Welfare to Work activities to be eligible for federally funded child care.

Total Stage One costs are reduced by five percent and reflected in the Stage One/Two Holdback. This allows flexibility in funding for both programs due to the uncertainty of when recipients may transition between the two stages.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Education Code sections 8350, 8351, 8352 and Welfare and Institutions Code section 11331.7.
- Fiscal Year (FY) 2007-08 is held to the Appropriation.
- In FY 2008-09, the cost of providing CalWORKs child care is based on the following:
    - The projected monthly caseload (children) for the budget year (BY) is 45,986 based on a regression analysis projection using actual caseload from FY 2006-07 as reported on the Child Care Monthly Report - CalWORKs Families (CW 115) and Child Care Monthly Report - Two-Parent Families (CW 115A).

CalWORKs Child Care - Stage One Services and Administration

KEY DATA/ASSUMPTIONS (continued):

- The monthly cost of CalWORKs child care is $680 per child. This is based on child care expenditures and caseload as reported on the county expense claims and the CW 115 and CW 115A reports from July 2007 – December 2007 and increased by the July 2007 Consumer Necessities Index of 3.7 percent to account for the Regional Market Rate increase in March 2008 .
- The CalWORKs child care administrative ratio is 11.90 percent and is based on the actual administrative expenditures compared to services expenditures for FY 2006-07.
- The child care cost for two-parent families is 3.20 percent based on Stage One expenditures from FY 2006-07.
- The child care costs for the Recent Noncitizen Entrants (RNEs) is 0.68 percent based on Stage One expenditures from FY 2006-07.
- The child care cost for sanctioned teens for State-Only Cal Learn Child Care is 0.06 percent based on Stage One expenditures from FY 2006-07.
- It is assumed $198.2 million in the current year (CY) and $196.8 million in the BY in Temporary Assistance for Needy Families (TANF) are transferred to Title XX for Stage One.
- The Stage One holdback is $21 million in both CY and BY. These amounts are based on five percent of child care basic costs including Safety Net and the RMR impact. Refer to the Child Care Stage One/Two Holdback premise description for more information.

- In FY 2008-09, the net need after adjustments for Emergency Freeze Response, Homeless Assistance (AB 1808), Recent Noncitizen Entrants (RNE), State-Only Cal Learn, and the RMR impact for Stage One Child Care is $342.7 million.

METHODOLOGY:

- The Stage One child care services costs are calculated by multiplying the caseload by the cost per child multiplied by 12 months.
- 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 reduced by $72.5 million in the BY for the RMR impact as these costs are reflected on a separate premise.
- The Stage One Child Care basic costs, Safety Net, and the RMR impact are reduced by five percent and placed in the Stage One/Two Holdback.
- The Stage One two-parent child care costs are calculated by multiplying the total Stage One child care costs by 3.20 percent. These funds are then shifted to GF.
- The RNE caseload represents 0.68 percent of Stage One Child Care costs.

CalWORKs Child Care - Stage One Services and Administration

METHODOLOGY (continued):

- Federally eligible members of mixed RNE households represent 49.98 percent and remain in the Stage One Basic Program, funded with GF. The remaining portion of the RNE child care cost is reflected on the RNE premise line. Refer to the Recent Noncitizen Entrants Services/Administration premise description for more information.
- Sanctioned teens for State-Only Cal Learn Child Care represent 0.06 percent of Stage One Child Care Costs. These funds are reflected in the State-Only Cal Learn Child Care premise, funded with GF.
- Additional adjustments to basic are made for child care costs associated with Emergency Freeze Response and Homeless Assistance (AB 1808) and are shown as separate premises.

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 MOE requirement. Child Care for RNEs is funded with 100 percent GF.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in services and administration costs in the BY reflects a decrease in the projected caseload.

CASELOAD:

	2007-08	2008-09
Average Monthly Children	51,496	45,986

CalWORKs Child Care - Stage One Services and Administration

EXPENDITURES:

101 – CalWORKs Child Care

(in 000's)

	2007-08 Services	2008-09 Services
Total	$336,597	$290,900
Federal	323,661	280,640
State	12,936	10,260
County	0	0
Reimbursements	0	0

	2007-08 Administration	2008-09 Administration
Total	$40,434	$34,630
Federal	39,084	33,408
State	1,350	1,222
County	0	0
Reimbursements	0	0

Stage One Child Care RMR Impact

DESCRIPTION:

This premise reflects the cost impact to California's subsidized child care system from the updated Regional Market Rate (RMR) Ceilings. RMR ceilings are the maximum amount child care providers can be reimbursed from the state for subsidized child care. California Work Opportunity and Responsibility to Kids (CalWORKs) participants that are receiving CalWORKs Stage One and Stage Two child care will be affected by these RMR updates.

IMPLEMENTATION DATE:

This premise implemented on October 1, 2006.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Education Code sections 8357 and 8447.
- Fiscal Year (FY) 2007-08 is held to the Appropriation.
- The costs for FY 2008-09 are based on the most recent expenditure data which includes the impact of the RMR changes.
- The projected monthly caseload (children) for the budget year (BY) is 45,986 based on a regression analysis projection using actual caseload from FY 2006-07 as reported on the Child Care Monthly Report – CalWORKs Families (CW 115) and Child Care Monthly Report – Two-Parent Families (CW 115A).
- The monthly cost per case is $630 based on expenditures and caseload from FY 2005-06. This is the cost per case prior to the implementation of the October 2006 RMR update.
- For FY 2008-09, the monthly cost per case increased to $761 due to the October 2006 and March 2008 RMR update. The October 2006 RMR impact is based on actual expenditures. The March 2008 RMR impact is based on the California Necessities Index (CNI), which is 3.70 percent for calendar year 2008.
- Five percent of the costs associated with the October 2006 and March 2008 RMR updates are reflected in the Stage One/Two Child Care Holdback.

METHODOLOGY:

The RMR impact is calculated by taking the difference between the Stage One cost based on the actual cost per case prior to the RMR updates and the Stage One cost based on the cost per case that includes the October 2006 and March 2008 RMR updates. The difference reflects the impact of the RMR updates.

The October 2006 RMR impact is based on the increase in actual expenditures from FY 2005-06 (prior to the RMR update) to FY 2006-07 (which was adjusted to reflect a full year of the RMR update). For the March 2008 RMR impact, the cost per case was increased by the CNI, which is 3.70 percent for calendar year 2008.

Stage One Child Care RMR Impact

FUNDING:

Stage One Child Care for single parents is funded with 100 percent Temporary Assistance for Needy Families (TANF). Child Care for two-parent families is funded with 100 percent General Fund, 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 BY increase reflects the full year impact of two RMR increases (October 2006 and March 2008).

EXPENDITURES:

(in 000's)

	2007-08	2008-09
Total	$44,643	$69,083
Federal	43,166	66,646
State	1,477	2,437
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 General Fund (GF).

IMPLEMENTATION DATE:

This premise implemented on April 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11331.7.
- Fiscal Year (FY) 2007-08 is held to the Appropriation.
- For FY 2008-09, 0.06 percent of CalWORKs Stage One Child Care caseload represent sanctioned teens receiving services under the State-Only Cal Learn Child Care.
- Refer to the “Stage One Services and Administration” premise for more information regarding the Stage One child care estimate.

METHODOLOGY:

The sanction rate for the budget year (BY) was applied to the total Stage One 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 under the TANF federal requirements.

State-Only Cal Learn Child Care

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects an increase in the percentage of sanctioned teens receiving services from the State-Only Cal Learn Child Care program.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$79	$191
Federal	0	0
State	79	191
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).

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 (R&R) Network to process the fingerprint and index search file activities. Additionally, CCLD contracts with Identix Identification Services, LLC, 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.

IMPLEMENTATION DATE:

The initial program implementation was September 1, 1995. The implementation for the FBI clearance was January 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1596.60 through 1596.68, Health and Safety Code section 1596.67, and 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.
- Voluntary applicants pay fees to cover all costs associated with their Trustline registration.
- For voluntary applicants using Live Scan, this premise includes only the R&R Network costs. These applicants pay a fee directly to Identix to cover Live Scan and DOJ charges.

Child Care – Trustline

KEY DATA ASSUMPTIONS (continued):

- The funding for county administration for FY 2007-08 is held to the Appropriation. The reimbursement cost for CDE was increased due to projected caseload.
- For FY 2008-09, the cost of providing for the Trustline for the California Department of Social Services (CDSS), CDE, and voluntary applicants is based on the following key data and assumptions:
  - The projected number of Trustline applications for CDE, CDSS, and voluntary is 26,534. This is based on a regression analysis projection using the number of actual applications for Trustline fingerprinting from FY 2006-07. The estimate assumes the effects of the Previous CalWORKs Reform Efforts, Undocumented Citizens (SB 1569), and Homeless Assistance (AB 1808) premises. As more adults begin to work or participate in work activities, there would be a greater need for child care; therefore, the number of Trustline applications would increase.
  - This estimate assumes that two percent of CDSS and CDE caseloads use Cardscan and 98 percent use Live Scan.
  - This estimate assumes that 100 percent of voluntary cases use Live Scan.
  - The county administration cost per case is $102 based on actual county expenditures divided by the number of DOJ applications for FY 2006-07.
- The Trustline Automated Registration Process (TARP) pilot implemented in October 2006, with Kern as the pilot county. San Bernardino implemented in April 2007 and San Diego implemented in July 2007. Statewide implementation is expected to occur in the current year. The projected caseload is 23,697. TARP costs are reflected in the Identix contract.
- The FBI reduced the fingerprinting fees from $24 to $19 effective October 1, 2007.
- Included in the Identix contract is a $35,000 maintenance fee for the Live Scan machines.
- The fees for the contracted services are as follows:

	FY 2007-08	FY 2008-09
DOJ Fingerprinting/Criminal History File	$32	$32
DOJ California Child Abuse Central Index	$15	$15
DOJ FBI Fingerprints	$24 Jul.-Sep. 2007 $19 as of Oct. 2007	$19
R&R Network	$25	$25
Identix Cardscan Fee[1]	$10	$10
Identix Live Scan[1]	$16	$16
TARP	$5	$5

[1] The Cardscan Fee is not charged for the cases utilizing Live Scan.

Child Care – Trustline

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 breakout of funding is as follows:

	FY 2007-08	FY 2008-09
DOJ	$1,716,549	$1,593,702
R&R Network	$666,450	$663,402
Identix [2]	$549,691	$536,932
County Administrative Costs	$1,724,649	$1,527,244

[2] TARP costs are included in the Identix contract.

FUNDING:

The State share reflects the percentage of child care costs for two-parent families, Safety Net, state portion of Recent Noncitizen Entrants, and state-only Cal Learn and 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. All costs associated with services to applicants referred by CDE are funded by reimbursements from CDE. Costs for voluntary applicants are paid from the General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in the budget year reflects a caseload decline and a decrease in the county administration cost per case.

CASELOAD:

	2007-08	2008-09
Average Monthly CDSS Trustline Caseload	1,326	1,159
Average Monthly CDE Trustline Caseload	732	766
Average Monthly Voluntary Trustline Caseload	164	199

Child Care – Trustline

Expenditures:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$4,657	$4,322
Federal	3,541	3,133
State	170	207
County	0	0
Reimbursements	946	982

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: Health and Safety Code sections 1596.60 through 1596.68, Health and Safety Code section 1596.67, and Welfare and Institutions Code section 11324.
- The funding for Fiscal Year (FY) 2007-08 is held to the Appropriation.
- For FY 2008-09, the projected cost of self-certification is based on the following key data and assumptions:
  - The projected number of Trustline applications for the California Department of Social Services is 14,958, based on a regression analysis projection using the number of applications for Trustline fingerprinting from Fiscal Year (FY) 2006-07. The estimate assumes the effects of the Previous California Work Opportunity and Responsibility to Kids Reform Efforts, Undocumented Citizens (Senate Bill 1569), and Homeless Assistance (AB 1808) premises. As more adults begin to work or participate in work activities, there would be a greater need for child care; therefore, Trustline applications would increase.
  - The statewide cost of self-certification ($129) is based on actual county expenditures divided by total Trustline applications processed in FY 2006-07.

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.

For budget year (BY): $129 x 14,958 = $1.9 million

FUNDING:

The State share reflects the percentage of child care costs for two-parent families, Safety Net, state portion of Recent Noncitizen Entrants, and state-only Cal Learn and is countable toward the State's maintenance of effort requirement. The federal Temporary Assistance for Needy Families Program share reflects the cost for all other families.

Self-Certification

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY decrease reflects a caseload decline.

CASELOAD:

	2007-08	2008-09
Average Annual Caseload	15,912	14,958

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$1,969	$1,931
Federal	1,904	1,844
State	65	87
County	0	0
Reimbursements	0	0

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 (AB) 1542 (Chapter 270, Statutes of 1997).

The CalWORKs Child Care program is administered in three stages. Stage One is administered by the California Department of Social Services. Stage Two is administered by 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 administered by 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: Education Code sections 8350, 8351, 8352, and 8353.
- In Fiscal Year (FY) 2007-08, the net need for Stage One Basic, Safety Net, and the Regional Market Rate (RMR) Impact is $424.6 million. In FY 2008-09, the net need for Stage One Basic, Safety Net, and the RMR Impact is $420 million.
- In FY 2007-08 and FY 2008-09, the net need after adjustments for Stage Two Child Care is $509.8 million and $509.1 million, respectively.
- A total of five percent from Stage One and Stage Two will be held in the reserve.

METHODOLOGY:

- In FY 2007-08, five percent of Stage One ($21.2 million) and Stage Two ($25.5 million) are summed for a total holdback. No funding is reserved above the need in this premise.
- In FY 2008-09, five percent of Stage One ($21.0 million) and Stage Two ($25.5 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.

Child Care
Stage One/Two Holdback

CHANGE FROM APPROPRIATION:

The current year reflects a caseload decline.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects a caseload decline.

EXPENDITURES:

(in 000's)	2007-08	2008-09
	Grant	Grant
Total	$46,720	$46,457
Federal	46,720	46,457
State	0	0
County	0	0
Reimbursements	0	0

Kinship Guardianship Assistance Payment Program

DESCRIPTION:

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

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

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

Pursuant to AB 1808 (Chapter 75, Statutes of 2006), enhanced benefits to the Kin-GAP Program became effective October 1, 2006. Provisions of AB 1808 increase the basic Kin-GAP rate to include all clothing allowances and specialized care increments (SCI) the child would have been eligible for while in Foster Care (FC).

IMPLEMENTATION DATE:

The Kin-GAP Program was implemented on January 1, 2000. Kin-GAP enhancements were implemented on October 1, 2006.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 11360 through 11380.
- The Kin-GAP rate equals 100 percent of the basic foster care rate for children placed in a licensed or approved foster family home, including all clothing allowances and SCIs received while in FC, as specified in statute.
- Caseload 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, through June 2007.
- A State-Only Kin-GAP Program is available for those cases that are not eligible for the California Work Opportunity and Responsibility to Kids (CalWORKs) program but would be eligible for the Kin-GAP Program. Based on the caseload reported on the CA 800 KG, nonfederal cases represent an insignificant percentage of the total caseload.
- The average Kin-GAP grant payments are based on the most recent actual expenditures and cases reported on the CA 800 KG through June 2007. The average federal Kin-GAP grant payment is $549.37 and the average nonfederal Kin-GAP grant payment is $560.08.

Kinship Guardianship Assistance Payment Program

KEY DATA/ASSUMPTIONS (continued):

- The average Temporary Assistance for Needy Families (TANF) portion of the Kin-GAP rate is $347 but will no longer be federally funded and will be replaced with General Fund.
- Based on actual expenditures through June 2007, the cost of ongoing county Kin-GAP administrative functions is $31.44 per case per month.
- State and county expenditures associated with all cases are considered to be eligible for the State's TANF maintenance of effort requirement.
- This estimate assumes no Title IV-E funding.
- Based on data from all counties, the average initial clothing allowance provided to new cases is $220, and $99 annually thereafter.
- All cases will also receive an annual supplemental clothing allowance of $100.
- Savings to FC grants, CalWORKs grants and administration, and Child Welfare Services (CWS) administration due to new cases transferring as a result of the enhanced benefits are displayed as separate premises titled "Enhanced Kin-GAP Savings" under the appropriate Budget Item.
- FC grant savings for Fiscal Years (FYs) 2007-08 and 2008-09 will be realized as a result of cases exiting FC and are based on the Kin-GAP grant each child will receive.
- CWS administrative savings of $366 per permanent placement case each month will be realized as a result of cases exiting the FC and CalWORKs programs. In addition, eligibility worker savings of $57.11 per case per month will be realized as a result of cases exiting the FC Program.
- CalWORKs administrative savings of $33.58 per case per month will be realized as a result of cases exiting the CalWORKs Program.
- Due to the impact of the Title IV-E Waiver, the estimated savings to foster care (FC) basic, FC Administration and CWS will not be reflected for Los Angeles and Alameda County. Federal funding will not be reduced below the federal Title IV-E Waiver capped amount.

METHODOLOGY:

To estimate the cost of the Kin-GAP Program, the total number of projected casemonths is multiplied by the average Kin-GAP rate which includes the basic rate plus enhancements. Kin-GAP administrative costs are calculated by multiplying the projected casemonths by the monthly administrative cost per case.

FUNDING:

The Kin-GAP basic rate was paid utilizing the applicable regional per-child CalWORKs grant from federal funds received as part of the TANF block grant. This portion will now be funded with General Fund. The balance of the Kin-GAP basic and SCI rate is paid with 50 percent state and 50 percent county funds. For State-Only Kin-GAP cases, grant and administrative costs are shared 50 percent state and 50 percent county.

Kinship Guardianship Assistance Payment Program

FUNDING (continued):

The annual and supplemental clothing allowance costs are shared 50 percent state and 50 percent county. Effective September 2006, the supplemental clothing allowance will be paid with 100 percent state funds.

CHANGE FROM THE APPROPRIATION:

Total program costs have decreased due to delayed implementation of program enhancements which results in a lower average monthly caseload than previously estimated. The cases transferring to Kin-GAP from FC are being phased-in over 24 months whereas the Appropriation assumed all 5,800 new cases would phase-in after nine months.

REASON FOR YEAR-TO-YEAR CHANGE:

Budget year costs increase due to caseload growth of 16.9 percent.

CASELOAD:

	2007-08	2008-09
Average Monthly Caseload (Existing)	13,992	13,704
Average Monthly Caseload (New)	1,583	4,510
Average Monthly Caseload (Total)	15,575	18,214

EXPENDITURES:

(in 000's)

Item 101 –	2007-08	2008-09
Kin-GAP Basic Costs	Grant	Grant
Total	$102,682	$120,086
Federal	0	0
State	83,683	97,870
County	18,999	22,216
Reimbursements	0	0

Kinship Guardianship Assistance Payment Program

EXPENDITURES (continued):

(in 000's)

Item 101 – Kin-GAP Administration	2007-08	2008-09
	County Admin.	County Admin.
Total	$6,722	$6,872
Federal	0	0
State	6,715	6,863
County	7	9
Reimbursements	0	0

Kin-GAP Enhancements	2007-08	2008-09
	Grant	Grant
Total	$24,327	$41,828
Federal	0	0
State	12,874	21,898
County	11,453	19,930
Reimbursements	0	0

Item 101 – CalWORKs Savings	2007-08	2008-09
Total	-$27	-$77
Federal	-14	-38
State	-9	-27
County	-4	-12
Reimbursements	0	0

Item 101 – CalWORKs Admin Savings	2007-08	2008-09
	County Admin.	County Admin.
Total	-$5	-$7
Federal	-4	-6
State	-1	-1
County	0	0
Reimbursements	0	0

Kinship Guardianship Assistance Payment Program

EXPENDITURES (continued):

(in 000's)

Item 101 – Foster Care Savings	2007-08	2008-09
Total	-$9,110	-$25,741
Federal	-4,430	-12,620
State	-1,936	-5,424
County	-2,744	-7,697
Reimbursements	0	0

Item 141 – Foster Care Admin Savings	2007-08	2008-09
	County Admin.	County Admin.
Total	-$466	-$1,326
Federal	-233	-663
State	-163	-464
County	-70	-199
Reimbursements	0	0

Item 151 – CWS Admin Savings	2007-08	2008-09
	County Admin.	County Admin.
Total	-$2,616	-$7,452
Federal	-1,308	-3,726
State	-916	-2,608
County	-392	-1,118
Reimbursements	0	0

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Title IV-E Child Support Collections/Recovery Fund

DESCRIPTION:

This premise reflects the estimated federal share of Foster Care (FC) child support collections as determined by the California Department of Child Support Services (DCSS). The DCSS is responsible for transferring to the Recovery Fund the federal share of FC collections as reported to the federal government. The FC child support collections offset the Title IV-E share of FC expenditures.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing Statute: Social Security Act section 457(6)(e)(1)
- The estimated federal share of FC collections is provided by DCSS based on the most recent budget process.
- The level of federal financial participation (FFP) is assumed to be 50 percent based on the Federal Medical Assistance Percentage (FMAP) rate.

METHODOLOGY:

The estimates are provided by DCSS.

FUNDING:

The FC child support collections will offset the Title IV-E share of FC expenditures.

CHANGE FROM THE APPROPRIATION:

The increase in collections reflects updated actual FC collections.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year forecasts a decrease in Child Support collections for families on assistance.

Title IV-E Child Support Collections/Recovery Fund

Offset Collections:
(in 000's)

	2007-08 Grant	2008-09 Grant
Total	-$11,752	-$10,485
Federal	-11,752	-10,485
State	0	0
County	0	0
Reimbursements	0	0

Recovery Fund:
(in 000's)

	2007-08 Grant	2008-09 Grant
Total	$11,752	$10,485
Federal	11,752	10,485
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) for 56 non-waiver counties. Funds for the waiver counties are included in Item 153, Title IV-E Waiver.

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. 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 $425.00 to $597.00 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.
- This estimate reflects costs for only the 56 non-Title IV-E Waiver counties.
- The caseload presumed to be eligible for federal and nonfederal FC Program benefits is based on a twelve month period, ending June 2007 as reported by the counties on the FC Caseload Movement and Expenditures Report (CA 237 FC). Federal cases are projected to account for 70.7 percent of total FFH placements.
- Federal and nonfederal average grant computations utilized caseload and expenditure data reported by the non-waiver counties on the CA 237 FC during the most recent twelve month period ending June 2007. The projected federal grant is $681.00 and the nonfederal grant is $728.88.
- The percentage of federally-eligible expenditures is based on actual county expenditure data.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) rate of 50 percent.

METHODOLOGY:

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

Foster Family Home – Basic Costs

FUNDING:

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

CHANGE FROM THE APPROPRIATION:

The current year decrease reflects transfer of waiver counties cost to Item 153, and updated grants and caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year decrease reflects the decline in the caseload.

CASELOAD:

	2007-08	2008-09
Average Monthly Caseload	25,289	24,805
Federal Caseload	17,869	17,527
Nonfederal Caseload	7,420	7,278

EXPENDITURES:

(in 000's)	2007-08	2008-09
FFH – Basic Costs	Grant	Grant
Total	$210,920	$206,888
Federal	65,220	63,973
State	58,280	57,166
County	87,420	85,749
Reimbursements	0	0

Foster Family Home – Basic Costs

EXPENDITURES (continued):

FHH – Federal	2007-08 Grant	2008-09 Grant
Total	$146,022	$143,230
Federal	65,220	63,973
State	32,321	31,703
County	48,481	47,554
Reimbursements	0	0

FHH – Nonfederal	2007-08 Grant	2008-09 Grant
Total	$64,898	$63,658
Federal	0	0
State	25,959	25,463
County	38,939	38,195
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) for 56 non-waiver counties. Funds for the waiver counties are included in Item 153, Title IV-E Waiver.

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.
- This estimate reflects costs for only the 56 non-Title IV-E Waiver counties.
- The caseload presumed to be eligible for federal and nonfederal FC Program benefits is based on a twelve month period, ending June 2007, as reported by the counties on the FC Caseload Movement and Expenditures Report (CA 237 FC). Federal cases are projected to account for 62.8 percent of total GH placements.
- The federal and nonfederal average grant computations utilized caseload and expenditure data reported on the CA 237 FC during the most recent twelve month period ending June 2007. The projected federal grant is $5,062.39 and the nonfederal grant is $5,043.74.
- The percentage of federally-eligible expenditures is based on actual county expenditure data.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) rate of 50 percent.

Group Home – Basic Costs

METHODOLOGY:

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

FUNDING:

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

CHANGE FROM THE APPROPRIATION:

The current year decrease reflects the transfer of the Title IV-E waiver county cost to Item 153.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year decrease reflects a decline in the projected caseload.

CASELOAD:

	2007-08	2008-09
Average Monthly Caseload	7,299	7,225
Federal Caseload	4,586	4,539
Nonfederal Caseload	2,713	2,686

EXPENDITURES:

(in 000's)	2007-08	2008-09
GH – Basic Costs	Grant	Grant
Total	$442,818	$438,333
Federal	124,418	123,156
State	127,360	126,071
County	191,040	189,106
Reimbursements	0	0

Group Home – Basic Costs

EXPENDITURES (continued):

(in 000's)

GH – Federal	2007-08 Grant	2008-09 Grant
Total	$278,563	$275,738
Federal	124,418	123,156
State	61,658	61,033
County	92,487	91,549
Reimbursements	0	0

GH – Nonfederal	2007-08 Grant	2008-09 Grant
Total	$164,255	$162,595
Federal	0	0
State	65,702	65,038
County	98,553	97,557
Reimbursements	0	0

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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) for 56 non-waiver counties. Funds for the waiver counties are included in Item 153, Title IV-E Waiver.

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

FFAs are nonprofit agencies licensed to recruit, certify, train and support foster parents for children needing placement. FFAs primarily serve children who would otherwise require group home care. FFA treatment rates are established by using a basic rate similar to the foster family home rate plus a set increment for the special needs of the child, an increment for social work activities, and a percentage for administration, recruitment and training. Treatment rates are based on the age of the child in placement and range from $1,589 to $1,865 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.
- This estimate reflects costs for only the 56 non-Title IV-E Waiver counties.
- The caseload presumed to be eligible for federal and nonfederal FC Program benefits are based on a twelve month period ending June 2007, as reported by the counties on the FC Caseload Movement and Expenditures Report (CA 237 FC). Federal cases are projected to account for 83.1 percent of total FFA placements.
- Federal and nonfederal average grant computations utilized caseload and expenditure data reported by the counties on the CA 237 FC during the most recent twelve month period ending June 2007. The projected federal grant is $1,768.31 and the nonfederal grant is $2,095.07.
- The percentage of federally-eligible expenditures is based on actual county expenditure data.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) rate of 50 percent.

METHODOLOGY:

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

Foster Family Agency – Basic Costs

FUNDING:

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

CHANGE FROM THE APPROPRIATION:

The current year decline reflects the transfer of Title IV-E waiver county cost to Item 153.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects an increase in the projected caseload.

CASELOAD:

	2007-08	2008-09
Average Monthly Caseload	13,342	13,611
Federal Caseload	11,090	11,313
Nonfederal Caseload	2,252	2,298

EXPENDITURES:

(in 000's)	2007-08	2008-09
FFA – Basic Costs	Grant	Grant
Total	$291,950	$297,833
Federal	105,106	107,223
State	74,738	76,244
County	112,106	114,366
Reimbursements	0	0

Foster Family Agency – Basic Costs

EXPENDITURES (continued):

(in 000's)

FFA– Federal	2007-08 Grant	2008-09 Grant
Total	$235,325	$240,066
Federal	105,106	107,223
State	52,088	53,137
County	78,131	79,706
Reimbursements	0	0

FFA – Nonfederal	2007-08 Grant	2008-09 Grant
Total	$56,625	$57,767
Federal	0	0
State	22,650	23,107
County	33,975	34,660
Reimbursements	0	0

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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 (W&I) Code 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&I Code sections 18350-18356.
- Casemonths are based on trend caseload projections.
- Average grants are based on actual expenditure and caseload data for the most recent twelve months ending in June 2007. The projected average grant for Los Angeles County is $5,308.41. The projected average grant for the remaining counties is $5,745.30.

METHODOLOGY:

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

FUNDING:

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

Seriously Emotionally Disturbed Children
Basic Costs

CHANGE FROM THE APPROPRIATION:

The current year estimate reflects a slight increase in caseload and an increase in the average grant than what was projected in May.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year estimate reflects adjustments for caseload growth.

CASELOAD:

	2007-08	2008-09
Average Monthly Caseload	1,726	1,801

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	Grant	Grant
Total	$115,854	$120,928
Federal	0	0
State	46,342	48,371
County	69,512	72,557
Reimbursements	0	0

Foster Care Rate Increase - Five Percent

DESCRIPTION:

Senate Bill 84, (Chapter 177, Statutes of 2007, 8/24/2007), provides a five percent increase to Foster Family Home (FFH) basic rates and Specialized Care Increments (SCIs), commencing January 1, 2008. SB 84 delinks Family Foster Agencies (FFAs) from the five percent increase authorized for FFHs linked to the Adoption Assistance Program (AAP). SB 84 also applies the five percent increase to AAP agreements executed after January 1, 2008.

SB 84 extends the adjusted Rate Classification Levels (RCLs) for Group Home (GH) rates to continue through Fiscal Year (FY) 2007-08 to provide temporary rate relief for GH providers. SB 84 provides a 5 percent wage increase to the GH RCL system and raises benefit amounts for entry level child care workers from 20.325 percent to 24 percent.

IMPLEMENTATION DATE:

This premise will implement on January 1, 2008.

KEY DATA/ASSUMPTIONS:

- All estimates reflects costs for the 56 non-Title IV-E Waiver counties for GH and FFH.
- Federal and nonfederal average grant computations utilized caseload and expenditure data reported by the non-waiver counties on the CA 237 FC during the most recent twelve month period ending June 2007. The projected federal grant is $681.00 and the nonfederal grant is $728.88. Both grant amounts will receive a 5 percent increase effective January 1, 2008.
- The federal and nonfederal average grant computations utilized caseload and expenditure data reported on the CA 237 FC during the most recent twelve month period ending June 2007. The projected federal grant is $5,062.39 and the nonfederal grant is $5,043.74. Both grant amounts will receive a 5 percent increase effective January 1, 2008.
- The average federal Kin-GAP grant payment is $549.37 and the average nonfederal Kin-GAP grant payment is $560.08. Both grant amounts will receive a 5 percent increase effective January 1, 2008.
- The average current year (CY) AAP federal grant amount is $764.67 and the average CY AAP nonfederal grant amount is $809.44. The average budget year (BY) AAP federal grant amount is $775.30 and the average BY AAP nonfederal amount is $812.76.
- A 5 percent increase will apply only to AAP cases when the adoption assistant agreement is executed after January 1, 2008.

METHODOLOGY:

The estimates are the product of caseloads and corresponding average grants.

Foster Care Rate Increase - Five Percent

FUNDING:

Item 101

Foster Care - Federal 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 (FMAP) for those cases meeting eligibility criteria. Funding for the nonfederal program and the nonfederal share of federal program costs is 40 percent General Fund (GF) and 60 percent county funds.

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

Kin-GAP Assistance Payment Program – The Kin-GAP rate was paid utilizing the applicable regional per-child CalWORKS grant from federal funds received as part of the Temporary Assistance for Needy Families (TANF) block grant. This portion will now be funded with GF. The balance of the Kin-GAP basic and SCI rate is paid with 50 percent state and 50 percent county funds. For State-Only Kin-GAP cases, grant and administrative costs are shared 50 percent GF and 50 percent county.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise and reflects a full year of costs.

EXPENDITURES:

(in 000's)

Kin-GAP 101	2007-08	2008-09
Total	$2,676	$6,004
Federal	0	0
State	1,338	3,002
County	1,338	3,002
Reimbursements	0	0

Foster Care Rate Increase - Five Percent

EXPENDITURES (continued):

(in 000's)

Foster Care - 101	2007-08	2008-09
Total	$17,770	$34,480
Federal	4,679	9,003
State	5,703	11,093
County	7,388	14,384
Reimbursements	0	0

AAP - 101	2007-08	2008-09
Total	$289	$2,082
Federal	121	871
State	126	908
County	42	303
Reimbursements	0	0

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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) for 56 non-waiver counties. Funds for the waiver counties are included in Item 153, Title IV-E Waiver.

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 cost.

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

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 11461(f) (4) and 11463(g).
- This estimate reflects costs for only the 56 non-Title IV-E Waiver counties.
- 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 38,631 for Fiscal Year (FY) 2007-08, and 38,416 for FY 2008-09.
- All cases shifting to the Kin-GAP Program are presumed to receive the clothing allowance prior to exiting foster care.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) rate of 50 percent.

METHODOLOGY:

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

Supplemental Clothing Allowance

FUNDING:

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

CHANGE FROM THE APPROPRIATION:

The current year estimate reflects the transfer of Title IV-E waiver county cost to Item 153.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year estimate reflects a projected decline in the caseload.

EXPENDITURES:

(in 000's)	2007-08	2008-09
	Grant	Grant
Total	$3,863	$3,842
Federal	1,448	1,442
State	2,415	2,400
County	0	0
Reimbursements	0	0

Title XX Funding

DESCRIPTION:

This premise reflects the Title XX Social Services Block Grant awarded to the State as well as the Temporary Assistance for Needy Families (TANF) funds that are transferred to Title XX. This funding is provided under Title XX of the federal Social Security Act as amended by the federal Omnibus Budget Reconciliation Act of 1981. Federal funding for social services has been given to states under Title XX since October 1981. In order to qualify for these funds, a state must prepare an expenditure plan prior to the start of the 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 Fiscal Year (FY) 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:

- Foster Care services (goal 3);
- Child Welfare Services (CWS) (goals 3 and 4);
- Deaf Access Program (goals 1 and 2); and,
- Community Care Licensing (CCL) (goals 3 and 4).

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13000 through 13008.
- State legislation permits Title XX funds to be used in CWS and Foster Care to supplant the State share without affecting county funds.
- The Title XX funding awarded to California is $ 206.1 million for Federal Fiscal Year (FFY) 2007 and FFY 2008. In FFY 2007-08 and FFY 2008-09, $373.4 million in TANF grant dollars will be transferred to Title XX. FFY also includes a $2 million grant to assist with meeting the life-sustaining needs for families relocated to California as a result of Hurricanes Katrina, Rita and Wilma.
- The FFY awards are adjusted to conform to FY funding needs.

Title XX Funding

METHODOLOGY:

- In current year (CY) $33.6 million in TANF grant dollars will be transferred into the Title XX Block Grant to fund services for children residing in group homes in non-Title IV-E Waiver counties. The funds increase to $34.0 million in budget year (BY) for the non-Title IV-E Waiver counties. In CY and BY $16.9 million in TANF grant dollars will be transferred into the Title XX Block Grant to fund services for children residing in group homes in the Title IV-E Waiver counties.
- For FY 2007-08 and FY 2008-09, $147.9 million in Title XX funds are being shifted to the Department of Developmental Services (DDS). For FY 2007-08, an additional $2.0 million in Title XX funds can be used for meeting the human services needs of people affected by recent hurricanes. In addition, TANF funds are transferred to Title XX for the following purposes: $34.6 million in FY 2007-08 and $35.6 million in FY 2008-09 for non-Title IV-E Waiver counties and $24.2 million for each FY for the Title IV-E Waiver counties to supplant a portion of the State share of CWS eligible expenditures in the California Department of Social Services (CDSS), and $56.0 million in both FYs is added to the Title XX funds shifted to DDS.
- For CY in the Deaf Access Program, $3 million Title XX funds will reduce General Fund (GF) in an otherwise 100 percent GF program.
- For Community Care Licensing (CCL), State Support $55.2 million in Title XX funds will be used in CCL for both CY and BY.
- In the CY and BY, $20.0 million of TANF funds may be transferred to Title XX for child care: $10 million for CDSS' Stage One Child Care program and $10 million for the California Department of Education's (CDE) child care programs, in order to broaden access to Child and Adult Care Food Program (CACFP) benefits for low-income children in proprietary child care centers.

FUNDING:

Title XX is a federal block grant that does not require a state or county match.

CHANGE FROM THE APPROPRIATION:

The Title XX transfer from TANF for Foster Care has decreased to reflect actual expenditures. For FY 2007-08, the Title XX transfer from TANF to CWS and Stage One Child Care has increased due to an increase in Title XX-eligible costs.

REASON FOR YEAR-TO-YEAR CHANGE:

The net change in the Title XX transfer was due to a decrease in TANF to CWS and increase in TANF to State One Child Care for Title XX-eligible costs. In the CY and BY an additional $188.1 and $186.8 million, respectively, TANF funds are transferred to Title XX for Stage One Child Care.

Title XX Funding

EXPENDITURES:
(in 000's)

	2007-08 Grant	2008-09 Grant
Total Title XX	**$581,501**	**$579,453**
Title XX Grant	208,119	206,071
TANF Transfer In	373,382	373,382
Foster Care (Transfer from TANF)	$0	$0
Item 101		
Federal	33,632	34,012
State	-33,632	-34,012
Item 153		
Federal	16,858	16,858
State	-16,858	-16,858
CWS		
(Item 151)		
CWS Transfer to DDS	$203,903	$203,903
CWS (Title XX Transfer to DDS)	147,903	147,903
Federal	147,903	147,903
State	0	0
CWS (Transfer from TANF)		
For Transfer to DDS		
Federal	56,000	56,000
State	0	0
Title XX Hurricane Katrina	$2,048	$0
Federal	2,048	0

Title XX Funding

EXPENDITURES (continued):

(in 000's)

	2007-08	2008-09
	Grant	Grant
For CWS (Transfer from TANF)	$58,710	$59,702
Item 151		
Federal	34,560	35,552
State	-34,560	-35,552
Item 153		
Federal	24,150	24,150
State	-24,140	-24,150
Deaf Access (Item 151)	$0	$0
Federal	2,996	2,996
State	-2,996	-2,996
CCL (Item 151)	$0	$0
Federal	0	0
State	0	0
CCL (State Support)	$0	$0
Federal	55,172	55,172
State	-55,172	-55,172
CalWORKs Child Care (Transfer from TANF)		
	$208,182	$206,810
Federal	208,182	206,810
State	0	0

Rosales v. Thompson (Reversal)

DESCRIPTION:

The Federal Deficit Reduction Act of 2005 clarified federal statute which in effect reversed the expanded eligibility criteria for relatives established by the *Rosales v. Thompson* Court Ruling. The net effect will be decreased federal costs, and increased State and local foster care (FC) costs.

IMPLEMENTATION DATE:

Implementation date of June 9, 2006.

KEY DATA/ASSUMPTIONS:

- It is assumed that federal funding will continue for cases that entered foster care prior to June 9, 2006. After June 9, 2006, cases during their annual redetermination will shift out of federal foster care.
- For cases entering foster care on or after June 9, 2006, it is assumed that those cases will no longer be eligible for Title IV-E funding but will be eligible for nonfederal foster care or the California Work Opportunity and Responsibility to Kids (CalWORKs) program.
- Due to the actual claims submitted by counties, the majority of foster care entries expected to be impacted will be placed in nonfederal FC, while a smaller number of new foster care entries will receive a CalWORKs child only grant.
- This estimate reflects costs for only the 56 non-Title IV-E Waiver counties.
- Based on actual claims submitted by counties, the estimate assumes no measurable impact on the Adoption Assistance Program (AAP) or the CalWORKs child only caseload.

METHODOLOGY:

Item 101 - Assistance Payments

Non-Waiver counties Aid to Families with Dependent Children – Foster Care (AFDC-FC) grant costs are the product of total casemonths and the average federal and non-federal AFDC-FC Grant, plus the cost of supplemental clothing allowances. The established waiver base will be added to the non-waiver county estimates for the total estimate.

CalWORKs grant costs are calculated by multiplying the number of impacted children by the average zero-parent per child grant. The total CalWORKs grant savings is minimal for current year (CY) and budget year (BY).

FUNDING:

Item 101 – Foster Care

Federal funding for AFDC-FC assistance payments is provided by Title IV-E of the Social Security Act for cases meeting eligibility criteria. The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP). Funding for the non-federal AFDC-FC program is 40 percent General Fund (GF) and 60 percent county funds.

Rosales v. Thompson (Reversal)

FUNDING (continued):

Item 101 – CalWORKs

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

Item 141 - County Administration

The prospective administrative cost associated with this shift is based on the average AFDC-FC administrative cost per casemonth of $32.78 based on FY 2004-05 data.

CHANGE FROM THE APPROPRIATION:

The CY estimate reflects the transfer of Title IV-E waiver county cost to Item 153.

REASON FOR YEAR-TO-YEAR CHANGE:

The Premise is discontinued in the BY because expenditures will be in the county claimed expenditures.

EXPENDITURES:

(in 000's)

Item 101 – CalWORKs	2007-08 Grant	2008-09 Grant
Total	$ 43	$ 0
Federal	42	0
State	0	0
County	1	0
Reimbursements	0	0

Item 101 - Foster Care	2007-08 Grant	2008-09 Grant
Total	-$205	$ 0
Federal	-1,355	0
State	460	0
County	690	0
Reimbursements	0	0

Rosales v. Thompson (Reversal)

EXPENDITURES (continued):

(in 000's)

Item 101 – CalWORKs Administration	Admin	Admin
Total	$ 3	$ 0
Federal	3	0
State	0	0
County	0	0
Reimbursements	0	0

	2007-08	2008-09
Item 141 – Foster Care Administration	Admin	Admin
Total	$ 130	$ 0
Federal	65	0
State	43	0
County	22	0
Reimbursements	0	0

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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 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 was effective on January 1, 2002; however no counties have implemented the program.

KEY DATA/ASSUMPTIONS:

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

METHODOLOGY:

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

FUNDING:

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

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Supportive Transitional Emancipation Program

EXPENDITURES:

(in 000's)

101 – Assistance Payments – STEP	2007-08 Grant	2008-09 Grant
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Item 141 – STEP Eligibility	2007-08 County Admin.	2008-09 County Admin.
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Item 151 – STEP Plan Activity	2007-08 County Admin.	2008-09 County Admin.
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Emergency Assistance Program

DESCRIPTION:

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

Public Law (P.L.) 104-193 eliminated Title IV-A funding for the EA Program but permitted use of Temporary Assistance for Needy Families (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 General Fund (GF). Based on interpretation of the final TANF regulations, that EA GF expenditures are not countable towards the TANF maintenance of effort requirement, effective October 1, 1999, the GF was replaced with TANF funding.

The EA-GA Program provides funding for qualified aliens and other cases that do not qualify for federal or state FC. 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 through June 2007, the projected average grant for EA-FC cases is $1,491.53, and the projected average grant for EA-GA cases is $1,969.34.
- EA casemonths are projected using a 24-month linear trend forecast based on actual caseload data. EA-FC and EA-GA caseloads are projected separately.
- EA administrative costs were adjusted for projected caseload growth.
- Foster children receiving EA benefits are eligible to receive the $100 supplemental clothing allowance.

METHODOLOGY:

- **Item 101** – EA-FC and EA-GA 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 and adjusted for caseload growth in both Fiscal Years (FYs) 2007-08 and 2008-09. Administrative costs also include $35,000 added to the federal share 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 was used in the TANF block grant calculation and, therefore, is part of the TANF funding schedule.

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

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

CHANGE FROM THE APPROPRIATION:

The current year increase reflects a higher caseload than was projected in the Appropriation. The EA administrative costs for FY 2007-08 increased due to claims submitted by Los Angeles County.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year decrease in EA grant costs reflects a decline in caseload.

CASELOAD:

	2007-08	2008-09
Average Monthly Caseload	3,490	3,391

EXPENDITURES:

(in 000's)

ITEMS 101 & 141 – EA	2007-08		2008-09	
	Grant	County Admin.	Grant	County Admin.
Total	$62,981	$7,744	$61,196	$7,526
Federal	44,059	6,588	42,806	6,402
State	0	0	0	0
County	18,922	1,156	18,390	1,124
Reimbursements	0	0	0	0

Foster Care Overpayments

DESCRIPTION:

This premise reflects the costs associated with Title IV-E Foster Care Overpayments. The Department of Health and Human Services (DHHS) Federal Region IX inquired and expressed a concern to the California Department of Social Services (CDSS) regarding its overpayment and collection activities in the Title IV-E foster care program. The DHHS is concerned that the Federal share of Title IV-E overpayments identified through State audits performed on group homes and the share of Title IV-E overpayments identified through county overpayments is not being returned immediately once the overpayment has been identified as required by federal regulations. The current practice is to repay the federal share upon recoupment from foster care providers. Therefore, the DHHS has issued a demand for repayment for the federal share of all State and county overpayments identified regardless of whether or not CDSS collects the overpayment.

IMPLEMENTATION DATE:

Adjustments to federal claim will begin in Fiscal Year (FY) 2006-07.

KEY DATA/ASSUMPTIONS:

- This estimate reflects costs for only the 56 non-Title IV-E Waiver counties from July 1, 2007.
- The federal share of additional identified retrospective overpayments for Los Angeles County audits have been budgeted for FY 2007-08.

METHODOLOGY:

- For county overpayments, the estimate reflects ongoing costs as determined by calculating an annual average based on actual claims.
- For state audit overpayments, the estimate reflects ongoing costs as determined by calculating an annual average based on actual claims.

FUNDING:

Senate Bill 84 (Chapter 177, Statutes of 2007) requires that General Fund (GF) will pay the full federal share of all uncollected overpayments until January 1, 2009, after which counties will be required to share at the normal non-federal foster care sharing ratios. Funding for the repayment of the federal Title IV-E overpayments will be 40 percent GF and 60 percent county.

CHANGE FROM THE APPROPRIATION:

An additional retrospective payment for Los Angeles County audits, and all overpayments will be paid with GF.

Foster Care Overpayments

REASON FOR YEAR-TO-YEAR CHANGE:

The Budget Year (BY) reflects actual on-going overpayment expenditures, with counties sharing from January 1, 2009 to June 30th, 2009.

EXPENDITURES:

(in 000's)

ITEM 101 – FC Payments	2007-08	2008-09
	Grant	Grant
Total	$2,703	$1,675
Federal	0	0
State	2,703	1,172
County	0	503
Reimbursements	0	0

Dual Agency Rate

DESCRIPTION:

The California Department of Social Services (CDSS) and the California Department of Developmental Services (CDDS) have developed a rate-setting methodology for the care and supervision of foster and adoptive children receiving services from both county welfare departments and regional centers. This premise proposes a rate that would be established to cover the costs associated with care and supervision of children placed in out-of-home care. Services as identified in the child's Individual Program Plan (IPP) would continue to be provided as needed by regional centers. The rate would be prospective from the date of enactment in order to mitigate any negative impact to rates that were established prior to this premise. The county welfare departments and regional centers would be provided training by both CDSS and CDDS, as necessary, to facilitate their implementation and administration of the new rate-setting responsibilities. It is expected that these changes will ensure a comprehensive and equitable rate-setting methodology that will be used throughout the state and will provide appropriate and timely services to dual agency children.

IMPLEMENTATION DATE:

This premise implemented July 1, 2007.

KEY DATA/ASSUMPTIONS:

- Although the Budget Act of 2007 was signed on August 24th, 2007, the estimate is based on a July 1, 2007 implementation date.
- It is estimated that there are 3,138 foster care children receiving a foster care assistance payment from CDSS and regional center services. Of these, 1,210 are under 3 years of age and 1,928 are over 3 years of age.
- It is estimated that there are 2,498 adopted children receiving an adoption assistance payment from CDSS and regional center services. Of these, 629 are under 3 years of age and 1,869 are over 3 years of age.
- The estimated number of Foster Care (FC) and Adoption Assistance Program (AAP) clients 3 years or older currently receiving a maintenance payment less than the proposed $2,006 grant would be increased on July 1, 2007 to the proposed rate of $2,006. Cases currently receiving a higher rate than the $2,006 proposed grant will continue to receive that established rate.
- New cases over 3 years old entering on or after July 1, 2007 will receive the $2,006 rate.
- The estimated current rate including Specialized Care Increment for both FC and AAP payments is $1,087.
- The estimated number of Foster Care and Adoption Assistance Payment clients under 3 years of age currently receiving a maintenance payment less than the proposed $898 grant would be increased on July 1, 2007 to the proposed rate of $898. Cases currently receiving a higher rate than the $898 proposed rate will continue to receive that established rate.
- New cases under 3 years old entering on or after July 1, 2007 will receive the $898 rate.

Dual Agency Rate

KEY DATA/ASSUMPTIONS (CONTINUED):

- The Title IV-E waiver counties are estimated to be 33 percent of the total estimate. This results the estimated $3.1 million federal share not reflected because federal expenditures has been established in the Title IV-E Waiver capped amount. The Title IV-E Waiver counties have $2.1 million GF costs budgeted in Item 153.

METHODOLOGY:

- It is estimated that 1,691 children over 3 years of age are receiving a foster care assistance payment less than $2,006, and that 1,158 children under 3 years of age are receiving a payment less than $898.
- It is estimated that 1,613 children over 3 years of age are receiving an adoption assistance payment less than $2,006, and that 582 children under 3 years of age are receiving a payment less than $898.
- The increased costs associated with children over 3 years of age for FC and AAP cases are based on the total casemonths multiplied by the difference between the proposed payment of $2,006 and the current payment of $1,087 which is an average basic FC rate plus specialized care increment.
- The increased costs associated with children less than 3 years of age for foster care and adoption cases are based on the total casemonths multiplied by the difference between the proposed payment of $898 and the current standard rate of $425.
- It is estimated that 462 foster care children will enter in Fiscal Year (FY) 07-08 and receive the proposed rate of $2,006 instead of the current rate of $1,087. Also, there is an estimated 48 children that would have received rate higher than the proposed rate.
- It is estimated that 96 adopted children will enter in FY 07-08 and receive the proposed rate of $2,006 instead of the current rate of $1,087. Also, there is an estimated 15 children that would have received a rate higher than the proposed rate.

FUNDING:

Item 101

Foster Care - Federal 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. Funding for the nonfederal program and the nonfederal share of federal program costs is 40 percent General Fund (GF) and 60 percent county.

Adoption Assistance Program - 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 costs and the costs of the nonfederal program are shared 75 percent GF and 25 percent county.

Dual Agency Rate

CHANGE FROM THE APPROPRIATION:

The current year decrease reflects transfer of waiver counties cost to Item 153.

REASON FOR YEAR-TO-YEAR CHANGE:

No change.

EXPENDITURES:

(in 000's)

Foster Care - 101	2007-08	2008-09
Total	$16,901	$16,901
Federal	6,338	6,338
State	4,225	4,225
County	6,338	6,338
Reimbursements	0	0

AAP- 101	2007-08	2008-09
Total	$21,092	$21,092
Federal	9,175	9,175
State	8,938	8,938
County	2,979	2,979
Reimbursements	0	0

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Title IV-E Foster Parent Child Care Program

DESCRIPTION:

This premise provides the state the budgetary authority to pass through federal Title IV-E funds to counties for the implementation of a child care program for foster parents. Senate Bill 1612 (Chapter 845, Statutes of 2004) permits the pass through of federal Title IV-E funds, subject to federal approval, for the purpose of implementing a child care program in participating counties. There will be no General Fund (GF) participation, and the 50 percent match will be provided by participating counties. Under Title IV-E foster care maintenance costs, states have the option to offer subsidized child care to foster parents when the need is related to non-ordinary parental duties such as foster parents who must work and school activities outside the home. On March 17, 2005, the Federal Department of Health and Human Services provided a policy clarification that allows states to implement a child care program, in some or all jurisdictions of the state, and that a State Plan Amendment is not necessary to implement this maintenance payment option.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 2005.

KEY DATA/ASSUMPTIONS:

- Title IV-E is a federal funding source for children placed in out-of-home care who are eligible to receive Aid to Families with Dependent Children-Foster Care (AFDC-FC). Title IV-E funds provide the state and counties with matching funds for out-of-home placement costs, e.g. foster care which now includes child care. Federal financial participation is available at the Federal Medical Assistance Payment (FMAP) rate of 50 percent. Counties will be responsible for providing the 50 percent match.
- This program is open to all counties statewide. Currently only San Francisco, Santa Clara, and San Mateo counties are participating.

METHODOLOGY:

To estimate the cost, the statewide monthly caseload was multiplied by the percent of childcare cases in the participating counties and multiplied by the counties share of statewide cases. The product was then multiplied by the average monthly CalWORK's Child Care Stage One reimbursement, and then multiplied by 12 months.

- The participating counties currently fund child care in 39.4 percent of their federal Foster Family Home (FFH) cases. The federal FFH eligible caseload in these counties is 7.1 percent of the total statewide monthly caseload.
- The monthly CalWORK's Child Care Stage One reimbursement including the California Necessities Index and administration cost is $742.99 for Fiscal Year (FY) 2007-08 and $761.09 for FY 2008-09.

Title IV-E Foster Parent Child Care Program

FUNDING:

This premise is funded with 50 percent federal funds, 50 percent county funds. There is no GF share.

CHANGE FROM THE APPROPRIATION:

The change is due to a slight increase in the Child Care grants which is due to the Regional Market Rate (RMR) increase.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects a slight decrease in caseload projections.

EXPENDITURES:

(in 000's)	2007-08	2008-09
Total	$ 7,350	$7,384
Federal	3,675	3,692
State	0	0
County	3,675	3,692
Reimbursements	0	0

Foster Care Supplemental Security Income/State Supplementary Payment (SSI/SSP) Application

DESCRIPTION:

This premise reflects the costs and savings pursuant to Assembly Bill (AB) 1331 (Chapter 465, Statutes of 2007) that requires counties to screen all foster youth in its care aged 16 ½ and older to determine if they are eligible for federal SSI benefits utilizing the best practice guidelines developed pursuant to AB 1633 (Chapter 641, Statues of 2005). AB 1331 requires that an application be submitted for any child who is screened as being likely to be eligible for SSI benefits. Under current federal law and regulations, in order to apply for SSI benefits a child may not be receiving federally funded Aid to Families with Dependent Children – Foster Care (AFDC-FC) benefits in the month of application or depending on the timing of the application, the month after the application is filed. Therefore, AB 1331 requires counties to move foster youth receiving federal AFDC-FC benefits to the state AFDC-FC program for one month to allow the youth to be eligible to apply for SSI benefits.

IMPLEMENTATION DATE:

This premise will implement on July 1, 2008.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 1331 (Chapter 465, Statutes of 2007).

Foster Care Grants

- This estimate reflects costs for only the 56 non-Title IV-E Waiver counties.
- Of the 4,546 children aged 16 ½ through 17 ½, 3,214 are receiving federal foster care that will require an SSI/SSP screening. It is estimated that 15 percent or 482 cases will receive an application for SSI. Of these, 193 are estimated to be in Foster Family Homes (FFH), 128 are estimated to be in Foster Family Agencies, and 161 are estimated to be in Group Homes (GH).
- Federal foster care cases receiving an application for SSI for one month will not receive federal participation for the maintenance payment, and will receive state and county funds at the normal sharing ratios
- Due to the additional screenings, it is estimated that 57 state only cases in the Budget Year (BY) will receive an SSI grant instead of a state only foster care grant.
- The FFH BY federal grant amount is estimated at $681.
- The FFA BY federal grant amount is estimated at $1,768.
- The GH BY federal grant amount is estimated at $5,062.

Foster Care Supplemental Security Income/State Supplementary Payment (SSI/SSP) Application

SSI/SSP

- The average monthly number of state only FC cases found eligible for SSI/SSP after screening will be 74 cases in Fiscal Year (FY) 2008-09.
- The average monthly number of federal FC cases found eligible for SSI/SSP after screening and that have a FC grant less than the applicable SSI/SSP grant is three cases in FY 2008-09.
- The average monthly SSI grant will be $637 in 2008, increasing to $649 in January 2009.
- The average monthly SSP grant will be $436 per case from June 2008 through May 2009. The SSP grant will increase to $463 effective June 1, 2009.
- The average SSI/SSP administrative cost per case is estimated to increase from $9.95 to $10.14 per case effective October, 1, 2008.

Foster Care Admin.

- This estimate reflects costs for only the 56 non-Title IV-E Waiver counties.
- Each screening will require 30 minutes of social worker time.
- The screening cost utilizes the social worker salary rate of $57.57.per hour.

Child Welfare Services (CWS)

- For the non-Title IV-E Waiver counties, there are 4,546 children in foster care aged 16 ½ through 17 ½ that will require an SSI/SSP screening.
- Each screening will require 30 minutes of social worker time.
- Fifteen percent of those screened (682) will have an SSI/SSP application submitted which will require 8 hours of social worker time. Fifty percent of applications submitted (341) will be initially denied and then appealed, requiring an additional 6 hours of social worker time.
- The average statewide social worker hourly cost is $72.60.

METHODOLOGY:

Foster Care Grants

Foster Care Grant costs are estimated by multiplying the BY foster care grant amounts by 15 percent of the federal caseload projected to receive an application for SSI/SSP.

SSI/SSP

SSI/SSP Program costs are estimated by multiplying the projected monthly caseload by the SSP average grant and administrative cost per case.

Foster Care Supplemental Security Income/State Supplementary Payment (SSI/SSP) Application

METHODOLOGY (CONTINUED):

Foster Care Admin.

Foster Care Administration costs are estimated by multiplying the projected total yearly caseload by the BY administrative cost per case.

CWS

The caseload is multiplied by the number of social worker hours, multiplied by the hourly cost.

FUNDING:

The FC program, SSI/SSP program, FC Administration and CWS Administrative costs/savings are shared at the same ratios as in their respective programs.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

EXPENDITURES:

(in 000's)

ITEM 101 – Foster Care Grant Costs	2007-08 Grant	2008-09 Grant
Total	$0	-$341
Federal	0	-591
State	0	100
County	0	150
Reimbursements	0	0

Foster Care Supplemental Security Income/State Supplementary Payment (SSI/SSP) Application

EXPENDITURES (CONTINUED):

(in 000s)

ITEM 111 –	2007-08	2008-09
SSI/SSP Costs	Grant	Grant
Total	$0	$1,007
Federal	0	593
State	0	414
County	0	0
Reimbursements	0	0

ITEM 141 –	2007-08	2008-09
Foster Care Admin	County Admin.	County Admin.
Total	$0	$131
Federal	0	46
State	0	85
County	0	0
Reimbursements	0	0

ITEM 151 –	2007-08	2008-09
CWS Admin Costs	County Admin.	County Admin.
Total	$0	$710
Federal	0	259
State	0	451
County	0	0
Reimbursements	0	0

Foster Care Infant Rate (SB 500 Amended by SB 720)

DESCRIPTION:

This premise reflects the cost associated with the implementation of Senate Bill (SB) 500 (Chapter 630, Statutes of 2005) and SB 720 (Chapter 475, Statutes of 2007). SB 500 made changes in the way foster care providers are paid for teen parents in placement with their child. It allows for a separate full foster care payment to be paid for the care of a child living in the same foster care facility as that child's minor parent, provided federal financial participation is available and both the child and parent are dependents of the court and receiving reunification services. It creates a new placement option called "whole family foster home," in which care and supervision are provided to dependent teen parents and their non-court dependent children, to ensure the teen parents develop skills necessary to provide a safe, stable, and permanent home for their children. It requires the development of a written "shared responsibility plan" to be created by the foster caregiver and the teen parent in a whole family foster home, and would provide a $200 monthly payment above the current infant supplement for the added care and supervision provided by the foster caregiver to the teen parent and child, pursuant to the shared responsibility plan. SB 720 clarifies that Group Homes will receive the infant supplemental rate for both dependent and non dependent infants who are placed with their dependent mothers rather than a full Group Home rate for the infant. SB 720 also allows infants and mothers living with Non-Related Legal Guardians and related guardians in the KinGAP program to be eligible for the increased benefits established in SB 500.

IMPLEMENTATION DATE:

SB 500 was implemented January 1, 2006. SB 720 which amends SB 500 will implement on January 1, 2008.

KEY DATA/ASSUMPTIONS:

- This estimate reflects costs for only the 56 non-Title IV-E Waiver counties
- The estimated number of teen moms who are in placement with their children is 408.
- The estimated number of non-dependent infant cases is 265.
- The Foster Family Agency and Foster Family Homes infant supplement rate will change from $391 to $425.
- SB 500 allows for an additional $200 above the infant supplemental rate for non-dependent infants.
- Under the provisions of SB 500, the average grant for Group Homes is $5,055 with a current infant supplement rate of $848 for non-dependent infant and a rate of $5,055 for dependent infant. Effective January 1, 2008, the rate for a dependent infant to be placed with a dependent mother for reunification purposes will be the infant supplemental rate.
- It is estimated that Group Home providers are currently receiving a full Group Home grant for 22 infants placed with their mothers. The estimate assumes that the infant grant will be reduced to the current infant supplement rate in Group Homes of $848 as of January 1, 2008.

Foster Care Infant Rate (SB 500 Amended by SB 720)

KEY DATA/ASSUMPTIONS (CONTINUED) :

- Effective January 1, 2008, SB 720 allows payment of the increased benefits provided in SB 500 to be extended to an estimated 36 infants living with Non-related legal guardian (NRLG) providers and 3 infants receiving a Kinship Guardianship Assistance Payment (Kin-GAP) For Child Welfare Services (CWS) it is assumed that an additional two hours of social work time would be required to develop the written "shared responsibility plan."
- The social worker cost per hour is $72.60.

FUNDING:

Item 101

Federal 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 at the 50 percent rate. Funding for the nonfederal cases is 40 percent General Fund (GF) and 60 percent county.

Item 151

For the non-Title IV-E Waiver counties, after applying the foster care federal discount rate of 75 percent, costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are shared 70 percent GF and 30 percent county.

CHANGE FROM THE APPROPRIATION:

This estimate reflects costs for only the 56 non-Title IV-E Waiver counties, and the impact of SB 720.

REASON FOR YEAR-TO-YEAR CHANGE:

Estimate reflects the ongoing costs of SB720.

EXPENDITURES:

(in 000's)

ITEM 101 – FC Payments	2007-08	2008-09
	Grant	Grant
Total	$449	-$648
Federal	165	-237
State	114	-164
County	170	-247
Reimbursements	0	0

Foster Care Infant Rate (SB 500 Amended by SB 720)

EXPENDITURES (CONTINUED):

ITEM 151 – Child Welfare Services	2007-08 County Admin.	2008-09 County Admin.
Total	$22	$22
Federal	8	8
State	10	10
County	4	4
Reimbursements	0	0

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Ten Percent Reduction to the Basic Care, Specialized Care, and Clothing Allowance Rates for the Foster Care, Kinship Guardian Assistance Payment, Seriously Emotionally Disturbed Children, and Adoption Assistance Programs

DESCRIPTIONS:

This premise reflects the savings from reducing the Basic Care, Specialized Care, and Clothing Allowance Rates for Foster Care, Seriously Emotionally Disturbed Children, Kinship Guardian Assistance Payment, and Adoption Assistance Programs by 10 percent. This premise is necessitated by the budget balancing reductions.

Foster care rates for Foster Family Home (FFH), Foster Family Agency (FFA), Group Home (GH) and Kinship Guardian Assistance Payment (Kin-GAP) recipients support the care and supervision needs of children placed in out-of-home care by child welfare and probation agencies.

Kin-GAP recipients are children placed with relatives receiving a rate equal to the basic foster care rate plus specialized care (if eligible), to assist the relative in providing permanency and preventing the children from re-entering or staying in foster care.

The Adoption Assistance Program (AAP) provides benefits to adoptive parents to enable them to meet the care and supervision needs of children who are AAP-eligible.

The Specialized Care Rate (SCR) paid to a provider over and above the family home basic rate provides for the additional care and supervision needs of the child due to the severity of the child's health and/or behavior problems.

Emergency Assistance (EA) funds are available for use by the counties to assist in resolving the emergency of a "needy child" and to provide assistance on behalf of such a child or any other member of the household in which he/she is residing.

The California Department of Social Services (CDSS) currently funds maintenance payments from General Funds (GF) for approximately 1,664 seriously emotionally disturbed (SED) children. Most SED children are placed by the Department of Education in group home psychiatric peer group settings at rate classification levels 12 through 14. However, some SED children are placed in foster family homes and foster family agencies.

Under current law, FFHs, and Kin-GAP recipients will receive a five percent increase to the basic rate, specialized care rate, and clothing allowance effective January 1, 2008. A five percent increase also will apply to new AAP cases entered into after January 1, 2008. GH maintenance payments also will receive a five percent increase on that date. FFAs will not receive a five percent rate increase on January 1, 2008 under current law.

IMPLEMENTATION DATE:

These reductions assume a March 1, 2008, enactment of Legislation with a June 1, 2008, implementation date.

Ten Percent Reduction to the Basic Care, Specialized Care, and Clothing Allowance Rates for the Foster Care, Kinship Guardian Assistance Payment, Seriously Emotionally Disturbed Children, and Adoption Assistance Programs

KEY DATA/ASSUMPTIONS:

- The program reductions reflect savings based on the estimates for all 58 counties.
- Senate Bill 84 (Chapter 177, Statutes of 2007, 8/24/07), provides a five percent increase for FFHs, GHs, AAP, EA, Kin-GAP, and Specialized Care Increments (SCIs), commencing January 1, 2008.
- A 10 percent reduction is assumed for FFH, GH, Kin-GAP, AAP, and SED, including Clothing Allowance and Specialized Care Increment.
- SB 84 delinks FFAs from the 5 percent increase authorized for FFHs linked to the AAP. As a result, rates paid to FFA will receive a five percent reduction rather than the ten percent reduction.
- For the Title IV-E Waiver Counties, there will be no reduction in the federal or county foster care assistance shares due to the funding cap established within the waiver agreements.

METHODOLOGY:

The projected savings are the result of the reductions applied to the caseloads and corresponding average grants for the applicable programs.

FUNDING:

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

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

Ten Percent Reduction to the Basic Care, Specialized Care, and Clothing Allowance Rates for the Foster Care, Kinship Guardian Assistance Payment, Seriously Emotionally Disturbed Children, and Adoption Assistance Programs

FUNDING (continued):

Kin-GAP Program
The Kin-GAP basic rate was paid utilizing the applicable regional per-child CalWORKS grant from federal funds received as part of the Temporary Assistance for Needy Families (TANF) block grant. This portion will now be funded with General Fund. The balance of the Kin-GAP basic and SCI rate is paid with 50 percent GF and 50 percent county. For State-Only Kin-GAP cases, grant and administrative costs are shared 50 percent GF and 50 percent county.

CHANGE FROM THE APPROPRIATION:
This is a new premise. One month of savings is reflected in current year estimates.

REASON FOR YEAR-TO-YEAR CHANGE:
The budget year reflects a full year of savings.

EXPENDITURES:
(in 000's)

Total

	2007-08	2008-09
Total	-$15,857	-$190,306
Federal	- 4,109	-49,309
State	-6,788	-81,471
County	-4,960	-59,526
Reimbursements	0	0

Item 101 - Kin-GAP

	2007-08	2008-09
Total	-$1,383	-$16,600
Federal	0	0
State	-683	-8,200
County	-700	- 8,400
Reimbursements	0	0

Ten Percent Reduction to the Basic Care, Specialized Care, and Clothing Allowance Rates for the Foster Care, Kinship Guardian Assistance Payment, Seriously Emotionally Disturbed Children, and Adoption Assistance Programs

EXPENDITURES (continued):

(in 000's)

Item 101 - Foster Care/EA/SED

	2007-08	2008-09
Total	-$7,765	-$93,191
Federal	-1,772	-21,267
State	-2,545	-30,545
County	-3,448	-41,379
Reimbursements	0	0

Item 101 - AAP

	2007-08	2008-09
Total	-$5,586	-$67,038
Federal	-2,337	-28,042
State	-2,437	-29,249
County	-812	-9,747
Reimbursements	0	0

Item 153 - Title IV-E Waiver
Foster Care 101

	2007-08	2008-09
Total	-$1,123	-$13,477
Federal	0	0
State	-1,123	-13,477
County	0	0
Reimbursements	0	0

Adoption Assistance Program – Basic Costs

DESCRIPTION:

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

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

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

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16115 through 16123.
- Cases presumed to be eligible for the federal AAP make up 86.5 percent of the total AAP payment caseload, based on data through June 2007 as reported on the CA 800 claim forms.
- Caseload and expenditure data extracted from the CA 800 provide the basis for caseload and average grant projections.
- The federal and nonfederal average grants are $764.67 and $809.44, respectively, for Fiscal Year (FY) 2007-08 and $775.30 and $812.76 for FY 2008-09, based on an 18-month linear trend analysis.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) rate of 50 percent.

METHODOLOGY:

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

Adoption Assistance Program – Basic Costs

FUNDING:

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

CHANGE FROM THE APPROPRIATION:

The current year estimate reflects a higher average monthly caseload and average grant than previously estimated.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects continuing caseload growth of 5.6 percent and an increase in the average grant.

CASELOAD:

	2007-08	2008-09
Average Monthly Caseload	76,768	81,037

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	Grant	Grant
Total	$710,002	$758,854
Federal	296,578	317,421
State	310,068	331,075
County	103,356	110,358
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 $314.53, which reflects actual expenditures through June 2007.
- The average monthly caseload for Fiscal Years (FYs) 2007-08 and 2008-09 is estimated at 1,680 and 1,424 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:

Program costs have decreased due to a lower average monthly caseload than previously estimated.

REASON FOR YEAR-TO-YEAR CHANGE:

Total costs decrease in FY 2008-09 is due to a lower average monthly caseload.

Refugee Cash Assistance – Basic Costs

EXPENDITURES:

(in 000's)

	2007-08 Grant	2008-09 Grant
Total	$6,317	$5,375
Federal	6,317	5,375
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 (SCO) 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 (CY) estimate reflects the actual amount of contributions made to the EFAP fund from June 2006 through May 2007 of $370,627, unexpended funds of $11,295 from prior years, and interest of $25,024.
- The budget year (BY) reflects the estimated amount of contributions to be made to the EFAP fund from June 2007 through May 2008 of $430,000 and estimated interest of $25,000.
- The estimated annual administrative costs for the FTB and SCO are $6,312 in both the CY and BY.
- These funds are provided to supplement, and not supplant, existing program funds.

METHODOLOGY:

The CY reflects the actual amount available for expenditure in Fiscal Year 2007-08. The BY reflects the estimated amount of contributions to the EFAP fund in the state income tax year, plus accrued interest, less the annual administrative costs for the FTB and the SCO.

FUNDING:

The costs are 100 percent from the EFAP fund.

CHANGE FROM THE APPROPRIATION:

The CY reflects the actual amount unexpended in prior years and lower contributions to the fund than previously projected.

Emergency Food Assistance Program Fund

REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects increases in the estimated taxpayer contributions and interest earnings.

EXPENDITURES:

(in 000's)

	2007-08 Grant	2008-09 Grant
Total	$401	$449
Federal	0	0
State	401	449
County	0	0
Reimbursements	0	0

Food Bank Funding

DESCRIPTION:

The Governor declared 18 counties as disaster areas due to weather conditions in January 2007 that affected farming-related businesses. The extent of the damage displaced many farm workers who had a loss of income and were expected to need public assistance. The Governor authorized the Department of Finance to transfer $4.7 million in Fiscal Year (FY) 2006-07 and $1.5 million in FY 2007-08 to the Department of Social Services for allocation to local food banks and Foodlink for the storage and transportation of food to these individuals.

IMPLEMENTATION DATE:

This premise implemented January 31, 2007.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Government Code section 8690.6.

METHODOLOGY:

Eighteen counties were declared disaster areas by the Governor. Those counties are El Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba.

Foodlink will require $1.5 million in the current year (CY) for storage and transportation.

FUNDING:

The cost is funded with 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a CY premise only, there is no funding in the budget year.

Food Bank Funding

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$1,501	$0
Federal	0	0
State	1,501	0
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. CFAP serves legal noncitizens over 18 and under 65 years of age, who were legally in the U.S. prior to August 22, 1996, and met all federal food stamp eligibility criteria except for their immigration status and legal noncitizens that entered the country on or after August 22, 1996, and are otherwise eligible.

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

Annual coupon costs are reduced by costs for Prospective Budgeting as these costs are reflected on a separate premise. Administrative costs are increased to reflect the impact of Simplification Options.

IMPLEMENTATION DATE:

This premise originally implemented on September 1, 1997.

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

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18930.
- For Fiscal Year (FY) 2007-08 and 2008-09, CFAP costs are based on the following key data/assumptions:
- 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 actual June 2007 recipients.
- The projected average monthly number of CFAP recipients for FY 2007-08 is 20,718 and for FY 2008-09 is 21,691.
- The projected average monthly number of CFAP households for FY 2007-08 is 8,382 and for FY 2008-09 is 8,776.
- Based on actual data reported from the counties, the average coupon value per person is $88.48 July 2007 through September 2007. Effective October 1, 2007, a Cost of Living Adjustment (COLA) is applied increasing the average coupon to $91.36 per person. Effective October 2008, another COLA is applied increasing the average coupon per person to $94.33.
- The average monthly administrative cost per case is $25.01.

California Food Assistance Program

KEY DATA/ASSUMPTIONS (CONTINUED):

- The processing fee charged by the Food and Nutrition Service for Electronic Benefit Transfer is $314 per $1 million.
- The ratio between public assistance (PA) and nonassistance (NA) is 23.1 percent PA and 76.9 percent NA.
- 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 coupon costs are calculated by multiplying the average coupon value per person by the projected monthly number of recipients multiplied by 12 months.

  For July 2007 through September 2007:

  $88.48 x 20,718 x 3 = $5.50 million

  For October 2007 through June 2008:

  $91.36 x 20,718 x 9 = $17.04 million

  FY 2007-08 Total:

  $5.50 Million + $17.04 Million = $22.54 Million

  The processing fees are included in the annual coupon costs:

  ($22.54 million ÷ 1.0 million) x $314 = $7,074

  Increased coupon costs due to a Standard Utility Allowance adjustment are also included in the annual coupon costs:

  $22.54 million + $7,074+ $995,000 = $23.54 million

  Annual coupon costs are reduced by $873,000 for Prospective Budgeting as these costs are reflected on a separate premise:

  $23.54 million - $873,000 = <u>$22.67 million</u>

- Administrative costs are calculated by multiplying the average administrative cost per case by the projected monthly number of cases multiplied by 12 months.

  $25.01 x 8,382 x 12 = $2.52 million

  Administrative costs are increased by $27,000 to reflect costs associated with Simplification Options:

  $2.52 million + $9,000 = <u>$2.53 million</u>

FUNDING:

The expenditures are 100 percent General Fund. The PA portion of the costs is eligible to be counted towards the MOE requirement.

California Food Assistance Program

CHANGE FROM THE APPROPRIATION:

The decreased coupon costs are associated with an updated average coupon cost and caseload. The increase in county administration is associated with an increase in households.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects an increase in caseload and higher coupon costs associated with the October 2008 COLA.

CASELOAD:

	2007-08	2008-09
Average Monthly Number of Recipients	20,718	21,691

EXPENDITURES:

(in 000's)

	2007-08		2008-09	
	Coupon	County Admin.	Coupon	County Admin.
Total	$22,665	$2,525	$24,492	$2,661
Federal	0	0	0	0
State	22,665	2,525	24,492	2,661
County	0	0	0	0
Reimbursement	0	0	0	0

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Ten Percent CFAP Benefit Reduction

DESCRIPTION:

This premise reflects savings associated with a ten percent benefit reduction for eligible noncitizens in the California Food Assistance Program (CFAP). 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. CFAP serves legal noncitizens over 18 and under 65 years of age, who were legally in the U.S. prior to August 22, 1996, and met all federal food stamp eligibility criteria except for their immigration status and legal noncitizens that entered the country on or after August 22, 1996, and are otherwise eligible.

This premise is necessitated by the budget balancing reductions.

IMPLEMENTATION DATE:

This reduction assumes a March 1, 2008 enactment of Legislation with a June 1, 2008 implementation date.

KEY DATA/ASSUMPTIONS:

- This estimate assumes a ten percent reduction to the CFAP benefit amount.
- The ten percent reduction in benefits will require a change in state statute and emergency regulations.

METHODOLOGY:

Based on actual reported figures for Fiscal Year (FY) 2006-07, and after applying the cost of living adjustment (COLA) that took place October 1, 2007, the average CFAP benefit amount is $91.36 per person. A ten percent reduction to this would result in the benefit amount being reduced by $9.14 per person. The new estimated CFAP benefit amount would be $82.22 per person.

FUNDING:

This program is funded 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise begins implementing in June 2008, thereby capturing one month of savings in the Current Year. The Budget Year (BY) reflects a full year of savings .

Ten Percent CFAP Benefit Reduction

EXPENDITURES:

(in 000's)

	2007-08	2008-09
Total	-$200	-$2,500
Federal	0	0
State	-200	-2,500
County	0	0
Reimbursements	0	0

SSI/SSP – Basic Costs

DESCRIPTION:

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

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

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

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

KEY DATA/ASSUMPTIONS:

- The SSA will continue to administer the program under Title XVI of the Social Security Act.
- Section 1611 of Title XVI defines the amount of SSI benefits an individual may be eligible to receive.
- Section 12200 of the Welfare and Institutions Code defines the maximum payment standard available under each living arrangement.
- The basic costs per case for SSI and SSP estimates are developed from actual state and federal expenditures reported on the State Data Exchange (SDX) and SSA 8700 reports. The SSI average grants are based on actual data through December 2006, and the SSP average basic grants, based on actual data through July 2007, are as follows:

	SSI	SSP
Aged	$292.99	$227.93
Blind	365.07	282.43
Disabled	399.20	226.93

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 General Fund. Costs for each component are computed separately.

CHANGE FROM THE APPROPRIATION:

Total costs have increased due to a higher average grant based on updated actual expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

Expenditures increase in the budget year due to caseload growth of 2.1 percent.

CASELOAD:

	2007-08	2008-09
Average Monthly Persons	1,247,575	1,274,000

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	Grant	Grant
Total	$8,817,190	$9,008,662
Federal	5,441,051	5,557,978
State	3,376,139	3,450,684
County	0	0
Reimbursements	0	0

SSI/SSP – 2008 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 in 2008. The SSI Consumer Price Index (CPI) COLA of 2.3 percent will be passed through to recipients on January 1, 2008, resulting in an increase in the SSI portion of the grant payment. The California Necessities Index (CNI) of 3.70 percent for 2008 will be suspended until June 1, 2008.

IMPLEMENTATION DATE:

The CPI COLA will implement on January 1, 2008.

The CNI COLA will implement on June 1, 2008.

KEY DATA/ASSUMPTIONS:

- Section 1617 of Title XVI of the Social Security Act authorizes the COLA for SSI recipients.
- Section 12201 of the Welfare and Institutions Code authorizes the COLA for SSP recipients.
- The State COLA based on the CNI is 3.70 percent for 2008, and will be suspended until June 1, 2008.
- The CPI COLA is 2.3 percent for 2008, and will be granted on January 1, 2008.

METHODOLOGY:

- The SSI average grants change as a result of the COLA. The CPI is applied to the 2007 SSI payment standards and the result is the new SSI payment standards for 2008.
- The SSP average grants increase as a result of the COLA. The CNI is applied to the total 2007 payment standard and then rounded to the nearest dollar for the new total payment standard. The 2008 SSI payment standard is subtracted from the new total payment standard; the result is the new SSP payment standard.
- The new payment standards are used in a statistical model to determine a change to the basic SSI/SSP average grant due to the COLAs. The change in average grant is multiplied by the caseload and the result is the change to the SSI/SSP Program for the 2008 COLAs.
- The General Fund (GF) impact to the Cash Assistance Program for Immigrants and California Veterans Cash Benefit Program are included in the total impact of the COLAs.

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.

SSI/SSP – 2008 COLA

CHANGE FROM THE APPROPRIATION:

The GF cost has decreased due to the revision of the CPI COLA from 1.96 to 2.3 percent. The increase to the federal COLA results in a lower share of GF costs.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects the full impact of the COLA.

EXPENDITURES:

(in 000's):

	2007-08 Grant	2008-09 Grant
Total	$95,205	$417,082
Federal	71,852	146,041
State	23,353	271,041
County	0	0
Reimbursements	0	0

SSI/SSP –2009 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 in 2009. The estimated SSI Consumer Price Index (CPI) COLA of 1.7 percent will be passed through to recipients resulting in an increase in the SSI portion of the grant payment on January 1, 2009. The California Necessities Index (CNI) of 4.25 percent will be provided on June 1, 2009 consistent with current law.

IMPLEMENTATION DATE:

The CPI COLA will implement on January 1, 2009.

The CNI COLA will implement on June 1, 2009.

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 estimated State COLA based on the CNI is 4.25 percent for 2009 and will be provided on June 1, 2009 pursuant to current law.
- The CPI is estimated at 1.7 percent for 2009, and will be passed through to recipients on January 1, 2009.

METHODOLOGY:

- The SSI and SSP average grants change as a result of the COLA. The CPI is applied to the 2008 SSI payment standards and the result is the new SSI payment standards for 2009.
- The SSP average grants increase as a result of the COLA. The CNI is applied to the total 2008 payment standard and then rounded to the nearest dollar for the new total payment standard. The 2009 SSI payment standard is subtracted from the new total payment standard; the result is the new SSP payment standard.
- The new payment standards are used in a statistical model to determine a change to the basic SSI/SSP average grant due to the COLAs. The change in average grant is multiplied by the caseload and the result is the change to the SSI/SSP Program for the 2009 COLAs.
- The General Fund (GF) impact to the Cash Assistance Program for Immigrants and California Veterans Cash Benefit Program are included in the total impact of the COLAs.

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.

SSI/SSP – 2009 COLA

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The COLA is effective in budget year only.

EXPENDITURES:

(in 000's):

	2007-08	2008-09
	Grant	Grant
Total	$0	$88,002
Federal	0	57,678
State	0	30,324
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 was implemented on October 1, 1993.

KEY DATA/ASSUMPTIONS:

- The SSA will continue to administer this program under Title XVI of the Social Security Act.
- The federal Balanced Budget Act of 1997 (Public Law 105-33) amended existing federal statutes pertaining to the administration fees for SSP payments. For each federal fiscal year (FFY) from 1998 through 2002, administration fees increased from an initial $5.00 per payment to $8.50 per payment in FFY 2002. Increases after FFY 2002 are based on the Consumer Price Index (CPI).
- Effective October 1, 2007, the fee increased from $9.69 to $9.95, based on the increase in the CPI from June of the current year compared to June of the previous year. Effective October 1, 2008, the fee is projected to increase to $10.14 per payment.

METHODOLOGY:

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

FUNDING:

The administration costs consist of 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

The current year estimate has increased slightly due to a higher administrative fee per payment than forecasted for the current year.

REASON FOR YEAR-TO-YEAR CHANGE:

Expenditures increase due to a higher average monthly caseload and an increase in the fee per payment from $9.95 to $10.14 on October 1, 2008.

SSI/SSP – SSP Administration

CASELOAD:

	2007-08	2008-09
Average Monthly Payments	1,266,069	1,292,469

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	Admin	Admin
Total	$150,189	$156,537
Federal	0	0
State	150,189	156,537
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 $240.24 will be paid to eligible recipients, and will increase in the budget year to reflect the increase to the SSI/SSP payment standards due to the COLAs on June 1st of 2008 and 2009.
- 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 of $9.69. The administrative fee increased to $9.95 on October 1, 2007. The ongoing administrative fee will increase to $10.14 on October 1, 2008.
- The average monthly number of participating veterans is 1,749 in Fiscal Year (FY) 2007-08, and 1,713 in FY 2008-09.

METHODOLOGY:

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

FUNDING:

This program is funded 100 percent with General Fund.

CHANGE FROM THE APPROPRIATION:

The estimate has decreased due to a slightly lower average monthly caseload and average grant than previously estimated.

REASON FOR YEAR-TO-YEAR CHANGE:

Total program costs decrease slightly in FY 2008-09 due to a slight decrease in the average monthly caseload.

California Veterans Cash Benefit Program

EXPENDITURES:

(in 000's)

CVCB Costs	2007-08 Grant/ Administration	2008-09 Grant/ Administration
Total	$5,241	$5,142
Federal	0	0
State	5,241	5,142
County	0	0
Reimbursements	0	0

SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTARY PAYMENT (SSI/SSP)SUSPENSION OF THE JUNE 2008 AND JUNE 2009 COLAs

DESCRIPTION:

This premise reflects the savings from the suspension of the June 2008 and June 2009 COLA's. This premise is necessitated by the budget balancing reductions.

IMPLEMENTATION DATE:

This reduction assumes a March 1, 2008 enactment of Legislation with a June 1, 2008 implementation date.

KEY DATA/ASSUMPTIONS:

- Section 16178 of Title XVI of the Social Security Act authorizes the COLA for SSI recipients.
- Section 12201 of the Welfare and Institutions Code authorizes the COLA for SSP recipients.
- The State COLA is based on the California Necessities Index (CNI) of 3.70 percent for 2008, and an increase to grants was to be given starting June 1, 2008.
- The State COLA is based on the CNI of 4.25 percent for 2009, and an increase to grants was to be given starting June 1, 2009.

METHODOLOGY:

- Pass Through of 2.3 percent Federal Cost of Living Adjustment (COLA) - Under this proposal, recipients of SSI/SSP will see an overall increase in total benefits in both years due to passing through the federal COLAs. By multiplying the grant by the 2.3 percent Consumer Price Index (CPI) in January 2008, the SSI/SSP monthly payments for aged, blind and disabled individuals will increase from $856 to $870, and monthly payments for aged, blind and disabled couples will increase from $1,502 to $1,524.
- By multiplying the grant by the 2.3 percent CPI in January 2009, the monthly payment for aged and disabled individuals is estimated to further increase to $881, while the monthly payment for aged and disabled couples is estimated to further increase to $1,540.
- Suspend June 2008 COLA – By suspending the June 2008 state COLA, the SSP portion of the SSI/SSP grant will remain the same as well as the grants for the 8,500 Cash Assistance Program for Immigrants (CAPI) and 1,800 CA Veterans Cash Benefit (CVCB) recipients
- Suspend June 2009 COLA – By suspending the June 2009 state COLA, the SSP portion of the SSI/SSP grant will remain the same as well as the grants for the 8,500 CAPI and 1,800 CVCB recipients.

SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTARY PAYMENT (SSI/SSP)SUSPENSION OF THE JUNE 2008 AND JUNE 2009 COLAs

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.

CHANGE FROM THE APPROPRIATION

The state general fund cost has decreased due to the suspension of the state COLA.

REASON FOR YEAR-TO-YEAR CHANGE:

Reflects a full year savings from the June 2008 COLA, and 1 month of savings from the June 2009 COLA.

EXPENDITURES:

(in 000's)

PCSP/Residual	2007-08 Grant	2008-09 Grant
Total	-$23,253	-$300,295
Federal	0	0
State	-23,253	-300,295
County	0	0
Reimbursements	0	0

Cash Assistance Program for Immigrants (CAPI)

DESCRIPTION:

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

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

IMPLEMENTATION DATE:

This premise implemented on October 1, 1998.

KEY DATA/ASSUMPTIONS:

- Chapter 10.3 of the Welfare and Institutions Code (W&IC) gives the California Department of Social Services the authority to administer the CAPI Program.
- Section 18940 of the W&IC states that the CAPI Program will be governed by the same federal and state regulations which govern the SSI/SSP Program.
- Section 18941 of the W&IC authorizes benefits paid under CAPI to be equivalent to benefits provided under the SSI/SSP Program, except that the schedule for individuals and couples shall be reduced $10 per individual and $20 per couple per month.
- Although CAPI was originally due to sunset on July 1, 2000, Assembly Bill (AB) 1111 (Chapter 147, Statutes of 1999) extended the base program indefinitely.
- AB 1111 also created time-limited CAPI eligibility from October 1, 1999, through September 30, 2000, for immigrants who entered the country on or after August 22, 1996. This bill established a five-year deeming period for these cases. AB 2876 extended time-limited CAPI for one more year through September 30, 2001. AB 429 (Chapter 111, Statutes of 2001) eliminated the sunset date for the time-limited ("extended") program altogether, and lengthened the deeming period to ten years.
- The average monthly number of total CAPI cases will be 9,531 in Fiscal Year (FY) 2007-08, and 11,419 in FY 2008-09.
- The average monthly grant is $632.76 for the Base CAPI cases, based on actual expenditures through July 2007. The average grant will increase due to a 2.3 percent federal cost-of-living adjustment (COLA) effective January 1, 2008, and a 3.7 percent State COLA effective June 1, 2008. The average Base CAPI grant will also increase in 2009 to reflect a 1.7 percent federal COLA and 4.25 percent State COLA. The impact of the COLAs is reflected in the "2008 COLA" and "2009 COLA" premise descriptions.

Cash Assistance Program for Immigrants (CAPI)

KEY DATA/ASSUMPTIONS (continued):

- The average monthly grant is $793.14 for the Extended CAPI cases, based on actual expenditures through July 2007. The average grant will change as discussed above for the Base CAPI cases.
- The average monthly administrative cost per case for FY 2007-08 of $193.35 is based on actual expenditures through June 2007. For FY 2008-09, the average administrative cost per case will remain unchanged.

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 General Fund.

CHANGE FROM THE APPROPRIATION:

The estimate has decreased due to a lower average monthly caseload in the Extended CAPI program. The Appropriation also reflects a $5.4 million reduction scored by the Legislative Analyst's Office from the May Revise estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

CAPI costs increase due to the increasing average grant due to the COLAs as well as the influx of cases in the Extended CAPI program resulting from the expiration of the ten-year sponsor deeming period.

EXPENDITURES:

(in 000's)	2007-08	2008-09
Total CAPI*		
Total	$109,174	$134,058
Federal	0	0
State	109,174	134,058
County	0	0
Reimbursements	0	0

* Includes funds for the premise "Undocumented Citizens (SB 1569)"

Cash Assistance Program for Immigrants (CAPI)

EXPENDITURES (continued):

(in 000's)	2007-08	2008-09
Base CAPI		
Total	$24,549	$21,386
Federal	0	0
State	24,549	21,386
County	0	0
Reimbursements	0	0

(in 000's)	2007-08	2008-09
Extended CAPI		
Total	$84,535	$112,672
Federal	0	0
State	84,535	112,672
County	0	0
Reimbursements	0	0

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Additional TANF/MOE Expenditures in CDSS SSP MOE Eligible

DESCRIPTION:

This premise reflects the State Supplementary Payment (SSP) expenditures countable towards the State Temporary Assistance for Needy Families (TANF) Program maintenance of effort (MOE). More specifically, the increase in SSP expenditures for disabled SSP children in California Work Opportunity and Responsibility to Kids (CalWORKs) families since the inception of the TANF Program is 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, 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 was implemented on January 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: 45 Code of Federal Regulations section 263.2.
- The average number of SSP children living in a CalWORKs household for March through June 2007 was 8,575, or 10.9 percent of total SSP children living with relatives.
- SSP expenditures for SSP children living with relatives were $52.8 million in 1995. SSP expenditures for the same population are estimated at $143.1 million in Fiscal Year (FY) 2007-08.
- Expenditures for SSP children living in a CalWORKs household in 1995 is estimated at $8.5 million.

Additional TANF/MOE Expenditures in CDSS SSP MOE Eligible

METHODOLOGY:

- Expenditures for FYs 2007-08 and 2008-09 are forecasted based on the increase or decrease in the SSP payment standard from year to year. For FY 2007-08, the SSP payment standard will increase by 0.9 percent. For FY 2008-09, the SSP payment standard will increase by 11 percent.
- The percentage of SSP children living in a CalWORKs household 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 2007-08 and 2008-09, SSP expenditures for this population are estimated at $15.6 and $17.7 million, respectively.
- For FY 2007-08, the amount by which allowable current year expenditures exceed the total State program expenditures in 1995 is $7.1 million ($15.6 - $8.5 million).
- For FY 2008-09, the amount by which allowable SSP expenditures will exceed the total State program expenditures in 1995 is $9.2 million ($17.7 - $8.5 million).

FUNDING:

The SSP expenditures are funded with 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

Due to a lower percentage of SSP children living with relatives in a CalWORKs household and lower caseload growth than previously estimated, the estimated level of countable SSP expenditures has decreased.

REASON FOR YEAR-TO-YEAR CHANGE:

The level of MOE-eligible expenditures increases due to projected caseload growth and an increase in the SSP grant.

EXPENDITURES:

(in 000's)

	2007-08 Grant	2008-09 Grant
Total	$7,126	$9,286
Federal	0	0
State	7,126	9,286
County	0	0
Reimbursements	0	0

Personal Care Services Program/Residual IHSS Basic Costs

DESCRIPTION:

This premise reflects the basic costs for the In-Home Supportive Services (IHSS) program. Assembly Bill (AB) 1773 (Chapter 939, Statutes of 1992) required the California Department of Health Care Services (DHCS) 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). In 2004, DHCS received an Independence Plus 1115 Demonstration Project to allow certain IHSS Residual program recipients to receive services under the IHSS Plus Waiver (IPW) (See Waiver Program/Medical State Plan Amendment for Residual).

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.

AB 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 PCSP and IPW programs provide services including the following:

- 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;
- Certain paramedical services ordered by a physician;
- Protective supervision tasks;
- Restaurant meal allowance (RMA); and
- Advance payment.

The Residual program provides services to recipients who are not eligible for the PCSP or IPW program.

IHSS is 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.

Personal Care Services Program/Residual IHSS Basic Costs

DESCRIPTION (continued):

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

The Department of General Services (DGS), under contract, acts as agent for the California Department of Social Services (CDSS) in the management and supervision of the 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 (CMIPS) authorizes payments and provides CDSS 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. (See the CMIPS premise for more information.)

IMPLEMENTATION DATE:

This premise 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 92.4 percent and 7.6 percent, respectively, based on the average caseloads for Fiscal Year (FY) 2006-07.
- PCSP caseloads were 2,583 (CC) and 89 (WS), Residual caseloads were 627 (CC) and 26 (WS). The balance of the caseload is IP.
- The PCSP CC mode average monthly hours per case is assumed to be 60.76 hours at a cost per hour of $17.52. The WS average monthly hours per case is assumed to be 9.84 hours at a cost per hour of $18.05.
- The Residual CC mode average monthly hours per case is assumed to be 25.47 hours at a cost per hour of $16.92. The Residual WS average monthly hours per case is assumed to be 7.36 hours at a cost per hour of $17.06.
- The IP wage rate and average monthly hours per case are based on the individual counties data.
- The payroll tax rate associated with the IP wages is assumed to be ten percent.
- Based on actuals for FY 2006-07, the average recipient PCSP Program share of cost (SOC) is assumed to be $372 per case in the current year (CY) and budget year (BY) in the IP mode of service. The average recipient Residual program share of cost is assumed to be $393 and $187 per case in the IP mode and CC/WS modes of service, respectively.

Personal Care Services Program/Residual IHSS Basic Costs

KEY DATA/ASSUMPTIONS (continued):

- In the PCSP program, the average monthly SOC caseload is assumed to be 6,816 in the CY and 7,708 in the BY.
- In the Residual program, the average monthly SOC caseload is assumed to be 580 in the CY and 607 in the BY in the IP Mode, and 107 in the CC/WS for both CY and BY.
- The RMA cost per case is $62.
- The RMA cost is estimated to be $493,650 for CY and $558,142 in the BY.
- The SCIF contract cost is assumed to be $57.7 million for both CY and BY.
- The DGS contract cost is set at $120,000 for both CY and BY.
- CY includes costs to reimburse recipients for excess SOC payments. In BY, recipients will apply for reimbursement through the Conlan claim process.
- CY and BY include costs for the Los Angeles County Back-Up Attendant Program.

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 cost. 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 cost. In addition, the Residual program caseload percentage of the SCIF, DGS contract costs and RMA are added.
- The excess SOC is based on costs and cases in FY 2005-06.

FUNDING:

- In the PCSP, the Title XIX Federal Medical Assistance Percentage rate is 50 percent.
- The nonfederal share is split 65 percent state and 35 percent county. The county share of cost is reflected as a reimbursement, consistent with actual cash flow.
- In the Residual program basic costs, the State share is 65 percent of the total, and the county share is 35 percent. The county SOC is reflected as a reimbursement, consistent with actual cash flow.

Personal Care Services Program/Residual IHSS Basic Costs

CHANGE FROM THE APPROPRIATION:

The CY increase reflects caseload growth and wage and/or benefit increases for 18 counties.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY increase reflects wage and/or benefits increases and caseload growth.

CASELOAD:

	2007-08	2008-09
Average Monthly PCSP Caseload	360,343	376,869
Average Monthly Residual Program Caseload	29,667	31,028

EXPENDITURES:

(in 000's)

TOTAL	2007-08	2008-09
	Grant	Grant
Total	$4,366,887	$4,609,964
Federal	0	0
State	1,523,767	1,602,436
County	0	0
Reimbursements	2,843,120	3,007,528

Personal Care Services Program/Residual IHSS Basic Costs

EXPENDITURES (continued):

(in 000's)

PCSP	2007-08	2008-09
	Grant	Grant
Total	$4,014,944	$4,237,982
Federal	0	0
State	1,296,752	1,362,519
County	0	0
Reimbursements	2,718,192	2,875,463

Residual Program	2007-08	2008-09
	Grant	Grant
Total	$351,943	$371,982
Federal	0	0
State	227,015	239,917
County	0	0
Reimbursements	124,928	132,065

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

DESCRIPTION:

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

Case Management

The CMIPS stores the case record of each individual recipient. The case record of each recipient contains information on eligibility, needs assessment, share of cost, if appropriate, and all changes affecting the recipient's case. The CMIPS also generates notices of action, cost-of-living adjustments, and rate changes. The CMIPS further allows for data exchanges with other welfare systems and is used to establish Medi-Cal eligibility. Unique Client Index Numbers (CINs) facilitate the identification of common clients and the exchange of data with other systems. CIN transactions are processed through the Office of Systems Integration 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 estimated costs for the SCO contract was updated. In current year (CY) and budget year (BY) direct deposit costs are estimated at $197,042.

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

KEY DATA/ASSUMPTIONS (continued):

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

	2007-08	2008-09
EDS	$10,513,267	$11,466,684
STO	$915,987	$915,987
SCO	$4,731,434	$4,731,434
CIN Transaction	$8,307	$8,307
Total Costs	$16,168,995	$17,122,412

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 percent to total caseload.

FUNDING:

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

CHANGE FROM THE APPROPRIATION:

The CY increase is due to increased EDS costs.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY increase is due to increased EDS costs.

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

EXPENDITURES:
(in 000's)

TOTAL	2007-08 Grant	2008-09 Grant
Total	$16,169	$17,122
Federal	0	0
State	6,090	6,449
County	2,610	2,763
Reimbursements	7,469	7,910

PCSP	2007-08 Grant	2008-09 Grant
Total	$14,939	$15,820
Federal	0	0
State	5,229	5,537
County	2,241	2,373
Reimbursements	7,469	7,910

Residual Program	2007-08 Grant	2008-09 Grant
Total	$1,230	$1,302
Federal	0	0
State	861	912
County	369	390
Reimbursements	0	0

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Case Management Information and Payrolling System (CMIPS) Enhancements to Support a Federal Waiver and Quality Assurance

DESCRIPTION:

This premise reflects the funding required for several Case Management Information and Payrolling System (CMIPS) enhancements needed to meet the documentation, data collection and reporting requirements of the In-Home Supportive Services (IHSS) Quality Assurance (QA) Initiative and the IHSS Plus waiver (IPW) program. The enhancements include a new interface with the California Medicaid Management Information System to identify fraudulent activities, as well as provision of statewide registry and enrollment data for eligible IPW recipients, and Medi-Cal Provider Point of Sale capabilities. This premise also includes costs for enhancements to implement Provider Direct Deposit (PDD).

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12317 [Chapter 229, Statutes of 2004 (Senate Bill 1104)] and section 12304.4 [Chapter 75, Statutes of 2006 (Assembly Bill 1808)].
- CMIPS enhancements for the QA Initiative require 10,400 hours of programming.
- CMIPS enhancements for the IPW program require 4,050 hours of programming.
- CMIPS enhancements for the PDD capability require 1,680 hours of programming.
- The PDD cost assumes 30 percent provider participation. The Current year (CY) PDD cost is $1.1 million. The Budget year (BY) cost is $1.5 million.

METHODOLOGY:

The estimate is computed by summing the programming costs for the QA, IPW and PDD enhancements.

FUNDING:

- In the Personal Care Service Program (PCSP), the federal Title XIX reimbursement represents 50 percent of the total funding in the CY and BY. The nonfederal share is split 35 percent state and 15 percent county.
- In the Residual program, the state share is 70 percent of the total, and the county share is 30 percent. The shift of 50 percent of the funding to federal Title XIX is shown in the waiver for Residual program premise.

CHANGE FROM THE APPROPRIATION:

The CY increase reflects PDD implementation and operation costs.

Case Management Information and Payrolling System (CMIPS) Enhancements to Support a Federal Waiver and Quality Assurance

REASON FOR YEAR-TO-YEAR CHANGE:

The BY includes costs associated with the operation of the PDD function.

EXPENDITURES:

(in 000's)

TOTAL	2007-08	2008-09
Total	$1,356	$1,823
Federal	0	0
State	510	686
County	219	295
Reimbursements	627	842

PCSP	2007-08	2008-09
Total	$1,253	$1,684
Federal	0	0
State	438	589
County	188	253
Reimbursements	627	842

Residual Program	2007-08	2008-09
Total	$103	$139
Federal	0	0
State	72	97
County	31	42
Reimbursements	0	0

Case Management, Information, and Payrolling System (CMIPS II) Contract Procurement

DESCRIPTION:

This premise reflects the costs for contracting with the Office of Systems Integration (OSI) for development, support, and implementation of a new and enhanced In-Home Supportive Services (IHSS) CMIPS. 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 October 2007 Implementation Advance Planning Document.

FUNDING:

In the Personal Care Services Program (PCSP), the Title XIX Federal Medical Assistance Percentage rate is 50 percent. The nonfederal share is funded 100 percent General Fund (GF). In the Residual Program, the funding is 100 percent GF.

CHANGE FROM THE APPROPRIATION:

The net decrease for Fiscal Year (FY) 2007-08 reflects a reduction due to schedule delays offset by an increase in baseline adjustments.

REASON FOR YEAR-TO-YEAR CHANGE:

The net increase for FY 2008-09 reflects costs that have been adjusted for baseline adjustments, and additional resources needed for the prime vendor contract and associated costs. The associated costs include funding for additional state staff, county staff and travel, state support contracts, interfaces, and data center services.

Case Management, Information, and Payrolling System (CMIPS II) Contract Procurement

EXPENDITURES:

(in 000's)

Total	2007-08	2008-09
	County Admin.	County Admin.
Total	$16,855	$114,305
Federal	0	0
State	9,044	61,337
County	0	0
Reimbursements	7,811	52,968

PCSP	2007-08	2008-09
	County Admin.	County Admin.
Total	$15,621	$105,937
Federal	0	0
State	7,810	52,969
County	0	0
Reimbursements	7,811	52,968

Residual Program	2007-08	2008-09
	County Admin.	County Admin.
Total	$1,234	$8,368
Federal	0	0
State	1,234	8,368
County	0	0
Reimbursements	0	0

Case Management, Information, and Payrolling System (CMIPS II) Contract Procurement

CDSS/OSI PARTNERSHIP:

(in 000's)	2007-08	2008-09
Total	$16,855	$114,305
CDSS	1,304	4,203
OSI	15,551	110,102

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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 Care Services (CDHCS) for final approval. After CDHCS approves the rate, the PA can claim its costs.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 12301.

METHODOLOGY:

The estimated cost is computed by multiplying the casemonths by the average hours per case by the administrative hourly rates for each PA.

Public Authority Administration

FUNDING:

- In the Personal Care Services Program (PCSP), the Title XIX Federal Medical Assistance Percentage rate is 50 percent. The nonfederal share is split 65 percent state and 35 percent county.
- In the Residual program, the state share is 65 percent of the total, and the county share is 35 percent.

CHANGE FROM THE APPROPRIATION:

The current year decrease is due to reductions in PA administrative hourly rates.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects administrative rate changes and caseload growth.

EXPENDITURES:

(in 000's)

TOTAL	2007-08	2008-09
	Admin	Admin
Total	$52,416	$54,716
Federal	0	0
State	18,695	19,512
County	0	0
Reimbursements	33,721	35,204

PCSP	2007-08	2008-09
	Admin	Admin
Total	$47,308	$49,394
Federal	0	0
State	15,375	16,053
County	0	0
Reimbursements	31,933	33,341

Public Authority Administration

EXPENDITURES (continued):

(in 000's)

Residual Program	2007-08	2008-09
	Admin	Admin
Total	$5,108	$5,322
Federal	0	0
State	3,320	3,459
County	0	0
Reimbursements	1,788	1,863

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PCSP Three-Month Retroactive Benefits

DESCRIPTION:

This premise reflects the costs in the Personal Care Services Program (PCSP), associated with implementing a Medi-Cal rule that provides reimbursement for eligible In-Home Supportive Services (IHSS) personal care services rendered up to three months prior to application.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2005.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Budget Act of 2004.
- Based on the number of approvals in July 2006 through June 2007, 1.74 percent of cases each month will be new applicants.
- Based on recent Medi-Cal data, it was assumed that 0.02 percent of all applicants would be eligible for at least one month of retroactive benefits for the period prior to the month of application. It was also assumed that on average the applicants would receive 1.16 months of retroactive benefits.
- In addition, it was assumed that 2.58 percent of applicants would be eligible to receive a retroactive benefit for a portion of the month in which they applied. The average period of retroactive benefit was assumed to be two weeks.
- The administrative cost of processing the retroactive payments is assumed to require 1 additional hour to review incoming claims to determine eligibility and 1.5 additional hours to process eligible claims. It is assumed that 10 percent of all applicants will submit a claim. The social worker cost per hour is assumed to be $60.55.

METHODOLOGY:

The number of cases to receive retroactive benefits was derived using the percentage of new cases and the percentage of cases that are eligible to receive retroactive benefits.

Estimated costs for benefits were based on the number of eligible retroactive cases, the average monthly cost per case and the assumption that each case would receive either two weeks or 1.16 months of retroactive benefits.

The administrative costs were based on the number of claims received and eligible retroactive claims, the time to review or process each case and IHSS social worker cost per hour.

PCSP Three-Month Retroactive Benefits

FUNDING:

- The Title XIX Federal Medical Assistance Percentage rate for PCSP is 50 percent.
- The nonfederal share is split 65 percent state and 35 percent county.
- The estimated Title XIX reimbursement percentage for Administration costs is 49.41 percent, based on actual expenditure information as reported on the County Expense Claim for the past four quarters.
- The State and county sharing ratios for Administration costs are 70 percent and 30 percent, respectively, of the nonfederal share.

CHANGE FROM THE APPROPRIATION:

The estimate has been updated to reflect the percent of new case approvals, current caseload and cost per case information.

REASON FOR YEAR-TO-YEAR CHANGE:

The estimate has been updated to reflect the percent of new case approvals and current caseload information.

EXPENDITURES:

(in 000's)

Total PCSP/Residual	2007-08	2008-09
	Grant	Grant
Total	$1,006	$1,060
Federal	0	0
State	353	373
County	0	0
Reimbursements	653	687

PCSP	2007-08	2008-09
	Grant	Grant
Total	$924	$901
Federal	0	0
State	300	317
County	0	0
Reimbursements	624	657

PCSP Three-Month Retroactive Benefits

EXPENDITURES (continued):
(in 000's)

Residual Program	2007-08	2008-09
	Grant	Grant
Total	$82	$76
Federal	0	0
State	53	56
County	0	0
Reimbursements	29	30

Administration	2007-08	2008-09
	Admin.	Admin.
Total	$686	$717
Federal	0	0
State	243	254
County	104	109
Reimbursements	3339	354

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IHSS Quality Assurance

DESCRIPTION:

The Quality Assurance (QA) Initiative is mandated by Senate Bill (SB) 1104 (Chapter 229, Statutes of 2004). The intent is to improve the quality of services, enhance program integrity, and detect and prevent program fraud and abuse. SB 1104 mandated ongoing staff training for county In-Home Supportive Services (IHSS) workers and required the California Department of Social Services to collaborate with the California Department of Health Care Services (DHCS) on annual error rate studies and investigations of suspected fraud in the receipt or provision of services. The QA methodology derived savings from improved assessments and reassessment completed after social workers received training and fraud activities.

This premise reflects savings and costs from implementation of a QA program that will reduce the costs of the IHSS program by improving the quality of service need assessments and authorizations.

IMPLEMENTATION DATE:

This premise implemented on December 1, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12305.7 and 12305.71.
- County QA staff and additional IHSS workers were hired in Fiscal Year (FY) 2004-05 and FY 2005-06.
- The "Hourly Task Guidelines Implementation Analysis: Fiscal Year 2006-07" produced by the Institute for Social Research (ISR) at the California State University, Sacramento concluded that there is greater consistency in authorized hours for certain ranks and tasks. Also, the hourly task guidelines (HTGs) have been successful in bringing greater uniformity to the assessment process.
- The ISR analysis also concluded that there has been a modest decrease in authorized hours for assessments (two minutes) and reassessments (five minutes).

METHODOLOGY:

COSTS

County Staff

- It is assumed there are 220 County QA staff or additional IHSS workers.
- The annual Social Worker (SW) cost is assumed to be $129,083.
- The estimated current year (CY) and budget year (BY) county quality assurance staff costs are $28.4 million [$10.1 million General Fund (GF)].
- The estimated CY also includes costs for a contract with the ISR to evaluate the impact of the HTGs.

IHSS Quality Assurance

METHODOLOGY (CONTINUED):

State level training for SWs

- Training costs include: curriculum development; classroom training; post-training evaluation.
- Training will be provided in CY and BY on on-going basis.

FUNDING:

- The Title XIX reimbursement rate is 50 percent.
- In administration, the State and county sharing ratios are 70 percent and 30 percent, respectively, of the nonfederal share.

CHANGE FROM THE APPROPRIATION:

The CY and BY decreases reflect no savings.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

TOTAL PCSP/RESIDUAL	2007-08	2008-09
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

PCSP	2007-08	2008-09
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

IHSS Quality Assurance

EXPENDITURES (CONTINUED):
(in 000's)

Residual	2007-08	2008-09
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Administration	2007-08	2008-09
Total	$32,602	$32,602
Federal	0	0
State	11,608	11,546
County	4,975	4,948
Reimbursements	16,019	16,108

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Criminal Background Checks (Senate Bill 868)

DESCRIPTION:

Public authorities and non-profit consortias (PA/NPC) provide for the delivery of In-Home Supportive Services (IHSS). One of the functions of the PAs/NPCs is to investigate the qualifications and backgrounds of potential IHSS registry providers. Senate Bill (SB) 868 (Chapter 447, Statutes of 2007) specifies that for registry applicants employed on or after January 1, 2008, the investigation may include criminal background checks conducted by the Department of Justice (DOJ). SB 868 also allows PAs/NPCs to request criminal background checks for non-registry IHSS providers on behalf of IHSS recipients. Statute does not allow a fee to be charged to the IHSS recipient or provider for processing of the criminal background check. SB 868 allows for state participation in the cost of DOJ criminal background checks when at least 50 percent of the PA/NPC registry applicants have completed a DOJ criminal background check.

IMPLEMENTATION DATE:

This premise will implement on January 1, 2008.

KEY DATA/ASSUMPTIONS:

This premise will implement to the extent that an appropriation is made in the annual Budget Act or other statute.

METHODOLOGY:

Funding has not been appropriated for Fiscal Year (FY) 2007-08. Funding for FY 2008-09 is contingent upon an appropriation.

FUNDING:

- The Title XIX reimbursement is 50 percent.
- The nonfederal share is split 65 percent State and 35 percent county. The county share is reflected as a reimbursement.

Criminal Background Checks (Senate Bill 868)

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

PCSP	2007-08	2008-09
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Conlan II

DESCRIPTION:

This premise reflects the costs associated with implementing a Medi-Cal rule that provides reimbursement for eligible In-Home Supportive Services (IHSS) personal care services rendered up to three months prior to application, during the evaluation period and post approval. In *Conlan v. Bontá*, the San Francisco Superior Court ordered the Department of Health Care Services (DHCS) to ensure that Medi-Cal recipients entitled to reimbursement for covered services 90 days prior to the Medi-Cal application date are promptly reimbursed. The DHCS implementation plan to comply with *Conlan v. Bontá* is the subject of *Conlan v. Shewry*. Beginning December 2006, DHCS sent notices to current and former Medi-Cal beneficiaries regarding the process to file a Beneficiary Reimbursement claim. To process the claims, DHCS contracted with Electronic Data Systems (EDS) to establish the Beneficiary Services Center (BSC). Claims for reimbursement for IHSS are forwarded to the California Department of Social Services (CDSS) Adult Programs Branch (APB) by EDS/BSC.

IMPLEMENTATION DATE:

The court ordered a start date of November 16, 2006.

KEY DATA/ASSUMPTIONS:

- Implemented by All-County Letter Nos. 07-11 (February 20, 2007) and No. 07-32 (September 13, 2007).
- Based on the current data from EDS/BSC, it is assumed that approximately 65 claims will be forwarded to APB per month, of which approximately 62 percent will be approved. The average cost per claim is assumed to be approximately $2,000.
- Fiscal Year (FY) 2008-09 assumes the APB will process recipient claims for excess share of cost reimbursement. In FY 2007-08, these costs are included in the IHSS Personal Care Services Program (PCSP)/Residual Basic Costs premise.

METHODOLOGY:

The estimated cost is computed by multiplying the claims, by the approval rate, by the average cost.

FUNDING:

- The Title XIX reimbursement is 50 percent.
- The nonfederal share is split 65 percent State and 35 percent county. The county share is reflected as a reimbursement.

Conlan II

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

PCSP	2007-08	2008-09
Total	$990	$990
Federal	0	0
State	322	322
County	0	0
Reimbursements	668	668

18 Percent Reduction in IHSS for Domestic and Related Services

DESCRIPTION:

This premise reflects the savings from reducing domestic and related services by 18 percent effective July 1, 2008. Domestic and related services include: meal preparation and clean-up, laundry, food shopping, and shopping errands. This premise is necessitated by the budget balancing reductions.

IMPLEMENTATION DATE:

This reduction assumes a March 1, 2008 enactment of Legislation with a July 1, 2008 implementation date.

KEY DATA/ASSUMPTIONS:

- Approximately 14,000,000 service hours per month for domestic and related services.
- Average wages of $11.15 per hour.

METHODOLOGY:

Projected savings are based on reducing domestic and related service hours by 18 percent, and multiplying the product by $11.15 per hour.

FUNDING:

- The Title XIX federal sharing ratio is based on the Federal Medical Assistance Percentage rate of 50 percent.
- The nonfederal share is split 65 percent State and 35 percent county. The county share of costs is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM THE APPROPRIATION

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise implements in budget year.

18 Percent Reduction in IHSS for Domestic and Related Services

EXPENDITURES:

(in 000's)

PCSP/Residual	2007-08 Grant	2008-09 Grant
Total	$0	-$336,649
Federal	0	0
State	0	-109,411
County	0	0
Reimbursements	0	-227,238

Income Eligible Shift
(Share of Cost Buy-Out)

DESCRIPTION:

Assembly Bill 2779 (Chapter 329, Statutes of 1998), allowed the California Department of Social Services to buy down In-Home Supportive Services (IHSS) recipients' share of cost (SOC) from the Supplemental Security Income/State Supplementary Payment (SSI/SSP) SOC level to the Medi-Cal SOC level. Senate Bill 68 (Chapter 78, Statutes of 2005) extended the SOC buyout to IHSS Plus Waiver (IPW) program participants. The buy-out, which is the difference between a recipient's SSI/SSP SOC and Medi-Cal SOC, applies to recipients who receive services under the Personal Care Services Program (PCSP) or the IPW program for whom a Medi-Cal eligibility determination has been completed. To ensure IHSS recipients are eligible for Med-Cal at the beginning of the month, this premise reflects the costs to the General Fund (GF) for the difference between the higher monthly Medi-Cal SOC and the IHSS SOC.

IMPLEMENTATION DATE:

The buy-out implemented on April 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12305.1 and 14132.95.
- The buy-out applies when a recipient's Medi-Cal SOC is greater than the recipient's SSI/SSP SOC. When a recipient's Medical Family Budget Unit (MFBU) is composed of more than just the recipient, the comparison applies to the entire MFBU SOC under Medi-Cal.

METHODOLOGY:

This premise is replaced by the "Eligibility Income Adjustment" premise.

FUNDING:

This premise is funded with 100 percent GF.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Income Eligible Shift
(Share of Cost Buy-Out)

EXPENDITURES:
(in 000's)

PCSP	2007-08	2008-09
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Waiver Personal Care Services

DESCRIPTION:

This premise, formerly called Extended Personal Care Services (Assembly Bill (AB) 668), reflects the costs for Personal Care Services that are provided above a recipient's assessed limit in the In-Home Supportive Services/Personal Care Services Program (IHSS/PCSP).

AB 668 (Chapter 896, Statutes of 1998) provided for additional hours on behalf of eligible PCSP recipients if they needed more than the 283 monthly hours allowed under IHSS and qualified for the Medi-Cal Skilled Nursing Facility Level of Care (SNFLOC) home and community based services waiver program. The SNFLOC waiver program was approved by the Health Care Financing Administration effective July 1, 1999.

The Centers for Medicare and Medicaid Services (CMS) has since renewed the nursing facility waiver, which now includes A and B levels of care (NF A/B). Approval has also been received for a new waiver for adult and pediatric subacute (NF Subacute) levels of care. "Waiver Personal Care Services" has been redefined in these two waivers to include services that differ from those in the State Plan and which allow beneficiaries to remain at home. Although there will no longer be a requirement that waiver consumers receive the maximum of 283 hours of State Plan Personal Care Services (SPPCS) prior to receiving waiver personal care services, waiver consumers must be receiving some SPPCS. Waiver personal care services will be one option on a menu of services that waiver participants may choose from, to the extent that waiver cost neutrality is assured. These services will be provided through the counties' IHSS programs and will be paid via an interagency agreement with the California Department of Social Services, or will be provided by home health agencies.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 14132.97.
- The NF A/B average monthly caseload is assumed to be 419 in the current year (CY) and 682 in the budget year (BY). The NF Subacute average monthly caseload is assumed to be 228 in the CY and 251 in the BY.
- The NF A/B average monthly hours of service per case are 160 in the CY and BY. The NF Subacute average monthly hours of service per case are 298 in the CY and BY.
- The cost per hour is assumed at $9.91

METHODOLOGY:

The estimated cost is computed by multiplying the caseload by the average hours per case by the cost per hour by twelve months.

Waiver Personal Care Services

FUNDING:

The Title XIX Federal Medical Assistance Percentage rate is 50 percent. The nonfederal share of the service costs is reimbursed 100 percent by the Department of Health Services.

CHANGE FROM THE APPROPRIATION:

The estimate has been updated to reflect current caseload and cost per hour information.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY increase reflects caseload growth.

EXPENDITURES:

(in 000's)

PCSP	2007-08	2008-09
	Grant	Grant
Total	$16,042	$21,877
Federal	0	0
State	0	0
County	0	0
Reimbursements	16,042	21,877

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.

IMPLEMENTATION DATE:

This premise implemented on July 1, 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 administrative costs associated with this premise are included in the “IHSS Court Cases” premise.

METHODOLOGY:

Payments results from claims paid.

FUNDING:

The costs associated with this premise are paid with General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Tyler v. Anderson Settlement and Implementation

EXPENDITURES:

(in 000's)

	2007-07	2008-09
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Waiver Program/Medi-Cal State Plan Amendment for Residual

DESCRIPTION:

This premise reflects the savings associated with implementation of a federal Medicaid (Medi-Cal) Waiver and Personal Care Services Program (PCSP) State Plan amendment that allows In-Home Supportive Services (IHSS) Residual program consumer services to qualify for federal Title XIX funds. The IHSS program enables eligible individuals to remain safely in their own homes as an alternative to out-of-home care. Eligible IHSS recipients are aged, blind or disabled individuals who receive public assistance or have low incomes and can be cared for by a relative or nonrelative. In July 2004, the California Department of Health Care Services received a five-year Independence Plus, Section 1115 Demonstration Waiver from the federal Centers for Medicare and Medicaid Services (CMS). This waiver permits the State to provide in-home consumer directed services with federal funds to individuals historically served in the non-federal IHSS Residual program. The individuals covered under the waiver include 1) recipients whose services are provided by a spouse or parent (if the recipient is a minor child), 2) recipients receiving advance cash payments, and 3) recipients with restaurant meal allowances. Residual cases not covered under the waiver, such as cases with protective supervision services where the providers are not parents or spouses, and domestic and related services only cases, are covered under the Medi-Cal funded PCSP per a Medi-Cal State Plan amendment.

IMPLEMENTATION DATE:

The IHSS Plus Waiver (IPW) became effective on August 1, 2004.

KEY DATA/ASSUMPTIONS:

Most Residual program cases will become eligible for federal Title XIX funds under the IPW program or the Medi-Cal State Plan amendment.

METHODOLOGY:

The savings are determined by computing a federal Medi-Cal share of cost for projected Residual program expenditures with amended corresponding State and county shares.

Prior to calculating the savings, the estimate for the basic costs was reduced by $78 million [$51 million General Fund (GF)] for current year and $79 million ($51 million GF) for the budget year to adjust for an estimate of the number of cases that will be ineligible for services under the waiver.

Waiver Program/Medi-Cal State Plan Amendment for Residual

FUNDING:

- The Title XIX federal sharing ratio is 50 percent.
- The nonfederal share is split 65 percent state and 35 percent county. The county share of cost is reflected as a reimbursement, consistent with actual cash flow.
- The Title XIX funds are shown as a reimbursement.

CHANGE FROM THE APPROPRIATION:

The current year estimate is updated to allow for cases that have not yet been determined eligible for PCSP or the IPW program. .

REASON FOR YEAR-TO-YEAR CHANGE:

The waiver costs reflect the total changes to the residual program.

EXPENDITURES:

(in 000's)

Residual Program	2007-08	2008-09
Total	$0	$0
Federal	0	0
State	-91,505	-100,325
County	-200	-216
Reimbursements	91,705	100,541

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), assessment and eligibility activities, county services block grant (CSBG) activities, and 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 also 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 (W&I) Code sections 12300 through 12317.2.
- The IHSS Personal Care Services Program (PCSP) is eligible for Title XIX funding at the Federal Medical Assistance Percentage (FMAP).
- The IHSS Program costs are eligible for the Title XIX funding at the enhanced administrative rate of 75 percent for the Skilled Professional Medical Personnel (SPMP) and the non-enhanced administrative rate of 50 percent for health-related costs.
- The Independence Plus Waiver for the Residual Program became effective August 1, 2004, and state plan amendments to the PCSP will permit claiming of the Residual Program expenditures retroactively to the date the waiver was submitted.

CWS

- Authorizing statute: W&I Code section 16500.
- The CWS Program costs are eligible for the Title XIX funding at the enhanced administrative rate of 75 percent for the SPMP and the non-enhanced administrative rate of 50 percent for health-related costs.

CSBG/APS

Authorizing statute: W&I Code sections 13004 through 13007 (CSBG) and sections 15703 through 15705.40 (APS).

METHODOLOGY:

IHSS PCSP/Residual Waiver

The Title XIX federal sharing ratio is based on the FMAP rate of 50 percent.

Title XIX Reimbursement – In-Home Supportive Services/CSBG/Child Welfare Services

METHODOLOGY (CONTINUED):

IHSS Administration

- HR activities performed in support of Medi-Cal eligible recipients are eligible for Title XIX reimbursement at 50 percent. These same activities, if performed by SPMP (those staff who have a health care license or certificate) are eligible for Title XIX Reimbursement at an enhanced rate of 75 percent.
- The federal share of actual expenditures for the past two quarters was used in the current year and budget year estimates.

CWS

For FY 2007-08 and FY 2008-09, the Title XIX reimbursement was calculated using prior year 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 SPMP are eligible for Title XIX reimbursement at an enhanced rate of 75 percent.
- Costs are based on actual expenditures.

CHANGE FROM THE APPROPRIATION:

The estimate has been updated to reflect current data.

REASON FOR YEAR-TO-YEAR CHANGE:

The change reflects actual program costs and budget balancing reduction proposals.

EXPENDITURES:

(in 000's)	2007-08 Grant	2008-09 Grant
Title XIX Total	**$2,510,612**	**$2,444,850**
IHSS Services	**$2,213,159**	**$2,156,074**
PCSP	2,070,014	2,000,277
Waiver/State Plan Amendment	143,145	155,797
Total Health Related	**$297,453**	**$288,776**
IHSS Administration	158,202	149,313
CWS	86,201	86,413
CSBG	13,786	13,786
APS/APS Training	39,264	39,264

In-Home Supportive Services Administration – Basic Costs

DESCRIPTION:

This premise reflects the costs of administering the In-Home Supportive Services (IHSS) program. Assembly Bill 1773 (Chapter 939, Statutes of 1992) required the California Department of Health Care 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 avoid institutionalization. This premise also includes administrative costs for completion of the emergency contact and back-up form, previously in the Waiver Program/Medi-Cal State Plan Amendment for Residual premise.

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 11.58 hours, including five minutes for completing the required emergency contact and emergency back-up plan form.
- The Supported Individual Provider (SIP) expenditures are assumed to increase with caseload growth. The estimated caseload growth is 4.6 percent in the budget year.
- The estimated Title XIX reimbursement percentage is 49.41 percent, based on actual expenditure information as reported on the County Expense Claim for the past four quarters.

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.

In-Home Supportive Services Administration – Basic Costs

FUNDING:

- The State and county sharing ratios are 70 percent and 30 percent, respectively, of the nonfederal share.
- The Title XIX reimbursements are as follows:
  (a) Costs incurred from activities to help Medi-Cal eligible adults are eligible for Title XIX reimbursements at either 75 percent or 50 percent, depending on the type of service provider; and,
  (b) Costs incurred from non-health related activities are not eligible for Title XIX reimbursements.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects adjustments to the projected caseload.

CASELOAD:

	2007-08	2008-09
Average Monthly Caseload	390,010	407,897

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$285,404	$294,330
Federal	0	0
State	101,620	104,234
County	43,551	44,671
Reimbursements	140,233	145,425

County Employer of Record (AB 2235)

DESCRIPTION:

This premise reflects the cost of administrative activities necessary for counties to act as the employer of record for In-Home Supportive Service (IHSS) providers. Counties may choose to act as the employer of record for IHSS individual providers to achieve compliance with Assembly Bill (AB) 1682.

AB 2235 (Chapter 1135, Statutes of 2002) further requires any county, not in compliance with the mandates of AB 1682 within a specified timeframe, to act as the employer of record for collective bargaining purposes. To comply, counties had to provide documentation, no later than January 15, 2003, in support of compliance, or detailed information in support of delayed compliance by March 31, 2003. Counties that did not provide required documentation, or meet the delayed compliance deadline, automatically defaulted to act as the employer of record.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12300 through 12314 and 14132.95.
- This estimate assumes that Alpine and Tuolumne counties will act as employer of record for both the current year (CY) and the budget year (BY).
- The estimated Title XIX reimbursement percentage is 49.41 percent based on actual expenditure information as reported on the county administrative expense claim for the past four quarters.

METHODOLOGY:

The CY and BY estimated cost is the sum of the projected annual costs for each county.

FUNDING:

The State and county sharing ratios are 70 percent and 30 percent, respectively, of the nonfederal share.

CHANGE FROM THE APPROPRIATION:

The CY reflects an increase in the Title XIX reimbursement and a corresponding decrease in the General Fund share.

County Employer of Record (AB 2235)

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2007-08 Grant	2008-09 Grant
Total	$340	$340
Federal	0	0
State	121	120
County	52	52
Reimbursements	167	168

In-Home Supportive Services (IHSS) Program Court Cases

DESCRIPTION:

This premise reflects the cost of court settlements and attorney fees relating to the IHSS program. The costs result from settlement of lawsuits pertaining to local assistance in accordance with Budget Letter 98-22 and instructions from the Department of Finance.

KEY DATA/ASSUMPTIONS:

The estimate for settlement costs and attorney fees relating to court cases is based in part on actual payments for cases in the current year (CY), and the Legal Division's projection of costs that will be paid in both CY and budget year (BY).

METHODOLOGY:

The CY and BY estimates of costs reflect known and anticipated settlements and attorney fees relating to the IHSS program and $20,000 for other court cases. These are state-only costs.

FUNDING:

IHSS costs for case settlement and attorney fees are funded with 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

This premise is updated for expenditure information.

REASON FOR YEAR-TO-YEAR CHANGE:

Court case expenditures may fluctuate from year to year.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$850	$250
Federal	0	0
State	850	250
County	0	0
Reimbursements	0	0

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In-Home Supportive Services - Advisory Committees

DESCRIPTION:

This premise reflects the costs of establishing and operating 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 IHSS purposes. The advisory committees are to 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 $52,974 per county.
- The estimate assumes that all counties have established and will operate advisory committees in the current year (CY) and budget year (BY).
- The estimated Title XIX reimbursement percentage is 47 percent in the CY and BY, based on actual expenditure information as reported on the county administrative expense claims for Fiscal Year 2005-06.

METHODOLOGY:

The estimated cost is computed by multiplying the average annual cost per county times 58 counties.

FUNDING:

The federal Title XIX reimbursement represents 47 percent of the total funding in the CY and BY. The remaining nonfederal share is funded with 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

In-Home Supportive Services - Advisory Committees

EXPENDITURES:

(in 000's)

	2007-08 Grant	2008-09 Grant
Total	$3,072	$3,072
Federal	0	0
State	1,628	1,628
County	0	0
Reimbursements	1,444	1,444

Reduce County Administration Costs by Ten Percent

DESCRIPTION:

This premise reflects the savings from reducing county administration costs by ten percent effective July 1, 2008. To achieve these savings counties will be allowed to delay reassessments for Personal Care Services Program (PCSP) and Residual program recipients up to 18 months. This premise is necessitated by the budget balancing reductions.

IMPLEMENTATION DATE:

This reduction assumes a March 1, 2008 enactment of Legislation with a July 1, 2008 implementation date.

KEY DATA/ASSUMPTIONS:

- Approximately 75 percent of reassessments for PCSP and Residual program recipients will be completed every 18 months rather than every 12 months.
- The average hours per reassessments is five hours.

METHODOLOGY:

Projected savings are based on calculating the difference for completing reassessments every 18 months rather than every 12 months, and multiplying the product by five hours.

FUNDING:

- The Title XIX federal sharing ratio is based on the Federal Medical Assistance Percentage rate of 49.41 percent.
- The nonfederal share is split 70 percent State and 30 percent county.

CHANGE FROM THE APPROPRIATION

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise implements in budget year.

Reduce County Administration Costs by Ten Percent

EXPENDITURES:

(in 000's)

PCSP/Residual	2007-08 Grant	2008-09 Grant
Total	$0	-$28,712
Federal	0	0
State	0	-10,168
County	0	-4,358
Reimbursements	0	-14,186

Eligibility Income Adjustment

DESCRIPTION:

Assembly Bill 2779 (Chapter 329, Statutes of 1998), allowed the California Department of Social Services (CDSS) to buy down In-Home Supportive Services (IHSS) recipients' share of cost (SOC) from the Supplemental Security Income/State Supplementary Payment (SSI/SSP) SOC level to the Medi-Cal SOC level. Senate Bill 68 (Chapter 78, Statutes of 2005) extended the SOC buy-out to IHSS Plus Waiver (IPW) program participants. The eligibility income adjustment is the difference between a recipient's SSI/SSP SOC and Medi-Cal SOC and applies to recipients who receive services under the Personal Care Services Program (PCSP) or the IPW program for whom a Medi-Cal eligibility determination has been completed. To ensure IHSS recipients are eligible for Med-Cal at the beginning of the month, this premise reflects the costs to the General Fund for the difference between the higher monthly Medi-Cal SOC and the IHSS SOC.

IMPLEMENTATION DATE:

This premise will be implemented on July 1, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12305.1 and 14132.95.
- The buy-out applies when a recipient's Medi-Cal SOC is greater than the recipient's SSI/SSP SOC. When a recipient's Medical Family Budget Unit (MFBU) is composed of more than just the recipient, the comparison applies to the entire MFBU SOC under Medi-Cal.
- This premise replaces the Income Eligible Shift (SOC Buy-out) premise.

METHODOLOGY:

The estimate is based on the Fiscal Year (FY) 2006-07 actual average cases and cost-per-case for the buy-out.

FUNDING:

This premise is funded with 100 percent General Fund

CHANGE FROM THE APPROPRIATION:

The current year increase reflects higher cost-per-case based on actual FY 2006-07 expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Eligibility Income Adjustment

EXPENDITURES:

(in 000's)

PCSP	2007-08	2008-09
Total	$35,778	$35,778
Federal	0	0
State	35,778	35,778
County	0	0
Reimbursements	0	0

Foster Care & NAFS Administrative Costs – Basic

DESCRIPTION:

This premise reflects the administrative and staff development costs for the Foster Care (FC) and Non-Assistance Food Stamps (NAFS) programs. Historically, the budget for county administration was based on counties administrative budget requests made through a Proposed County Administrative Budget (PCAB) process, modified by a cost containment system consistent with Welfare and Institutions Code (W&IC) section 14154. Beginning with Fiscal Year (FY) 2001-02 the PCAB process was suspended and the last PCAB process, FY 2000-01, established the base from which future year costs are established. Adjustments for caseload changes and other factors are made during each subvention process.

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 an annual basis.

IMPLEMENTATION DATE:

This premise is an annual appropriation.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 14154.
- The FC estimate for Non-Title IV-E Waiver counties in FY 2007-08 is being held at the Budget Act of 2007 Appropriation level. Base funding for FC Administrative Costs Basic for FY 2008-09 is $52 million.
- The Non-Title IV-E Waiver FC caseload growth projection for FY 2007-08 and FY 2008-09 are -0.6 percent and 0.2 percent, respectively.
- Staff development for FC, $1.2 million for FY 2008-09, was based on the last four quarters of actual expenditures.
- The AAP cost of $12.5 million for FY 2008-09 was based on the last four quarters of actual expenditures.
- Contract costs for FC are $143,000 in FY 2008-09, based on FY 2005-06 actual expenditures.
- The NAFS Administrative Costs base funding is $524.4 million in FY 2006-07 and $563.7 million in FY 2007-08.
- The NAFS caseload growth projection is 7.5 percent in FY 2007-08 and 6.4 percent in FY 2008-09.

Foster Care & NAFS Administrative Costs – Basic

KEY DATA/ASSUMPTIONS (CONTINUED):

- The impact of Transitional Benefits, Vehicle Exclusion/Face-to-Face Interviews (AB 231), and Electronic Benefit Transfer are reflected in the NAFS Administrative Basic Costs resulting in net savings of $27.2 million in FY 2007-08 and $28.5 million in FY 2008-09.
- Statewide Automated Welfare System Development and Testing Interface costs for NAFS are $168,287 for FY 2007-08 and $230,113 for FY 2008-09, based on updated expenditures.
- Contract costs for NAFS are $3.3 million for FY 2007-08 and $3.3 million for FY 2008-09.
- Staff development costs for NAFS are $9.8 million for FY 2007-08 and $9.8 million for FY 2008-09, based on FY 2005-06 actual expenditures.
- The NAFS and FC estimates were adjusted due to a shift of administrative costs ($97,206 and $7,776, respectively) related to the Merced Automated Global Information Control (MAGIC) system that were formerly in a separate premise line and are now included in basic.
- In FY 2007-08, it is projected that counties will overmatch their Food Stamp administration budget by $24 million. In FY 2008-09, it is projected that counties will overmatch their Food Stamp Administration by $33.6 million. This overmatch has been included in FY 2007-08 and FY 2008-09 and is countable toward the county maintenance of effort (MOE).

METHODOLOGY:

The NAFS and FC non-waiver counties basic funding are adjusted to reflect caseload growth and updated premises. Staff development expenditures, the MAGIC system, and contract costs were added to both the NAFS and FC estimates. AAP administrative expenditures were also added to the FC estimate.

FUNDING:

FC & NAFS costs are shared 50 percent federal, 35 percent General Fund, and 15 percent county.

Note: W&IC section 15204.4 requires MOE from the counties based on expenditures during FY 1996-97, which include the administration of food stamps. Please reference the "County MOE Adjustment" premise.

CHANGE FROM THE APPROPRIATION:

The current year FC decrease reflects the transfer of the Title IV-E waiver county cost to Item 153. The changes to the NAFS are due to projected caseload growth, an increase in staff development costs, and an increase in the projected county overmatch

REASON FOR YEAR-TO-YEAR CHANGE:

The changes for FC are due to projected caseload growth. The changes to the NAFS are due to projected caseload growth, an increase in staff development costs, and an increase in the projected county overmatch.

Foster Care & NAFS Administrative Costs – Basic

EXPENDITURES:
(in 000's)

Foster Care	2007-08 County Admin.	2008-09 County Admin.
Total	$61,805	$66,056
Federal	32,962	35,997
State	22,237	23,004
County	6,606	7,055
Reimbursements	0	0

NAFS	2007-08 County Admin.	2008-09 County Admin.
Total	$594,069	$642,967
Federal	298,044	322,540
State	206,151	217,378
County	89,874	103,049
Reimbursements	0	0

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Foster Care Reforms

DESCRIPTION:

The California Department of Social Services implemented the annual redetermination of eligibility for foster care grants, resulting in current year (CY) savings of $5.7 million and budget year (BY) savings of $5.6 million.

IMPLEMENTATION DATE:

This premise implemented July 1, 2004.

KEY DATA/ASSUMPTIONS:

- This estimate reflects costs for only the 56 non-Title IV-E Waiver counties.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) rate of 50 percent.

METHODOLOGY:

The estimate assumes a 20 percent reduction in continuing caseload eligibility costs as a result of reducing the redetermination requirement from every 6 months to every 12 months.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act for cases meeting eligibility criteria, with the level of FFP based on the FMAP rate. Funding for the nonfederal share of federal program costs and for cases not meeting federal eligibility criteria is 40 percent General Fund and 60 percent county funds.

CHANGE FROM THE APPROPRIATION:

The CY decrease reflects the transfer of the Title IV-E waiver county cost to Item 153.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY decrease is based on projected caseload eligibility costs.

ADMINISTRATIVE:

(in 000's)	2007-08	2008-09
Total	-$5,694	-$5,592
Federal	-2,847	-2,796
State	-2,002	-1,967
County	-845	-829
Reimbursements	0	0

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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 Stamp and Medi-Cal programs for common administrative costs. Section 502 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. 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 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 the Food Stamp program is to be deducted from the food stamp 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 502.
- 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 food stamp administrative reimbursement reduction. The optional formula is to multiply the AFDC total base year administrative expenditure by 80 percent and divide by three (for the three benefiting programs of AFDC, Food Stamp, and Medi-Cal).
- California's Food Stamp administrative reimbursement reduction is $58,849,393 ($220,685,222 x 0.80 ÷ 3).
- The TANF block grant has been reauthorized at the same level, therefore, California will continue to reflect the reduction to the Food Stamp administrative claims.

FUNDING:

The cost is funded with 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$0	$0
Federal	-58,849	-58,849
State	58,849	58,849
County	0	0
Reimbursements	0	0

Food Stamp Employment and Training Program

DESCRIPTION:

This premise reflects the costs for the Food Stamp Employment and Training (FSET) Program, which provides job search assistance, work experience and supportive services to eligible Non-Assistance Food Stamp Program recipients. This program was established under the Food Security Act of 1985 (Public Law [P.L.] 99-198). Employment and training opportunities enable recipients to become self-sufficient and reduce their need for food stamps. Some participants are geographically excluded due to reasons such as sparse population, great distances and lack of transportation. Individual county plans are developed that specify the job services, training and supportive services available to participants.

The United States Department of Agriculture Food and Nutrition Service (FNS) provides unmatched federal employment and training funding each year. The Food Stamp Reauthorization Act of 2002 (P.L. 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 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 24 counties participating in the FSET Program.
- The Fiscal Year (FY) 2007-08 cost for this program is based on local assistance costs identified in the approved FSET Program State Plans for FFY 2007.
- The FY 2008-09 costs for this program are based on the local assistance costs identified in the FSET Program State Plans approved for FFY 2007 and the proposed FFY 2008 budget.
- It is assumed that costs in excess of the 100 Percent Federal Grant would be shared 50 percent federal and 50 percent county.

Food Stamp Employment and Training Program

METHODOLOGY:

- The FY 2007-08 represents 25 percent of the total amount of the approved FFY 2007 FSET Program State Plan and 75 percent of the total amount of the approved FFY 2008 FSET Program State Plan.
- The FY 2008-09 represents 100 percent of the amount in the FSET Program State Plan.

FUNDING:

The costs in excess of the 100 percent federal funds are shared 50 percent federal and 50 percent county.[1]

2007-08: (in 000's)	**Total**	**Federal**	**State**	**County**
100 Percent Federal Funds	$6,362	$6,362	$0	$0
Administration Overmatch [1]	$48,868	$24,434	$0	$24,434
Participant Reimbursement	$11,040	$5,520	$0	$5,520
Total	**$66,270**	**$36,316**	**$0**	**$29,954**

2008-09: (in 000's)	**Total**	**Federal**	**State**	**County**
100 Percent Federal Funds	$5,965	$5,965	$0	$0
Administration Overmatch [1]	$49,900	$24,950	$0	$24,950
Participant Reimbursement	$12,054	$6,027	$0	$6,027
Total	**$67,919**	**$36,942**	**$0**	**$30,977**

[1] Administration Overmatch funds are used once costs exceed the 100 percent federal funds and participant reimbursement funds.

CHANGE FROM THE APPROPRIATION:

The costs were updated to reflect federally approved funding levels.

REASON FOR YEAR-TO-YEAR CHANGE:

The costs were updated to reflect federally approved funding levels.

Food Stamp Employment and Training Program

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$66,270	$67,919
Federal	36,316	36,942
State	0	0
County	29,954	30,977
Reimbursements	0	0

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California Nutrition 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 Network is a statewide marketing campaign to promote healthy eating and physical activity among food stamp recipients. The Network is a collaborative effort among DHS, CDSS, California Department of Education, University of California Cooperative Extension, and private agencies. The California Nutrition Network partners with faith communities, local health departments, parks and recreation departments, and school districts. DHS is the lead agency administering the project. CDSS serves as the pass-through agency for the matching federal funds.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1996.

KEY DATA/ASSUMPTIONS:

- The budget approved by the Food and Nutrition Service (FNS) for Federal Fiscal Year (FFY) 2008 of $107,150,557 was used to estimate funding for the current year (CY).
- The budget year (BY) assumes continuation of the CY funding level.

METHODOLOGY:

- The CY estimate is based on the approved funding for FFY 2008.
- The BY estimate is based on the CY funding level.

FUNDING:

The pass-through consists of 100 percent FNS federal funds.

CHANGE FROM THE APPROPRIATION:

The decrease in funding reflects updated contract amounts.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

California Nutrition Network

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$107,151	$107,151
Federal	107,151	107,151
State	0	0
County	0	0
Reimbursements	0	0

UC Food Stamp Nutrition Education Plan

DESCRIPTION:

This premise reflects the amount of federal matching funds that the California Department of Social Services (CDSS) passes through to the University of California Cooperative Extension (UCCE). Food stamp applicants and recipients will be provided nutrition education services in 41 counties by local university county extension offices. California's Food Stamp Nutrition Education Plan is a cooperative effort between CDSS and UCCE. CDSS serves as the pass-through agency for the matching federal funds.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1995.

KEY DATA/ASSUMPTIONS:

- The budget CDSS proposed to the Food and Nutrition Service (FNS) for Federal Fiscal Year (FFY) 2008 of $6,384,597 was used to estimate funding for the Current Year (CY).
- The budget year (BY) assumes continuation of the CY funding level.

METHODOLOGY:

- The CY estimate is based on the proposed funding for FFY 2008.
- The BY estimate is based on the CY funding level.

FUNDING:

The pass-through consists of 100 percent FNS federal funds.

CHANGE FROM THE APPROPRIATION:

The decrease reflects updated contract amounts.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$6,385	$6,385
Federal	6,385	6,385
State	0	0
County	0	0
Reimbursements	0	0

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Simplification Options

DESCRIPTION:

This premise reflects the impact to Federal Food Stamp Administration and the California Food Assistance Program (CFAP) associated with the implementation of certain optional provisions allowed by the federal government. These options are designed to simplify the Food Stamp program by easing administrative processes and by aligning certain aspects of the Food Stamp program with the California Work Opportunity and Responsibility to Kids (CalWORKs) program. This alignment is achieved by allowing the Food Stamp program to adopt certain income exclusions (Job Training Partnership Act [JTPA], Independent Living Program [ILP], Relocation Assistance Benefit, Victims of Crimes Program) and resource exemptions (restricted accounts, Individual Development Accounts [IDA], and Individual Retirement Accounts [IRA]) consistent with the CalWORKs program, thereby increasing benefits for eligible recipients. The state has also chosen the option to; allow for the treatment of child support payments to a non-participating household member to be treated as an income exclusion rather than a deduction for the person paying the child support; and require the use of the Standard Utility Allowance (SUA) instead of allowing households the option of choosing the standard or actual costs.

IMPLEMENTATION DATE:

This premise implemented November 1, 2006.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Farm Security and Rural Investment Act of 2002 (Public Law, 107-171), Food Stamp Reauthorization Act of 2002.
- The Public Assistance Food Stamps (PAFS) caseload is based on the November 2007 CalWORKs projected caseload excluding Safety Net cases. The CalWORKs monthly average caseload is 411,381 for Fiscal Year (FY) 2007-08 .
- Based on the CalWORKs Characteristics Survey, 84.80 percent of CalWORKs cases receive Food Stamps.
- The Non-Assistance Food Stamps (NAFS) average monthly caseload is 595,340 for FY 2007-08 and 633,677 for FY 2008-09.
- The CFAP caseload is based on the November 2007 CalWORKs and NAFS projected trend forecasts. The average CFAP monthly caseload is 8,382 for FY 2007-08 and 8,776 for FY 2008-09.
- CFAP cases are 23.1 percent PAFS and 76.9 percent NAFS cases.
- Based on the DFA 296 - Food Stamp Program Monthly Caseload Movement Statistical Report from Calendar Year 2006, the denied NAFS/CFAP applicants are equivalent to 4.79 percent of the NAFS/CFAP caseload.
- It is assumed that the cost for an Eligibility Worker (EW) to process new NAFS and CFAP cases is $51.00 per case.
- It is assumed that the cost for an EW to process NAFS and CFAP continuing cases on a quarterly basis is $39.33 per case.

Simplification Options

KEY DATA/ASSUMPTIONS (CONTINUED):

- It is assumed that 7.20 percent of the new cumulative caseload would be subject to mid-quarter reporting.
- It is assumed that the administrative cost for an EW to process a mid-quarter report is $28.23.
- Based on actual data reported on the DFA 256, Food Stamp Program Participation and Benefit Issuance Report for FY 2006-07, the average CFAP coupon value per case is $218.70

Income Exclusions

- The exclusion of certain types of income results in an increase of NAFS/CFAP eligible cases.
- It is assumed that 0.3 percent of the NAFS/CFAP caseload receive earnings from participation in the JTPA, ILP, Relocation Assistance Benefit, payments received under the Victims of Crimes Program, Department of Rehabilitation Training Allowances, scholarship awarded to a dependent child, and contributions from persons or organizations.
- Based on county experience, it currently requires 15 minutes of EW time semiannually to process these cases. Therefore, excluding these types of income will result in an annual savings of $29.14 per case.

Child Support Disregard

- The exclusion of the child support disregard as income in benefit determination is no longer allowed per federal regulations. Effective October 1, 2007, there will be no savings associated with this income exclusion.

Resource Exemptions

- The exemption of certain types of resources results in an increase of NAFS/CFAP eligible cases.
- Based on the CalWORKs Report on Reasons for Denials and Other Non-Approvals of Applications (CA 255 CW) from November 2005 through October 2006, three percent of CalWORKs denials are due to excess resources. Absent similar data for Food Stamp cases, the CalWORKs experience will be assumed to apply to Food Stamps.
- Based on a county survey, three percent of NAFS/CFAP cases that are denied due to excess resources have restricted accounts, IDAs, and IRAs.

Child Support Payments

- The treatment of child support payments made to non-household members as an income exclusion results in an increase of NAFS/CFAP eligible cases.
- Based on a county survey, one percent of NAFS/CFAP denied applicants pay child support.

SUA/Limited Utility Allowance (LUA)

- The implementation of a mandatory SUA also requires implementation of a LUA. The LUA includes expenses for items such as water, sewer, trash, and telephone.

Simplification Options

KEY DATA/ASSUMPTIONS (CONTINUED):

- The LUA is for households that do not qualify for the SUA.
- The mandatory SUA would decrease benefits for those claiming actual utility expenses.
- Based on the Federal Fiscal Year 2003 Food Stamps Characteristics Survey, approximately 0.02 percent of Food Stamp/CFAP caseload qualifies for the SUA, but claim actual expenditures. Approximately 1.28 percent of the Food Stamp/CFAP caseload qualifies for the LUA.
- Effective October 2007, the SUA is $274.
- The average monthly actual utility costs claimed for those that qualify for the SUA is $350.
- The mandatory SUA will result in an average decrease in benefits of $34.55 per case for cases claiming actual utilities.
- Effective October 2007, the LUA is $79.
- The average monthly actual utility cost claimed for those that qualify for the LUA is $68.
- The LUA will result in an average increase in benefits of $5.00 per case for cases currently claiming actual utilities.
- It is assumed that utility expenses are determined by the EW at intake and during the annual re-certification.
- In FY 2006-07 intake cases represented six percent of total Food Stamp households.
- Based on county experience, it currently requires ten minutes of EW time quarterly to calculate actual utility expenses which results in a savings of $9.71 per impacted case.

METHODOLOGY:

- The new monthly cases that are eligible due to the exclusion of certain types of income are calculated by multiplying the projected NAFS/CFAP average monthly caseload by the percentage of applicants that are denied (4.79 percent) and the percentage of applicants that are denied due to receiving earnings from participation in certain programs (0.3 percent).
- The new cases that are eligible due to the exemption of certain resources are calculated by multiplying the projected NAFS/CFAP average monthly caseload by the percentage of applicants that are denied (4.79 percent) and the percentage of applicants that are denied due to excess resources (three percent) then by the percentage of cases that are denied due to certain accounts (three percent).

Simplification Options

METHODOLOGY (CONTINUED):

- The new cases that are eligible due to the treatment of child support as an income exclusion are calculated by multiplying the projected NAFS/CFAP average monthly caseload by the percentage of applicants that are denied (4.79 percent) and the percentage of applicants that are denied due to child support payments (one percent).
- The monthly administrative costs associated with processing the new cases due to income exclusions, child support income exclusion and resource exemptions are calculated by multiplying the new monthly cases by $51.00.
- The monthly administrative costs associated with processing the mid-quarter changes for the new cases due to income exclusions, child support income exclusion and resource exemptions are calculated by multiplying the new cumulative cases by 7.20 percent and by $28.23.
- The quarterly administrative costs associated with processing the quarterly reports for the new cases due to income exclusions, child support income exclusion and resource exemptions are calculated by multiplying the new cumulative cases by $39.33 on a quarterly basis.
- The administrative savings associated with the income exclusion is calculated by multiplying the caseload by $29.14 semiannually.
- The CFAP coupon costs associated with the new cases due to income exclusions, child support income exclusion and resource exemptions are calculated by multiplying the related caseload by the average CFAP coupon cost.
- The existing cases that will be impacted due to excluding the child support disregard are calculated by multiplying the CalWORKs average monthly caseload by 84.8 percent and 9.95 percent.
- The administrative savings associated with the elimination of the child support disregard is calculated by multiplying the PAFS caseload by $9.71 quarterly.
- The impacted CFAP caseload due to excluding the child support disregard is calculated by multiplying the PAFS CFAP caseload by 9.95 percent.
- The cases that will be impacted by requiring the use of a SUA are calculated by multiplying the impacted Food Stamp/CFAP caseload by 0.02 percent.
- The administrative savings associated with requiring the use of a SUA is calculated by multiplying the impacted Food Stamp/CFAP caseload by $9.71.
- The coupon savings associated with requiring the use of a SUA is calculated by multiplying the impacted CFAP caseload by $34.55.
- The cases that will be impacted by implementing a LUA are calculated by multiplying the impacted Food Stamp/CFAP caseload by 1.28 percent.
- The administrative savings associated with implementing a LUA is calculated by multiplying the impacted Food Stamp/CFAP caseload by $9.71.
- The coupon costs associated with requiring the use of a LUA is calculated by multiplying the impacted CFAP caseload by $5.00.

Simplification Options

FUNDING:

The Food Stamp sharing ratio for the administrative cost is 50 percent federal, 35 percent state, and 15 percent county funds. The county costs are countable towards the county Maintenance of Effort (MOE). The CFAP funding is 100 percent General Fund (GF). The PAFS CFAP costs are eligible to be counted towards the Temporary Assistance for Needy Families (TANF) MOE requirement.

CHANGE FROM THE APPROPRIATION:

The increase in program costs for CFAP and NAFS is a result of elimination of the child support disregard as an income exclusion October 2007 and an overall increase in caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in program costs for CFAP and NAFS is a result of an overall increase in caseload.

EXPENDITURES:

(in 000's)

101 - CFAP	2007-08	2008-09
	Grants	Grants
Total	$224	$382
Federal	0	0
State	224	382
County	0	0
Reimbursements	0	0

141-Food Stamp Administration[1]	2007-08	2008-09
	County Admin.	County Admin.
Total	$460	$1,688
Federal	230	844
State	161	591
County	69	253
Reimbursements	0	0

[1] These costs include CFAP administrative costs.

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NAFS Administration Reduction

DESCRIPTION:

The Food Stamp Program (FSP) is the Nation's largest nutrition program for low-income households. The program provides benefits to low-income Californians via electronic debit cards, which participants may use to buy food from eligible retailers. County allocations for the administration of the federal FSP are proposed to be reduced by approximately four percent in order to meet a ten percent reduction in the FSP.

This premise is necessitated by the budget balancing reductions.

IMPLEMENTATION DATE:

This reduction assumes a March 1, 2008 enactment of Legislation with a July 1, 2008 implementation date.

KEY DATA/ASSUMPTIONS:

- County allocations for the administration of the federal FSP are proposed to be reduced by approximately four percent in order to meet a ten percent reduction in the FSP.
- The California Department of Social Services is committed to pursing strategies to mitigate this impact on counties by streamlining the application process (e.g. face to face waiver and streamlining the recertification process).

METHODOLOGY:

This premise reflects an approximate four percent reduction in non-assistance food stamps administration allocation.

FUNDING:

The savings are realized in the federal and General Fund budgets.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise implements in budget year.

NAFS Administration Reduction

EXPENDITURES:

(in 000's)

	2007-08	2008-09
Total	$0	-$34,901
Federal	0	-20,530
State	0	-14,371
County	0	0
Reimbursements	0	0

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.
- Based on data through June 2007, the average administrative monthly cost per RCA case was approximately $107.
- The average monthly caseload is 1,680 for Fiscal Year (FY) 2007-08. The average monthly caseload is projected at 1,424 for FY 2008-09.

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 estimated cost has decreased due to a lower average monthly caseload and monthly administrative cost per case.

REASON FOR YEAR-TO-YEAR CHANGE:

Total costs decrease due to a lower average monthly caseload.

Refugee Cash Assistance – Administration

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$2,166	$1,836
Federal	2,166	1,836
State	0	0
County	0	0
Reimbursements	0	0

TANF Reauthorization

DESCRIPTION:

This premise reflects the automation reprogramming costs associated with program changes made in response to the federal Deficit Reduction Act (DRA) of 2005, which reauthorized the Temporary Assistance to Needy Families (TANF) program. In addition to TANF Reauthorization, the DRA implements a new requirement for documentation of citizenship/national status and identity for Medi-Cal eligibility. Counties must ensure that the Medi-Cal record includes satisfactory evidence of United States (U.S.) citizenship or U.S. national status and identity for all Medi-Cal applicants and beneficiaries who have declared that they are U.S. citizens or nationals.

Prior to the enactment of the DRA, documentary evidence to establish U.S. citizenship or U.S. national status was not required for Medi-Cal eligibility unless an applicant declared a birthplace outside the U.S., or if evidence suggested an applicant falsely claimed to be a U.S. citizen or national. Automation reprogramming is required to support the enhanced documentation requirements for the Medi-Cal program.

IMPLEMENTATION DATE:

Funding for automation reprogramming is included in Fiscal Year (FY) 2007-08 and FY 2008-09.

KEY DATA/ASSUMPTIONS:

- The federal DRA of 2005 established enhanced citizenship verification requirements for current and new Medi-Cal applicants.
- Based on information received from the Office of Systems Integration it is assumed that it will cost $2.4 million in current year (CY) and $1.0 million in budget year (BY) to implement the automation changes associated with the new citizenship documentation requirements for Medi-Cal pursuant to the federal DRA of 2005.
- An additional $2.1 million is included in BY to reprogram existing systems to implement the proposed CalWORKs program changes.

METHODOLOGY:

The costs associated with the reprogramming of existing automated systems to support the proposed CalWORKs program changes and the citizenship documentation changes are estimated to be $5.5 million.

FUNDING:

The automation associated with the federal DRA changes to Medi-Cal eligibility is funded 50 percent General Fund (GF) and 50 percent reimbursement from the Department of Health Services. The automation changes associated with the CalWORKs program changes is funded with 100 percent federal TANF funds.

TANF Reauthorization

CHANGE FROM THE APPROPRIATION:

Automation reprogramming associated with the proposed CalWORKs program changes will not be implemented until BY.

REASON FOR YEAR-TO-YEAR CHANGE:

BY reflects the programming changes associated with the proposed CalWORKs program changes and the federal DRA changes.

EXPENDITURES:

in 000's)	2007-08	2008-09
Total	$2,337	$3,163
Federal	0	2,146
State	1,169	509
County	0	0
Reimbursements	1,168	508

Be Vu v. Mitchell

DESCRIPTION:

This premise reflects the local assistance costs associated with complying with the terms of the settlement agreement in the *Be Vu v. Mitchell* court case.

As a result of the settlement of this court case, the Food Stamp Program (FSP) forms and joint FSP/California Work Opportunity and Responsibility to Kids (CalWORKs) forms must be translated into eight additional languages. The settlement agreement specifies that in addition to Chinese, Russian, Spanish and Vietnamese; California Department of Social Services will translate FSP forms and forms jointly used with the CalWORKs program into Arabic, Armenian, Cambodian, Farsi, Hmong, Korean, Lao and Tagalog. In compliance with Be Vu, the following additional eight languages will now require translation: Cushite, Formosan, Japanese, Mien, Punjabi, Portuguese, Syriac, and Ukrainian.

IMPLEMENTATION DATE:

The premise implemented with the settlement agreement effective December 4, 2006.

KEY DATA/ASSUMPTIONS:

- Federal Food Stamp Regulations Title 7, Code of Federal Regulations sections 272.4 (b)(2)(i), (ii), and (iii).
- Based on estimates received from the Office of Systems Integration, it is assumed that it will cost $6.1 million in the current year (CY) and 1.3 million in the budget year (BY) to reprogram existing automation systems to issue the FSP and CalWORKs forms in the original eight languages.
- Additional staff time to manually complete the translated forms prior to automation is estimated for the original eight languages in Fiscal Year (FY) 2007-08 resulting in costs of $0.7 million.
- Automation reprogramming is not scheduled for the additional eight languages, therefore, additional staff time is estimated for FY 2008-09 resulting in costs $0.5 million in BY.

METHODOLOGY:

Total costs associated with the reprogramming of existing automated systems and the manual completion of the translated forms are estimated to be $6.8 million in the CY and $1.7 million in the BY.

FUNDING:

Manual completion costs are shared 50/50 with the CalWORKs and Food Stamp programs. The CalWORKs share is funded with 100 percent federal/Temporary Assistance to Needy Families (TANF), and the Food Stamp share is funded 50 percent federal Food and Nutrition Services (FNS) funds, 35 percent General Fund (GF), and 15 percent county.

The automation costs are shared 85 percent with the Food Stamp program and 15 percent with the CalWORKs program. The CalWORKs share is funded 100 percent federal/TANF, and the food stamp share is funded 50 percent FNS funds, 35 percent GF, and 15 percent county.

Be Vu v. Mitchell

CHANGE FROM THE APPROPRIATION:

Total automation reprogramming costs decreased.

REASON FOR YEAR-TO YEAR CHANGE:

The decrease in BY is due to a decrease in automation reprogramming costs and administrative staff time.

EXPENDITURES:

(in 000's)

ITEM 101 – CalWORKs Administration	2007-08	2008-09
	Grant	Grant
Total	$333	$234
Federal	331	232
State	2	2
County	0	0
Reimbursements	0	0

ITEM 141 – Food Stamp Administration	2007-08	2008-09
	Admin.	Admin.
Total	$333	$234
Federal	167	117
State	116	82
County	50	35
Reimbursements	0	0

Be Vu v. Mitchell

EXPENDITURES (CONTINUED):

(in 000's)

ITEM 141-Automation	2007-08	2008-09
	Admin.	Admin.
Total	$6,116	$1,263
Federal	3,517	726
State	1,819	375
County	780	162
Reimbursements	0	0

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Work Incentive Nutritional Supplement

DESCRIPTION:

This proposal would promote self-sufficiency through work by providing additional support to working families in the form of a supplemental food stamp benefit. Working families who are receiving food stamps, but not receiving California Work Opportunity and Responsibility to Kids (CalWORKs) assistance, may be eligible for this Work Incentive Nutritional Supplement (WINS) benefit if they are participating sufficient hours in paid employment to meet Temporary Assistance for Needy Families (TANF) work participation requirements. Each food stamp household may be eligible for one $40 WINS benefit per month, which will be applied to recipients' electronic benefit transfer (EBT) cards. The benefit will not count as income in food stamp determination. Recipients must provide documentation to verify work hours (i.e., pay stubs) in order to be eligible for the benefit. This benefit would be funded with state dollars countable toward Maintenance of Effort (MOE) in the TANF program and families that receive the WINS benefit will be counted in the TANF work participation rate (WPR) calculation.

IMPLEMENTATION DATE:

This premise will implement in Fiscal Year (FY) 2008-09.

KEY DATA/ASSUMPTIONS:

- This premise reflects automation costs only.
- Due to necessary automation changes, the WINS program will no be implemented until July 2009.

METHODOLOGY:

- There are no costs associated with the WINS in the Current Year (CY).
- The Budget Year (BY) reflects automation costs associated with the implementation of WINS.
- Based on a survey of the four consortiums, the projected automation costs are $8,387,329.

FUNDING:

The funding for the automation is 100 percent TANF. Beginning in FY 2009-10, the expenditures will be 100 percent GF and are MOE eligible.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise implements in BY.

Work Incentive Nutrition Supplement

EXPENDITURES:

(in 000's)

141-Automation	2007-08	2008-09
Total	$0	$8,387
Federal	0	8,387
State	0	0
County	0	0
Reimbursements	0	0

SAWS Statewide Project Management (SPM)

DESCRIPTION:

This premise reflects costs for the Statewide Automated Welfare System (SAWS) SPM. This activity is performed by the California Health and Human Services Agency, Office of Systems Integration (OSI) in accordance with Welfare and Institutions Code (W&IC) section 10823(a), which requires the implementation of SAWS. OSI provides statewide project management for the four SAWS consortia and the Welfare Data Tracking Implementation Project.

OSI provides state level project management, including securing project approvals and funding, procuring, and managing specialized technical consultant services and other contract services, monitoring consortia implementation and 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 SPM Implementation Advance Planning Document Update and subsequent baseline adjustments.

FUNDING:

SPM funding comes from various sources. Federal funds include the normal share of Food Stamp, Title IV-E and Refugee Resettlement program funding. Costs are also eligible for Title XIX federal funding, which is budgeted by the Department of Health Care 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 General Fund. Based on the cost allocation plan, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF eligible. SAWS-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 Fiscal Year (FY) 2007-08 costs have increased due to an adjustment for Employee Compensation and Retirement.

SAWS Statewide Project Management (SPM)

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2008-09 costs have increased due to an adjustment for Employee Compensation and Retirement.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$6,366	$6,375
Federal	1,808	1,810
State	2,771	2,775
County	0	0
Reimbursements	1,787	1,790

CDSS/OSI PARTNERSHIP:

(in 000's)

	2007-08	2008-09
Total	$6,366	$6,375
CDSS	150	150
OSI	6,216	6,225

Welfare Data Tracking Implementation Project (WDTIP)

DESCRIPTION:

This premise reflects costs for the Statewide Automated Welfare System (SAWS) WDTIP. Project management for WDTIP is provided by the California Health and Human Services Agency, Office of Systems Integration (OSI). WDTIP provides counties with the automated functionality required to conform to statewide tracking of time-on-aid requirements mandated by welfare reform in Assembly Bill 1542 (Chapter 270, Statutes of 1997).

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 (Revised January 2003) SAWS-WDTIP Implementation Advance Planning Document Update and subsequent baseline adjustments.

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, the federal share of the CalWORKs Program is 100 percent TANF eligible. SAWS-related TANF funds are identified in total within the “Additional TANF/MOE Expenditures in CDSS” section in the TANF section of each Detail Table.

CHANGE FROM THE APPROPRIATION:

The Fiscal Year (FY) 2007-08 net decrease reflects reductions in Employee Retirement and Department of Technology Services rates, offset by an increase to Employee Compensation.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2008-09 costs have increased due to an adjustment for Employee Compensation and Retirement.

Welfare Data Tracking Implementation Project (WDTIP)

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$3,783	$3,786
Federal	3,783	3,786
State	0	0
County	0	0
Reimbursements	0	0

CDSS/OSI PARTNERSHIP:

(in 000's)

	2007-08	2008-09
Total	$3,783	$3,786
CDSS	2,823	2823
OSI	960	963

Interim Statewide Automated Welfare System (ISAWS) Consortium Project

DESCRIPTION:

This premise reflects the costs for the ISAWS Consortium, one of four consortia within the Statewide Automated Welfare System (SAWS) Project. State level project management for ISAWS is provided by the Health and Human Services Agency, Office of Systems Integration (OSI). In addition, OSI 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 May 2005 "As Needed" ISAWS Consortium Implementation Advance Planning Document Update. The ISAWS Post Implementation Evaluation Report was approved by The Department of Finance in August 2004.

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 Care 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 General Fund 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:

The Fiscal Year (FY) 2007-08 costs have increased due to an adjustment for Employee Compensation and Retirement.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2008-09 costs have increased due to an adjustment for Employee Compensation and Retirement.

Interim Statewide Automated Welfare System (ISAWS) Consortium Project

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$36,797	$36,808
Federal	11,527	11,530
State	14,427	14,431
County	0	0
Reimbursements	10,843	10,847

CDSS/OSI PARTNERSHIP:

(in 000's)

	2007-08	2008-09
Total	$36,797	$36,808
CDSS	2,948	2,948
OSI	33,849	33,860

Interim Statewide Automated Welfare System (ISAWS) Consortium Migration Project

DESCRIPTION:

This premise reflects costs for the ISAWS Consortium Migration Project. The ISAWS Consortium is one of four consortia within the Statewide Automated Welfare System (SAWS) Project. The California Health and Human Services Agency, Office of Systems Integration (OSI) provides state level project management for SAWS. The ISAWS Migration project will migrate the 35 ISAWS Consortium counties to Consortium IV.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2006.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823.
- Planning activities began in July 2006.

METHODOLOGY:

Costs are based on the March 2006 SAWS-ISAWS Consortium Migration Project Planning Advance Planning Document Update, and the December 2006 SAWS-ISAWS Consortium Migration Project Implementation Advance Planning Document and subsequent changes to reflect the budget request.

FUNDING:

ISAWS Migration funding comes from various sources. Federal funds include the normal shares of Food Stamp and Refugee Resettlement program funding. Costs are also eligible for Title XIX federal funding, which is budgeted by the Department of Health Care 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 General Fund. Based on the cost allocation, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF eligible. SAWS-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:

Fiscal Year (FY) 2007-08 costs decrease to reflect the final contract amendment for development costs.

REASON FOR YEAR-TO-YEAR CHANGE:

FY 2008-09 costs increase to reflect a full year of implementation activities.

Interim Statewide Automated Welfare System (ISAWS) Consortium Migration Project

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$37,244	$97,877
Federal	13,059	31,653
State	16,928	43,965
County	0	0
Reimbursements	7,257	22,259

CDSS/OSI PARTNERSHIP:

(in 000's)

	2007-08	2008-09
Total	$37,244	$97,877
CDSS	36,992	97,877
OSI	252	0

Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER)

DESCRIPTION:

This premise reflects the costs for the LEADER Consortium, one of four consortia within the Statewide Automated Welfare System (SAWS) Project. The California Health and Human Services Agency, Office of Systems Integration (OSI) provides state level project management for SAWS. The LEADER Consortium includes only Los Angeles County.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1994.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823.
- The LEADER estimate reflects ongoing maintenance and operations (M&O) costs.
- The county extended its M&O contract in May 2007 to continue M&O services until the replacement system is implemented.

METHODOLOGY:

Costs are based on the June 2005 SAWS LEADER Implementation Advance Planning Document Update and subsequent adjustments to reflect the extension of the M&O contract.

FUNDING:

LEADER funding comes from various sources. Federal funds include the normal shares of Food Stamp and Refugee Resettlement program funding. Costs are also eligible for Title XIX federal funding, which is included in the Department of Health Care 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 General Fund and the county share of Food Stamp and General Relief costs. Based on the cost allocation plan, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF eligible. SAWS-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:

There is no change.

Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER)

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$12,349	$12,349
Federal	7,580	7,580
State	2,851	2,851
County	1,918	1,918
Reimbursements	0	0

CDSS/OSI PARTNERSHIP:

(in 000's)

	2007-08	2008-09
Total	$12,349	$12,349
CDSS	12,349	12,349
OSI	0	0

Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Replacement System

DESCRIPTION:

This premise reflects the costs for the LEADER Consortium Replacement System project. The LEADER Consortium is one of four consortia within the Statewide Automated Welfare System (SAWS) Project and is comprised of only Los Angeles County. The California Health and Human Services Agency, Office of Systems Integration (OSI) provides state level project management for SAWS. The LEADER Replacement System project currently includes planning and procurement activities for a system to replace LEADER.

IMPLEMENTATION DATE:

The planning activities began in Fiscal Year (FY) 2005-06. This premise was implemented as a separate LEADER premise on July 1, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823.
- Planning activities for the Replacement System project began in July 2005.
- The contract award for the Replacement System is scheduled for July 2009.

METHODOLOGY:

Costs are based on the June 2007 SAWS LEADER Replacement System Planning Advance Planning Document Update.

FUNDING:

LEADER funding comes from various sources. Federal funds include the normal shares of Food Stamp and Refugee Resettlement program funding. Costs are also eligible for Title XIX federal funding, which is included in the Department of Health Care 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 General Fund and the county share of Food Stamp, Foster Care, and General Relief costs. Based on the cost allocation plan, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF eligible. SAWS-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 FY 2007-08 costs decrease is due to changes in consultant contracts. The General Fund costs increase because of the addition of Foster Care and Kin-GAP functionality to the scope of the replacement system.

Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Replacement System

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2008-09 costs decrease due to reduced consultant costs.

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$2,019	$1,433
Federal	492	349
State	800	568
County	129	92
Reimbursements	598	424

CDSS/OSI PARTNERSHIP:

(in 000's)

	2007-08	2008-09
Total	$2,019	$1,433
CDSS	2,019	1,433
OSI	0	0

Welfare Client Data System (WCDS)-CalWORKs Information Network (CalWIN)

DESCRIPTION:

This premise reflects costs for the WCDS Consortium, one of four consortia within the Statewide Automated Welfare System (SAWS) Project. The California Health and Human Services Agency, Office of Systems Integration (OSI) provides state level project management for SAWS. The WCDS Consortium CalWIN system is managed by 18 counties.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823.
- The WCDS Consortium estimate reflects ongoing maintenance and operations costs.

METHODOLOGY:

Costs are based on the December 2006 (Revised May 2007) SAWS-WCDS Consortium Implementation Advance Planning Document Update and subsequent changes to reflect the budget request.

FUNDING:

WCDS funding comes from various sources. Federal funds include the normal shares of Food Stamp and Refugee Resettlement program funding. Costs are also eligible for Title XIX federal funding, which is budgeted by the Department of Health Care 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 General Fund (GF) and the county share of Food Stamp, Foster Care, and General Assistance/General Relief costs. Based on the cost allocation plan, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF eligible. SAWS-related TANF funds are identified in total within the “Additional TANF/MOE Expenditures in CDSS” section in the TANF section of each Detail Table.

CHANGE FROM THE APPROPRIATION:

The Fiscal Year (FY) 2007-08 GF increase is due to a change in funding source for Kin-GAP.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2008-09 net decrease reflects the elimination of long-term travel reimbursement and the completion of development and implementation payments, offset by an increase for additional consortium staff.

Welfare Client Data System (WCDS)-CalWORKs Information Network (CalWIN)

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$75,804	$69,410
Federal	22,688	19,729
State	29,281	26,984
County	4,027	3,845
Reimbursements	19,808	18,852

CDSS/OSI PARTNERSHIP:

(in 000's)

	2007-08	2008-09
Total	$75,804	$69,410
CDSS	75,804	69,410
OSI	0	0

Consortium IV (C-IV)

DESCRIPTION:

This premise reflects the costs for C-IV, one of four consortia within the Statewide Automated Welfare System (SAWS) Project. The California Health and Human Services Agency, Office of Systems Integration (OSI) provides state level project management for SAWS. The C-IV system serves four counties.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823.
- The C-IV estimate reflects ongoing maintenance and operations (M&O) costs.

METHODOLOGY:

Costs are based on the June 2006 (Revised November 2006) SAWS-C-IV Implementation Advance Planning Document Update and subsequent changes to reflect the budget request.

FUNDING:

C-IV funding comes from various sources. Federal funds include the normal shares of Food Stamp and Refugee Resettlement program funding. Costs are also eligible for Title XIX federal funding, which is budgeted by the Department of Health Care 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 General Fund (GF) and the county share of Food Stamp and Foster Care costs. Based on the cost allocation plan, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF eligible. SAWS-related TANF funds are identified in total within the “Additional TANF/MOE Expenditures in CDSS” section in the TANF section of each Detail Table.

CHANGE FROM THE APPROPRIATION:

The Fiscal Year (FY) 2007-08 GF costs have increased due to a change in funding source for Kin-GAP.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2008-09 net increase is due to additional costs for legal support, county office changes, disaster recovery, and print costs, offset by completion of implementation hardware payments.

Consortium IV (C-IV)

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$48,683	$49,656
Federal	16,420	16,204
State	18,050	18,612
County	2,157	2,301
Reimbursements	12,056	12,539

CDSS/OSI PARTNERSHIP:

(in 000's)

	2007-08	2008-09
Total	$48,683	$49,656
CDSS	48,683	49,656
OSI	0	0

Statewide Automated Welfare System (SAWS) and California Child Support Automated System (CCSAS) Interface

DESCRIPTION:

This premise reflects costs for testing activities associated with an interface between the SAWS consortium systems and CCSAS. The testing activities are necessary to ensure the successful exchange of data between the SAWS systems and CCSAS when CCSAS is implemented statewide. The implementation schedule for CCSAS requires that testing occur during Fiscal Year (FY) 2006-07 and FY 2007-08.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2006.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 10823.

METHODOLOGY:

Costs are based on workload estimates for the SAWS consortia testing activities.

FUNDING:

Costs are eligible for Title XIX federal funding, which is budgeted by the Department of Health Care 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 General Fund (GF) and county funds. Based on the cost allocation plan, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF eligible. SAWS-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 FY 2007-08 GF increase is due to a change in funding source for Kin-GAP.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise will be discontinued after FY 2007-08 when testing activities are scheduled to complete.

Statewide Automated Welfare System (SAWS) and California Child Support Automated System (CCSAS) Interface

EXPENDITURES:

(in 000's)

	2007-08	2008-09
Total	$1,704	$0
Federal	374	0
State	671	0
County	7	0
Reimbursements	652	0

CDSS/OSI PARTNERSHIP:

(in 000's)	2007-08	2008-09
Total	$1,704	$0
CDSS	1,704	0
OSI	0	0

Elimination of the Interim Statewide Automated Welfare System (ISAWS) Consortium Migration Project

DESCRIPTION:

This premise reflects the savings associated with the elimination of the ISAWS Consortium Migration Project. The ISAWS Consortium is one of four consortia within the Statewide Automated Welfare System (SAWS) Project. The ISAWS Migration project proposed to migrate the 35 ISAWS Consortium counties to Consortium IV.

This premise is necessitated by the budget balancing reductions.

IMPLEMENTATION DATE:

This reduction assumes a March 1, 2008 enactment of legislation with an April 30, 2008 implementation date.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823.
- Project closeout date set for April 30, 2008.

METHODOLOGY:

Estimated savings are based on the March 2006 SAWS-ISAWS Consortium Migration Project Planning Advance Planning Document Update, and the December 2006 SAWS-ISAWS Consortium Migration Project Implementation Advance Planning Document and subsequent changes to reflect the budget request.

FUNDING:

ISAWS Migration funding comes from various sources. Federal funds include the normal shares of Food Stamp and Refugee Resettlement program funding. Costs are also eligible for Title XIX federal funding, which is budgeted by the Department of Health Care 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 General Fund. Based on the cost allocation, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF eligible. SAWS-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:

This is a new premise.

Elimination of the Interim Statewide Automated Welfare System (ISAWS) Consortium Migration Project

REASON FOR YEAR-TO-YEAR CHANGE:

The Fiscal Year 2008-09 increased savings reflects a full year of the project closeout.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
Total	-$7,587	-$97,877
Federal	-2,336	-31,653
State	-3,385	-43,965
County	0	0
Reimbursements	-1,866	-22,259

Statewide Fingerprint Imaging System (SFIS) Project

DESCRIPTION:

This premise reflects the cost for SFIS. Senate Bill 1780 (Chapter 206, Statutes of 1996) required applicants for, and recipients of California Work Opportunity and Responsibility to Kids (CalWORKs), Non-Assistance Food Stamp (NAFS), and California Food Assistance Program benefits to be fingerprint imaged as a condition of eligibility.

The following persons must provide fingerprint images and a photo image: (1) each parent and/or caretaker relative of an aided or applicant child when living in the home of the child; (2) each parent and/or caretaker relative receiving or applying for aid on the basis of an unaided excluded child; (3) each aided or applicant adult; and, (4) the aided or applicant pregnant woman in an assistance unit (AU) consisting of the woman only. Failure to provide the required images will result in ineligibility for the entire AU.

IMPLEMENTATION DATE:

The first phase of counties began implementation on March 14, 2000. The statewide implementation of SFIS was completed in December 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10830.
- The Health and Human Services Agency, Office of Systems Integration (OSI) cost estimates reflected in this premise are based on the negotiated contract with the SFIS development contractor that was a result of the second procurement effort (Request For Proposal (RFP) HWDC-8001). Cost estimates are based on the following:
- Maintenance and Operations (M&O) vendor – The M&O 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); and software development and maintenance.
- Quality Assurance vendor – Quality Assurance staff will be utilized to assure the state that the M&O vendor is providing the promised product at the lowest cost, and to reduce any risk factors during the M&O phase 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.

METHODOLOGY:

The current cost estimates are based on the negotiated contract with the current SFIS vendor and the September 1999 contract start date as reported in the June 2003 Post Implementation Evaluation Report.

Statewide Fingerprint Imaging System (SFIS) Project

FUNDING:

The M&O automation project costs are funded with General Fund for the CalWORKs and Food Stamp programs and county share of General Assistance/General Relief costs. Project-related Temporary Assistance for Needy Families (TANF) funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

CHANGE FROM THE APPROPRIATION:

The Fiscal Year (FY) 2007-08 costs have increased due to an adjustment for Employee Compensation and Retirement.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2008-09 costs have increased due to an adjustment for Employee Compensation and Retirement.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$8,270	$8,272
Federal	0	0
State	8,017	8,019
County	253	253
Reimbursements	0	0

CDSS/OSI PARTNERSHIP:

(in 000's)

	2007-08	2008-09
Total	$8,270	$8,272
CDSS	4,093	4,093
OSI	4,177	4,179

Electronic Benefit Transfer (EBT) Project Maintenance and Operations (M&O)

DESCRIPTION:

This premise reflects the costs associated with ongoing M&O for the EBT M&O Project. The EBT system is the automated delivery, redemption, and reconciliation of the Food Stamp Program (FSP) and cash program benefits. It provides program recipients electronic access to food stamp and cash benefits through the use of EBT cards at point-of-sale devices and automated teller machines. The EBT system replaced the paper-based food coupon and, when selected by the counties, cash benefit issuance methods employed in the state for the distribution of the California Department of Social Services (CDSS) program benefits.

IMPLEMENTATION DATE:

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

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 10069.

METHODOLOGY:

Implementation costs, the county rollout schedule, and ongoing operations costs are consistent with the November 2004 Implementation Advance Planning Document Update. The Post Implementation Evaluation Report was approved by the Department of Finance on January 2, 2007.

FUNDING:

EBT funding comes from the FSP and Temporary Assistance for Needy Families (TANF) Program. Federal funds and General Fund are provided for the FSP. The TANF Program Block Grant is the funding source for TANF eligible costs. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF eligible. Project-related TANF funds are identified in total within the “Additional TANF/MOE Expenditures in CDSS” section in the TANF section of each Detail Table.

CHANGE FROM THE APPROPRIATION:

The FY 2007-08 costs have increased due to an adjustment for Employee Compensation and Retirement.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2008-09 costs have increased due to an adjustment for Employee Compensation and Retirement.

Electronic Benefit Transfer (EBT) Project Maintenance and Operations (M&O)

EXPENDITURES:

(in 000's)	2007-08	2008-09
	County Admin.	County Admin.
Total	$37,116	$37,123
Federal	23,353	23,356
State	8,948	8,952
County	4,815	4,815
Reimbursements	0	0

CDSS/OSI PARTNERSHIP:

(in 000's)	2007-08	2008-09
Total	$37,116	$37,123
CDSS	0	0
OSI	37,116	37,123

Electronic Benefit Transfer (EBT) Project Reprocurement

DESCRIPTION:

The EBT system is the automated delivery, redemption, and reconciliation of the Food Stamp Program (FSP) and cash program benefits. It provides program recipients electronic access to food stamp and cash benefits through the use of EBT cards at point-of-sale devices and automated teller machines. The EBT system replaced the paper-based food coupons and, when selected by the counties, cash benefit issuance methods employed in the state for the distribution of the California Department of Social Services (CDSS) program benefits.

The existing contract for EBT services expires on August 8, 2010. A high priority for this reprocurement is to have a cost-effective system in place prior to the expiration of the current contract, with minimal impact to clients.

IMPLEMENTATION DATE:

This premise implemented in Fiscal Year (FY) 2005-06.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10069.
- Reprocurement activities will take at least three years to complete.

METHODOLOGY:

The EBT Reprocurement Project's planning and implementation phase costs are detailed in the EBT Reprocurement November 2007 Implementation Advance Planning Document.

FUNDING:

EBT funding comes from the FSP and Temporary Assistance for Needy Families (TANF) Program. Federal funds and General Fund are provided for the FSP. The TANF Program Block Grant is the funding source for TANF eligible costs. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2008-09 costs have increased due to a full year of implementation activities, which began in FY 2007-08, and an adjustment for Employee Compensation and Retirement.

Electronic Benefit Transfer (EBT) Project Reprocurement

EXPENDITURES:

(in 000's)	2007-08	2008-09
	County Admin.	County Admin.
Total	$2,325	$7,042
Federal	1,455	4,392
State	870	2,650
County	0	0
Reimbursements	0	0

CDSS/OSI PARTNERSHIP:

(in 000's)	2007-08	2008-09
Total	$2,325	$7,042
CDSS	730	3,437
OSI	1,595	3,605

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 Title IV-E portion of this estimate reflects costs for only the 56 non-Title IV-E Waiver counties, excluding training.
- The workload standard was adopted by the California Department of Social Services 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) ($129,074) was based on the estimated cost of providing services, to include total staff costs, support costs, and electronic data processing costs, provided in the Fiscal Year (FY) 2001-02 proposed county administrative budgets.
- All counties are reporting caseload data on the CWS/Case Management System (CMS). Caseload projections were developed for each individual county using data through October 2006.
- 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 2007-08

- The current year (CY) ER, ERA, FM, FR and PP estimate for the non-Title IV-E Waiver counties is being held to the Budget Act of 2007 Appropriation level.
- The CY estimate includes additional federal spending authority of $20,584,000 in Title IV-E funds and $22,429,000 in Title XIX funds based on updated actual expenditures. The CY estimate also includes $2,048,000 of unspent Title XX grant funds from the federal Department of Health and Human Services to assist with meeting the life-sustaining needs for families relocated to California as a result of Hurricanes Katrina, Rita and Wilma.

FY 2008-09

- 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 2006-07 actual expenditures and statewide average caseload growth from FY 2006-07 to FY 2008-09. Total direct costs, excluding county-operated emergency shelter care (ESC), are $84.3 million for the 56 counties. The projected county-operated ESC costs are $49.1 million for those counties with county-operated emergency shelters based on actual expenditures from FY 2006-07.

Child Welfare Services – Basic Costs

METHODOLOGY (continued):

- Once the total CWS basic costs are derived, costs for the Emergency Assistance (EA) Program are subtracted and are displayed separately under the "EA Program" premise. The EA Program costs are determined based on the FY 2007-08 funding level and any caseload growth.
- In order to reflect an appropriate level of federal spending authority, additional Titles IV-E and XIX funds are added to the estimate.
- An additional $1.7 million General Fund (GF) is shifted to this premise from the CWS/CMS System Support Staff to comply with federal Statewide Automated Child Welfare Information System (SACWIS) requirements and is matched with federal Title IV-E funds.

FUNDING:

FY 2008-09

The federal share of costs is a combination of Titles IV-B, IV-E, XIX and XX funds. The Title IV-B funds are limited by the capped federal allocation.

The estimated Title IV-B funds available in local assistance are $33.6 million. These funds have a 75 percent federal match rate.

The Title IV-E amount reflects the actual experience from FY 2006-07 that 38.6 percent of the expenditures will be eligible for Title IV-E funding. In order to reflect an appropriate level of federal spending authority based on actual expenditures, additional Title IV-E funds are budgeted in the amount of $54.7 million.

The Title XIX amount for FY 2008-09 is calculated using individual county usage rates based on FY 2006-07 expenditure data which reflect that 6.4 percent of the expenditures will be eligible for Title XIX funding. These costs are reflected as a reimbursement. In order to reflect an appropriate level of federal spending authority based on actual expenditures, additional Title XIX funds are budgeted in the amount of $30.9 million.

Nonfederal costs are shared at 70 percent GF and 30 percent county.

After the GF amount is calculated, federal Title XX funds transferred from the TANF block grant are used in lieu of GF. The amount of Title XX-eligible costs is calculated based on the nonmatching GF portion of FR and PP expenditures. For FY 2008-09, the Title XX-eligible amount is $29.4 million.

CHANGE FROM THE APPROPRIATION:

The Title IV-E portion of this estimate reflects costs for only the 56 non-Title IV-E Waiver counties. The amount of additional federal spending authority has increased and additional Title XX grant funds are included for Hurricane relief.

Child Welfare Services – Basic Costs

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to increased direct costs and county operated emergency shelter care costs as well as slight caseload growth above the hold harmless level.

CASELOAD:

(Average Monthly)

	2007-08	2008-09
Emergency Response	29,505	28,742
Emergency Response Assessment	12,619	12,344
Family Maintenance	15,686	17,257
Family Reunification	16,274	16,796
Permanent Placement	33,563	32,513

EXPENDITURES:

(in 000's)

	2007-08	2008-09
Total Basic	County Admin.	County Admin.
Total	$775,694	$786,558
Federal	342,976	334,267
State	256,811	267,624
County	94,211	102,971
Reimbursements	81,696	81,696

Child Welfare Services – Basic Costs

Reconciliation of Federal Funds:

	2007-08	2008-09
Title IV-B	$30,476	$33,565
Title IV-E	283,902	271,281
Title XIX	81,696	81,696
Title XX	28,598	29,421
Total Federal Funding	$424,672	$415,963

Specialized Care:

	2007-08	2008-09
Total	$4,636	$4,391
Federal	0	0
State	4,636	4,391
County	0	0

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Federal Budget Bill – Loss of Federal Financial Participation (FFP)

DESCRIPTION:

This premise reflects the cost to backfill the loss of federal Title IV-E funds for children placed in hospitals or mental health institutions for longer than 30 days. The Federal Reconciliation Bill (FRB), signed February 8, 2006 (but effective October 1, 2005), limits the claiming of Title IV-E administrative costs when a child is placed in an ineligible facility to the 30 days prior to the child being moved to a Title IV-E eligible facility or home. Prior to the FRB, there was no limit on administrative claiming if the county was providing pre-placement preventive services or preparing for the child to enter foster care.

IMPLEMENTATION DATE:

The FRB effective date is October 1, 2005.

KEY DATA/ASSUMPTIONS:

- FRB S. 1932, signed February 8, 2006.
- This estimate reflects costs for only the non-Title IV-E Waiver counties.
- There are approximately 164 cases placed in non-foster care facilities over 30 days.
- The children placed in ineligible foster care facilities represent 0.12 percent of the total foster care caseload.

METHODOLOGY:

The Title IV-E funded Child Welfare Services Basic social worker salary and benefit expenditures were multiplied by the percent of cases that are placed in ineligible facilities.

FUNDING:

These costs are ineligible for Title IV-E and will be funded with state GF and county funds at the 70 percent state, 30 percent county shares.

CHANGE FROM THE APPROPRIATION:

This estimate reflects costs for only the non-Title IV-E Waiver counties.

Federal Budget Bill – Loss of Federal Financial Participation (FFP)

REASON FOR YEAR-TO-YEAR CHANGE:

The Child Welfare Services Basic social worker salary and benefit expenditures have increased.

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$0	$0
Federal	-247	-254
State	173	178
County	74	76
Reimbursements	0	0

Augmentation to Child Welfare Services

DESCRIPTION:

This premise reflects the cost to provide an augmentation to the Child Welfare Services (CWS) Program. These funds shall be expressly targeted for services provided through the Emergency Response, Family Maintenance, Family Reunification (FR) and Permanent Placement (PP) 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 General Fund (GF) allocation; and, 2) fully utilizing the CWS/Case Management System. There is no county match required for these funds.

IMPLEMENTATION DATE:

This premise, formerly known as "Emergency Workload Relief," was implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Assembly Bill (AB) 1656 (Chapter 324, Statutes of 1998) and AB 1740 (Chapter 52, Statutes of 2000).
- AB 1656 authorized $40.0 million in GF with no county match required.
- AB 1740 authorized an additional $34.3 million in GF with no county match required.
- The GF Appropriation has been reduced by $17,150,000 due to lower revenues and other demands on the available GF.
- The 56 non-Title IV-E Waiver counties' portion of the total augmentation is $31,591,034 GF.

METHODOLOGY:

AB 1656 and AB 1740 designated the GF amount; however, due to lower revenues and other demands on the available GF, the GF Appropriation has been reduced by $17,150,000.

FUNDING:

- After applying the foster care federal discount rate of 75 percent for FY 2007-08 and 73 percent for FY 2008-09, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent GF.
- After the GF amount is calculated, federal Title XX funds transferred from the Temporary Assistance for Needy Families block grant are used in lieu of GF. The amount of Title XX-eligible costs is calculated based on the nonmatching GF portion of FR and PP expenditures. For FY 2007-08, the Title XX-eligible amount is $5,083,844. For FY 2008-09, the Title XX-eligible amount is $5,135,073.

Augmentation to Child Welfare Services

CHANGE FROM THE APPROPRIATION:

This estimate reflects costs for only the non-Title IV-E Waiver counties.

REASON FOR YEAR-TO-YEAR CHANGE:

The foster care federal discount rate has decreased and the amount of Title XX-eligible costs has increased.

EXPENDITURES:

(in 000's)

Augmentation Funds:

	2007-08	2008-09
	County Admin.	County Admin.
Total	$63,340	$57,836
Federal	31,698	26,245
State	31,642	31,591
County	0	0
Reimbursements	0	0

Child Welfare Services/Case Management System – System Support Staff

DESCRIPTION:

This premise reflects the cost for county administrative staff needed to support the Child Welfare Services/Case Management System which was implemented as a result of Senate Bill 370 (Chapter 1294, Statutes of 1989). These staff are needed for the ongoing operations of the system.

IMPLEMENTATION DATE:

There was a staggered implementation based on individual county start dates beginning in Fiscal Year (FY) 1996-97.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- The base estimate is $25,119,682, based on the FY 2005-06 Appropriation.
- Of the base amount, funds budgeted for this premise are based on actual expenditures. The remaining funds are budgeted as part of CWS Basic.

METHODOLOGY:

The estimate is based on actual expenditures.

FUNDING:

Costs are shared according to California's federally approved Cost Allocation Plan (CAP) which allocates costs to all benefiting CWS Programs based on statewide county worker time study hours.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an increase in actual expenditures.

Child Welfare Services/Case Management System – System Support Staff

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$14,500	$19,312
Federal	7,404	9,949
State	4,462	5,860
County	2,158	2,882
Reimbursements	476	621

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 California Department of Social Services (CDSS) 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, CDSS 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 General Fund (GF). Based on interpretation of the final TANF regulations, effective October 1, 1999, EA GF expenditures are not countable towards the TANF maintenance of effort requirement, therefore, the GF was replaced with TANF funding. EA case management activities are now funded with Title IV-E funds in order to free-up TANF dollars.

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.
- Caseload growth of 0.7 percent is projected for Fiscal Year (FY) 2008-09.
- The EA TANF estimate reflects costs for all 58 counties. The EA Title IV-E estimate reflects costs for only the non-Title IV-E Waiver counties.

Child Welfare Services – Emergency Assistance Program (TANF & Title IV-E)

METHODOLOGY:

The FY 2007-08 TANF and EA Title IV-E estimates are being held at the Budget Act of 2007 Appropriation level. The FY 2008-09 EA TANF estimate is based on the FY 2007-08 estimate and increased by any individual county caseload growth. The FY 2008-09 EA Title IV-E estimate for the non-Title IV-E Waiver counties is based on the FY 2007-08 estimate and increased by any individual county caseload growth.

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.

For the non-Title IV-E Wavier counties, federally eligible EA case management activities are funded 50 percent Title IV-E after the federal foster care discount rate of 75 percent is applied. Nonfederal costs are shared 85 percent GF and 15 percent county. After the GF amount is calculated, federal Title XX funds transferred from the TANF block grant are used in lieu of GF. The amount of Title XX-eligible costs is calculated based on the nonmatching GF portion of Family Reunification and Permanent Placement expenditures. For FY 2007-08 the Title XX-eligible amount is $0.9 million. For FY 2008-09, the Title XX-eligible amount is $1.0 million. These funds are reflected in the "Emergency Assistance Title IV-E" line.

CHANGE FROM THE APPROPRIATION:

The EA Title IV-E estimate reflects costs for only the non-Title IV-E Waiver counties.

REASON FOR YEAR-TO-YEAR CHANGE:

There is an increase due to caseload growth and an increase in Title XX-eligible expenditures. There is also a technical adjustment to the EA Title IV-E federal and county funds that were underestimated in the current year.

Child Welfare Services – Emergency Assistance Program (TANF & Title IV-E)

EXPENDITURES:

(in 000's)

	2007-08	2008-09	2007-08	2008-09
	EA TANF		**EA Title IV-E**	
Total	$209,528	$209,755	$25,923	$30,616
Federal	173,470	173,662	10,599	11,975
State	0	0	13,621	14,049
County	36,058	36,093	1,703	4,592
Reimbursements	0	0	0	0

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Tribal-State Title IV-E Agreements

DESCRIPTION:

This premise reflects the costs to provide start-up funding for three years to allow the pass through when a tribe seeks to provide its own child welfare services program. The Federal Social Security Act, Indian Child Welfare Act (ICWA) and the California Welfare and Institutions Code (W&IC) sections 10553.1, 10553.2 and 10553.3 allow states to enter into agreements to pass through federal Title IV-E funds for foster care, maintenance and administration to tribes as tribes cannot receive direct Title IV-E funding. Therefore, a Tribal-State Agreement is essential to allow the pass through of Title IV-E funds to the tribes to provide foster care services to tribal children.

IMPLEMENTATION DATE:

This premise implements January 1, 2008.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Federal Social Security Act, ICWA, W&IC sections 10553.1 and 10553.2.
- The Karuk Tribe of California has signed an Agreement with the State for the provision of child welfare services to begin January 1, 2008.
- Eligible costs will draw down federal Title IV-E funding.
- The average monthly statewide Foster Family Home (FFH) federal grant of $697 is based on actual costs for Fiscal Year (FY) 2006-07.
- Based on information from the Karuk Tribe, the average monthly FFH caseload is projected at 44 cases.
- Based on information from the Karuk Tribe, the annual cost of a social worker is estimated at $80,028.
- The administration of Foster Care eligibility will require one social worker annually.
- Based on cost and caseload information from the Karuk Tribe, the administration of Child Welfare Services will require $349,000 annually.

METHODOLOGY:

The estimate is based on cost and caseload information from the Karuk Tribe. The basic assistance estimate is the product of case months and average grant.

FUNDING:

The FC Program, FC Administration and CWS Administration costs are shared at the same ratios as in their respective programs.

Tribal-State Title IV-E Agreements

CHANGE FROM THE APPROPRIATION:

The FC Administration costs have been moved from Item 151 to Item 141 and the FC grant costs have been included. The implementation date has also been delayed.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects full-year costs.

EXPENDITURES:

(in 000's)

ITEM 101 – Foster Care Grants	2007-08 Grant	2008-09 Grant
Total	$184	$368
Federal	92	184
State	37	74
County	55	110
Reimbursements	0	0

ITEM 141 – Foster Care Admin.	2007-08 County Admin.	2008-09 County Admin.
Total	$40	$80
Federal	20	40
State	14	28
County	6	12
Reimbursements	0	0

ITEM 151 – CWS Admin.	2007-08 County Admin.	2008-09 County Admin.
Total	$174	$349
Federal	87	175
State	61	122
County	26	52
Reimbursements	0	0

Gomez v. Saenz

DESCRIPTION:

This premise reflects the costs for county activities related to the Gomez, et al. v. Saenz court settlement. Specifically, costs are for; a) counties to enact a grievance process to provide due process to any persons desiring to challenge their listing on the Child Abuse Central Index (CACI),

both prospectively and retroactively, and b) maintenance and a purging "clean-up" of the CACI system.

IMPLEMENTATION DATE:

The premise will implement in Fiscal Year 2007-08.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Budget Act of 2007.
- This estimate reflects costs for only the non-Title IV-E Waiver counties.
- There are approximately 800,000 names currently listed on CACI, of which approximately 544,320 are from the non-Title IV-E Waiver counties. One percent of those currently listed on CACI will request a grievance hearing. Each grievance hearing will require 19.5 hours of social worker time at an overtime rate. These grievance hearings will commence in May 2008.
- There are 37,620 new referrals to CACI per year, of which approximately 25,597 are from the non-Title IV-E Waiver counties. Twenty percent of the new referrals to CACI will request a grievance hearing. Each grievance hearing will require 15.5 hours of social worker time. These grievance hearings will commence in March 2008.
- A customized notice to all new referrals to CACI will require an additional five minutes of social worker time to add information to the current notice. Customized notices will begin to be sent out in March 2008.
- Mass media notification in five major and two Spanish-language newspapers to current CACI listees of the right to a grievance hearing will cost $39,000.
- The hourly cost of a social worker is $72.60.
- Social worker overtime costs for salaries only are $40.50 per hour.

METHODOLOGY:

The caseload is multiplied by the number of hours, multiplied by the hourly cost. Costs are then added for the newspaper notification.

FUNDING:

After the foster care federal discount rate of 75 percent for Fiscal Year (FY) 2007-08 and 73 percent for FY 2008-09 is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Except for the newspaper notification, nonfederal costs are 70 percent General Fund (GF) and 30 percent county. Nonfederal costs for the newspaper notification are 100 percent GF.

Gomez v. Saenz

CHANGE FROM THE APPROPRIATION:

Implementation has been delayed due to a delay in the settlement.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects a full-year of costs.

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$2,771	$9,499
Federal	1,011	3,467
State	1,232	4,223
County	528	1,809
Reimbursements	0	0

State Family Preservation

DESCRIPTION:

This premise reflects the authorization for the permanent transfer of funds from an incentive/penalty provision program to a program with a sharing ratio of 70 percent General Fund (GF) and 30 percent county. In accordance with Assembly Bill 2365 (Chapter 71, Statutes of 1992), the counties that have operated a family preservation program for at least three years can participate in the program. Historically, funding was provided through an annual allocation derived from a shift in funds from the GF (and federal share, to the extent permitted under federal law) of the Aid to Families with Dependent Children-Foster Care appropriation. Fifteen counties opted to participate in the program which included an incentive/penalty provision based on increases/decreases in foster care placements. However, the foster care caseloads began to stabilize which resulted in little savings. Therefore, counties were given the option to permanently transfer funding to a 70 percent GF and 30 percent county share limited to not exceed 70 percent of the highest annual amount spent for family preservation.

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 reflects up to 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).
- This estimate reflects costs for only the 14 non-Title IV-E Waiver counties.
- Los Angeles County is not a Waiver county under this premise.

METHODOLOGY:

For FY 2007-08 and FY 2008-09, the non-Title IV-E Waiver counties are held at the Budget Act of 2007 Appropriation level. The Title IV-E Waiver county funding is now reflected in Item 153 Title IV-E Waiver.

FUNDING:

The federal Title IV-B, nonfederal, and federal Title XIX reimbursement funding levels are based on FY 2001-02 expenditure data.

State Family Preservation

CHANGE FROM THE APPROPRIATION:

The decrease in FY 2007-08 is due to the transfer of the Title IV-E Waiver county funding to Item 153 Title IV-E Waiver.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$35,288	$35,288
Federal	3,540	3,540
State	22,136	22,136
County	8,916	8,916
Reimbursements	696	696

Promoting Safe and Stable Families (PSSF)

DESCRIPTION:

This premise reflects the amount of the federal PSSF 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 this capped grant program under Title IV-B.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1993.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16600 through 16604.5.
- The federal Title IV-B funds cannot be used to supplant existing State or local spending.
- Effective Fiscal Year (FY) 2001-02, based on federal requirements, a minimum of 20 percent of PSSF funds must be spent on each of the four components of the program (Family Preservation Services, Family Support Services, Adoption Promotion and Support, and Time-Limited Family Reunification).
- A 25 percent match from State or county funds is required. This match is made available through existing State Family Preservation Program funds.

METHODOLOGY:

The estimate is based on the Federal Fiscal Year (FFY) federal grant amount less state operations costs.

For FY 2007-08 California received an additional PSSF grant to be used only to support monthly caseworker visits.

FUNDING:

This premise reflects federal Title IV-B grant funds to be used over a two-year period. The additional grant for caseworker visits reflects federal Title IV-B grant funds to be used over a four-year period.

CHANGE FROM THE APPROPRIATION:

The decrease in FY 2007-08 reflects the final federal grant award for FFY 2007 less state operations.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Promoting Safe and Stable Families (PSSF)

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$36,197	$36,197
Federal	36,197	36,197
State	0	0
County	0	0
Reimbursements	0	0

PSSF	2007-08	2008-09
Caseworker Visit	County Admin.	County Admin.
Total	$4,306	$4,306
Federal	4,306	4,306
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. The 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 final grant amount for Federal Fiscal Year (FFY) 2007 was reduced to $20,953,530 plus $385,576 were shifted to cover ILP expenses in Fiscal Year (FY) 2006-07.
- The estimated grant amount for FFY 2008 is $20,727,175.

METHODOLOGY:

Beginning Fiscal Year (FY) 2007-08, funds will be based on the FFY federal grant amount less state operations costs.

FUNDING:

This premise is funded 100 percent with a federal grant award. The matching funds are provided through the “Extended ILP” premise.

Independent Living Program

CHANGE FROM THE APPROPRIATION:

The decrease in FY 2007-08 reflect the reduction in the FFY 2007 federal grant.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects the estimated FFY 2008 federal grant minus state operations cost.

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$19,548	$19,707
Federal	19,548	19,707
State	0	0
County	0	0
Reimbursements	0	0

Extended Independent Living Program

DESCRIPTION:

This premise reflects the 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 (SB) 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 (CWD) 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.

Effective January 1, 2006, SB 436 (Chapter 629, Statutes of 2005) requires the CWD in a county that provides transitional housing placement services to include in its annual ILP report a description of currently available transitional housing resources in relation to the number of emancipating pregnant or parenting foster youth in the county, and a plan for meeting any unmet transitional housing needs of the emancipating pregnant or parenting foster youth.

IMPLEMENTATION DATE:

This premise implemented in September 1998.

SB 436 (Chapter 629, Statutes of 2005) implemented on January 1, 2006.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10609.3 and SB 436 (Chapter 629, Statutes of 2005).
- Effective January 2006, additional GF was allocated to support SB 436 activities.
  - At least one (1) hour per case to collect and to report available transitional housing resources and to develop a plan for meeting any unmet transitional housing needs of the emancipating pregnant or parenting foster youth.
  - The social worker cost per hour is $72.60.
  - For Fiscal Year (FY) 2005-06, the number of female emancipated youths was 2,549.
  - In calendar year 2004, the teen parent birth rate for 19 year olds is 74.8 per 1,000 women.
  - SB 436 is a new State mandate; there is no county cost.

Extended Independent Living Program

METHODOLOGY:

FY 2007-08 and FY 2008-09, the funding is held to the Budget Act 2007 Appropriation. The caseload for female emancipated youths and birth rate were updated but estimated costs remain the same as for prior year.

FUNDING:

This premise is funded 100 percent GF.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$15,166	$15,166
Federal	0	0
State	15,166	15,166
County	0	0
Reimbursements	0	0

Chafee Post Secondary Education & Training Vouchers

DESCRIPTION:

This premise reflects the amount of the federal grant for Chafee Post Secondary Education and Training Vouchers. This funding is provided under the Educational and Training Vouchers (ETV) Program which is part of the Chafee Foster Care Independence Program (CFCIP).

The Foster Care Independence Act of 1999, Public Law 107-133, amended Section 477 of the Social Security Act to provide states with flexible funding to design and conduct education and training voucher programs for youth who age out of foster care. This can assist youth with the development of skills necessary to lead independent and productive lives. The purpose of this program is to make available vouchers of up to $5,000 per year per youth for education and training, including post secondary training and education, to eligible youth who have aged out of foster care.

Individuals eligible to receive vouchers under this program are: (1) youth otherwise eligible for services under the State CFCIP program; (2) youth adopted from foster care after attaining age 16; and (3) youth participating in the voucher program on their 21st birthday, until they turn 23 years old, as long as they are enrolled in a post secondary education or training program and are making satisfactory progress toward completion of that program.

IMPLEMENTATION DATE:

This premise implemented on October 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Foster Care Independence Act of 1999, Public Law 107-133, Section 477 of the Social Security Act, as amended.
- Funding is based on the federal grant awards for ETV.
- The final grant for Federal Fiscal Year (FFY) 2007 that California received is $7,185,062.
- The estimated grant for FFY 2008 that California will receive is $7,122,219.
- A 20 percent match of the total cost is required. The match may be cash or in-kind contributions.
- Future funding will be appropriated on an annual basis pending congressional authorization.
- Assembly Bill (AB) 1808 (Section 5.1) added $5.7 million General Fund (GF) to assist students who are current and former foster youth, for career and technical training or traditional college courses.

METHODOLOGY:

This premise reflects federal grant funds to be used for Fiscal Year (FY) 2007-08 through September 30, 2008, and for FY 2008-09 through September 30, 2009 plus additional federal funds to begin spending of the two-year grant during the first year. An additional $5.7 million GF is included to support AB 1808 activities.

Chafee Post Secondary Education & Training Vouchers

FUNDING:

This premise is funded 100 percent with a federal grant award. AB 1808 activities are funded with 100 percent GF. The matching funds are provided through the "Emancipated Youth Stipend" premise.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$16,000	$16,000
Federal	10,300	10,300
State	5,700	5,700
County	0	0
Reimbursements	0	0

Transitional Housing for Foster Youth

DESCRIPTION:

The Transitional Housing Placement Program (THPP) and Transitional Housing Program Plus (THP-Plus) offers foster youth emancipating from the foster care system and youth who have emancipated from foster care the experience of learning basic life skills while living on their own under general supervision. The programs provide a safety net of services to assure attainment of educational and employment goals. Assembly Bill (AB) 427 expanded the THPP age range for participation from 17 to 18 years of age to 16 to 18 years of age for THPP and ages 18 to 21 for the new THP-Plus Program. It also enabled additional counties to participate in the THPP and THP-Plus by providing a new rate-setting methodology. Effective January 1, 2006, AB 824 (Chapter 636, Statutes of 2005) raises the age limit for receipt of THP-Plus services by an emancipated foster youth to 24 years of age.

IMPLEMENTATION DATE:

AB 427 implemented on January 1, 2002.

AB 1119 implemented on January 1, 2003.

AB 824 (Chapter 636, Statutes of 2005) implemented on January 1, 2006.

AB 1808 (Chapter 75, Statutes of 2006) implemented on July 12, 2006.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code 1559.110 and Welfare and Institutions Code sections 11400, 11403.2, 11403.3, 16522 and 16522.1.
- The nonfederal sharing ratio is 40 percent state and 60 percent county.
- The THP-Plus rate is 70 percent of the county's group home average grant.

METHODOLOGY:

Funding is based on counties' approved rates multiplied by the number of approved beds.

FUNDING:

Federal 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 rate, for those cases meeting federal eligibility criteria. The federal Title IV-E funding is available for youth ages 16 to 18. Youth ages 18 to 24 are ineligible for federal funds.

Funding is shared 40 percent General Fund (GF) and 60 percent county for THPP and 100 percent GF for THP-Plus.

Transitional Housing for Foster Youth

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects a full year of costs for counties with approved plans in FY 2007-08.

EXPENDITURES:

(in 000's)

Total	2007-08	2008-09
Total	$49,519	$54,713
Federal	5,188	5,188
State	39,143	44,337
County	5,188	5,188
Reimbursements	0	0

THPP	2007-08	2008-09
Total	$13,835	$13,835
Federal	5,188	5,188
State	3,459	3,459
County	5,188	5,188
Reimbursements	0	0

THP-Plus	2007-08	2008-09
Total	$35,684	$40,878
Federal	0	0
State	35,684	40,878
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. The program can assist emancipating foster youth with 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. A portion of this amount is being used as match for the Chafee Post Secondary Education and Training Vouchers.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

Authorizing statute: The Budget Act of 2000.

METHODOLOGY:

The Budget Bill designates General Fund (GF) support levels.

FUNDING:

This program is funded 100 percent GF.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2007-08 County Services	2008-09 County Services
Total	$3,602	$3,602
Federal	0	0
State	3,602	3,602
County	0	0
Reimbursements	0	0

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Recruitment and Retention of Social Workers

DESCRIPTION:

This premise reflects the cost to fund a contract with Cooperative Personnel Services/Merit System Services to help recruit and retain social workers in 30 small counties. Due to the continued difficulties of hiring and retaining social workers, Merit System Services will work with counties to implement and provide on-going recruitment efforts and career development plans to increase and retain the number of social workers in the smaller counties.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2001.

KEY DATA/ASSUMPTIONS:

The recruitment and career development plans were designed during Fiscal Year (FY) 2000-01.

METHODOLOGY:

The funding for this premise reflects the amount of the contract with Merit System Services.

FUNDING:

This premise is eligible for federal Title IV-E funding. After the foster care federal discount rate of 75 percent for FY 2007-08 and for FY 2008-09 is applied, costs are shared 50 percent federal and 50 percent General Fund (GF). Nonfederally-eligible costs are funded with 100 percent GF.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)	2007-08	2008-09
	County Admin.	County Admin.
Total	$269	$269
Federal	101	101
State	168	168
County	0	0
Reimbursements	0	0

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Total 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 Total Child Welfare Training Program includes training for other agencies under contract with County Welfare Departments to provide child welfare case management 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.

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 California Department of Social Services.

METHODOLOGY:

The estimates for both Fiscal Years (FYs) 2007-08 and 2008-09 are based on contract costs.

FUNDING:

After the foster care federal discount rate of 75 percent is applied for FY 2007-08 and FY 2008-09, federally-eligible costs are shared at 75 percent federal and 25 percent State, with the exception of various contracts which will use federal Title IV-E funds with an in-kind match. Nonfederally eligible costs are funded with 100 percent General Fund (GF).

CHANGE FROM THE APPROPRIATION:

For FY 2007-08, the contracted costs have been updated and $1 million being shifted from the Child Welfare Services Outcome Improvement Project. All counties have the Safety Assessment (SA) Tool for FY 2006-07, therefore in FY 2007-08 the funds will be used for training staff on SA.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to anticipated contracted costs in FY 2008-09.

Total Child Welfare Training Program

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$18,136	$19,917
Federal	10,780	11,815
State	7,356	8,102
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 for 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 ten counties that are participating in this program (Alameda, Butte, Contra Costa, Glenn, Monterey, San Diego, San Francisco, San Luis Obispo, Santa Cruz, and Shasta).
- This estimate reflects costs for only nine non-Title IV-E Waiver counties.

METHODOLOGY:

The foster care federal discount rate was applied to the training and recruitment components. The Title IV-E Waiver county funding is now reflected in Item 153 Title IV-E Waiver.

FUNDING:

Respite care is funded 70 percent 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.

Substance Abuse/HIV Infant Program

CHANGE FROM THE APPROPRIATION:

The decrease is due to the transfer of the Title IV-E Waiver county funding to Item 153 Title IV-E Waiver.

REASON FOR YEAR-TO-YEAR CHANGE:

The total remains the same; however, the federal discount rate for FY 2008-09 was adjusted.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$5,022	$5,022
Federal	1,622	1,598
State	2,380	2,397
County	1,020	1,027
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 and other public agency administrative costs, foster parent training, and social work training as described below.

IMPLEMENTATION DATE:

Probation Costs	June 1991
Social Work Training	1992-1993
Other Public Agencies	2003-2004
Social Worker/County Counsel Training	2005-2006
Foster and Kinship Care Education Program* (Community College Chancellor's Office)	2005-2006

*Incorporates the Foster Parent Training Fund (1990-1991) and the Foster Parent Training (1998-1999)

KEY DATA/ASSUMPTIONS:

For Fiscal Year (FY) 2007-08 and FY 2008-09, the Probation Costs estimate reflects costs for only the 56 non-Title IV-E Waiver counties.

METHODOLOGY:

This premise includes the combined estimated expenditures for the following four Title IV-E pass-through costs:

- **Probation Costs** - The State received federal approval to pass through Title IV-E administration funds for 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 county probation departments for their federally-eligible activities related to probation supervised cases in foster care and the Title IV-E eligible training of probation staff who complete case management activities on behalf of these children.

- **Other Public Agencies** – The federal government allows Title IV-E reimbursement for administrative activities associated with pre-placement prevention. Under current California Department of Social Services (CDSS) regulations and specified conditions, counties may pass on Title IV-E funds to other county public agencies, such as Education or Mental Health, who perform eligible administrative activities for children at risk of, or currently placed in foster care. This pass-on provision does not apply to similar activities performed by private non-profit organizations.

Child Welfare Services – Pass-Through Title IV-E Costs

- **Foster and Kinship Care Education Program (Community College Chancellor's Office)** – Effective in FY 2005-06, the Foster Parent Training Fund was incorporated into the Community College Proposition 98 fund. Title IV-E funds will be accessed by using the Community College Proposition 98 funds as match for the purpose of reimbursing the California Community Colleges Chancellor's Office for providing education and training to foster parents and kinship care providers. This program is conducted through community colleges in consultation with CDSS and key state foster and caregiver associations. Statutes that relate to the type of education and training this program delivers includes: Senate Bill 2003 (Chapter 1597, Statutes of 1984); Assembly Bill (AB) 3062 (Chapter 1016, Statutes of 1996); AB 2307 (Chapter 745, Statutes of 2000); and AB 458 (Chapter 331, Statutes of 2003).

- **Social Worker Training** – An agreement between CDSS, 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 welfare departments. 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 17 schools of social work participating. Funding is provided with Title IV-E federal funds and using in kind match provided by the state universities.

- **Social Worker/County Counsel Training** – The trainings will be coordinated and overseen by the Administrative Office of the Courts (AOC) through a contract with statewide and local training providers to provide short-term training to enhance social worker and county counsel's understanding of the judicial determination process and necessary court findings on behalf of children in foster care.

FUNDING:

Costs represent 100 percent federal Title IV-E funds and no State share of costs.

CHANGE FROM THE APPROPRIATION:

The decrease in FY 2007-08 is due to the transfer of the Title IV-E Waiver counties funding to Item 153 Title IV-E Waiver.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Child Welfare Services – Pass-Through Title IV-E Costs

EXPENDITURES:

(in 000's)

COMBINED TOTAL:	2007-08 County Admin.	2008-09 County Admin.
Total	$179,047	$179,047
Federal	179,047	$179,047
State	0	0
County	0	0
Reimbursements	0	0

DETAILED TOTALS:

Probation:	2007-08 County Admin.	2008-09 County Admin.
Total	$142,022	$142,022
Federal	142,022	$142,022
State	0	0
County	0	0
Reimbursements	0	0

Other Public Agencies:	2007-08 County Admin.	2008-09 County Admin.
Total	$2,915	$2,915
Federal	2,915	2,915
State	0	0
County	0	0
Reimbursements	0	0

Foster and Kinship Care Education Program	2007-08 County Admin.	2008-09 County Admin.
Total	$6,112	$6,112
Federal	6,112	6,112
State	0	0
County	0	0
Reimbursements	0	0

Social Worker Training	2007-08 County Admin.	2008-09 County Admin.
Total	$27,612	$27,612
Federal	27,612	$27,612
State	0	0
County	0	0
Reimbursements	0	0

Child Welfare Services – Pass-Through Title IV-E Costs

EXPENDITURES:

(in 000's)

DETAILED TOTALS (continued)
:

AOC Social Worker/County Counsel Training:	2007-08 County Admin.	2008-09 County Admin.
Total	$386	$386
Federal	386	386
State	0	0
County	0	0
Reimbursements	0	0

Foster Parent Training and Recruitment

DESCRIPTION:

This premise reflects the costs for the enhanced statewide Foster Parent Training and Recruitment Program. As part of the Foster Care Initiative, Assembly Bill (AB) 2129 (Chapter 1089, Statutes of 1993), required the California Department of Social Services to develop and implement an expanded Foster Parent Training and Recruitment Program. The expanded program provides specialized training for foster parents of children with special care needs, and specific recruitment activities for minority and sibling placements.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1994.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 903.8.
- This estimate reflects costs for only the 56 non-Title IV-E Waiver counties.

METHODOLOGY:

For FY 2007-08 and FY 2008-09, the non-Title IV-E Waiver counties are held at the Budget Act of 2007 Appropriation level. The Title IV-E Waiver counties funding is now reflected in Item 153 Title IV-E Waiver.

FUNDING:

This program is eligible for Title IV-E federal funding. After the foster care federal discount rate of 75 percent 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 General Fund. The funds are evenly distributed to each component of the program. For FY 2008-09 the foster care federal discount rate of 73 percent is applied.

CHANGE FROM THE APPROPRIATION:

The decrease in FY 2007-08 is due to the transfer of the Title IV-E Waiver county funding to Item 153 Title IV-E Waiver.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to an adjustment for the foster care federal discount rate to 73 percent.

Foster Parent Training and Recruitment

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$2,686	$2,426
Federal	1,387	1,127
State	1,299	1,299
County	0	0
Reimbursements	0	0

Minor Parent Services and Investigations

DESCRIPTION:

This premise reflects the costs for a program designed to discourage teen pregnancy and encourage appropriate parenting of teen parents and their children. As established by Assembly Bill 908 (Chapter 304, Statutes of 1995), the guidelines require pregnant and parenting teens to live with their parents or legal guardians as a condition for receiving welfare benefits unless specific conditions exist. Teen parents not living at home will live in an appropriate, supervised setting. Minor Parent Services (MPS) will be provided if deemed necessary.

IMPLEMENTATION DATE:

The investigative part of this premise implemented on May 1, 1997.

The MPS part of this premise implemented on June 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code (W&IC) sections 11254, 16504(b), and 16506.
- It is assumed that any situations of abuse or neglect under W&IC section 300 requiring a foster care living arrangement resulting from this investigation are already reflected in Child Welfare Services (CWS) and Foster Care caseload trends.
- 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:

The total funding for both Fiscal Years (FYs) 2007-08 and 2008-09 is being held at the Budget Act of 2007 Appropriation level.

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.

Minor Parent Services and Investigations

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change in the combined total; however, based on actual expenditures, the investigations and minor parent services costs are updated.

EXPENDITURES:

(in 000's)

COMBINED TOTAL:	2007-08	2008-09
	County Admin.	County Admin.
Total	$7,097	$7,097
Federal	3,549	3,549
State	2,484	2,484
County	1,064	1,064
Reimbursements	0	0

Investigations:	2007-08	2008-09
	County Admin.	County Admin.
Total	$2,252	$2,371
Federal	1,126	1,186
State	788	830
County	338	355
Reimbursements	0	0

Minor Parent Services:	2007-08	2008-09
	County Admin.	County Admin.
Total	$4,845	$4,726
Federal	2,423	2,363
State	1,696	1,654
County	726	709
Reimbursements	0	0

Kinship Support Services

DESCRIPTION:

This premise reflects the costs for the grants-in-aid program that provides start-up and expansion funds for local kinship support service programs. As designated by Assembly Bill (AB) 1193 (Chapter 794, Statutes of 1997), the Kinship Support Services Program (KSSP) is to be conducted by the California Department of Social Services (CDSS) with the initial grants being awarded in July 1998 to eight counties. Currently, there are 11 counties participating in the program. 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.

Effective Fiscal Year (FY) 2006-07, the KSSP was augmented by $2.5 million and all counties were allowed to apply for the KSSP funds. The application process will require each interested county to submit a comprehensive proposal outlining how many relative caretakers reside in their county, what services will be provided to relative caretakers and the children in their care, how the county will develop the necessary community supports, how many relative caretakers and children will be served, and what the county outcome improvement goals are for the program. The proposals must also include a description of how each county will measure the success and cost-effectiveness of their program, and how the county will report these measures to CDSS.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16605.
- The participating counties for FY 2007-08 and FY 2008-09 are: Alameda, Contra Costa, Los Angeles, Monterey, Riverside, San Bernardino, San Diego, San Francisco, San Mateo, Santa Clara, and Stanislaus.
- Beginning FY 2007-08, it is anticipated that additional counties will participate in KSSP.

METHODOLOGY:

The estimate reflects the amount contained in AB 1193 and the 2006 Budget Act.

FUNDING:

This premise is funded 100 percent with General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Kinship Support Services

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$4,000	$4,000
Federal	0	0
State	4,000	4,000
County	0	0
Reimbursements	0	0

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 2000.
- The California Department of Social Services received policy clarification from the federal Department of Health and Human Services that administrative costs for beds, cribs, and smoke detectors that are needed in order to license or approve a foster family home are allowable under Title IV-E.
- This estimate reflects costs for only the 56 non Title IV-E Waiver counties.

METHODOLOGY:

For FY 2007-08 and FY 2008-09, the non-Title IV-E Waiver counties are held at the Budget Act of 2007 Appropriation level. The Title IV-E Waiver counties funding is now reflected in Item 153 Title IV-E Waiver.

FUNDING:

After the foster care federal discount rate of 75 percent is applied, costs are shared 50 percent federal and 50 percent nonfederal. The nonfederal shares are funded 100 percent General Fund. For FY 2008-09 the foster care federal discount rate of 73 percent is applied.

CHANGE FROM THE APPROPRIATION:

The decrease in FY 2007-08 is due to the transfer of the Title IV-E Waiver county funding it Item 153 Title IV-E Waiver.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to an adjustment for the foster care federal discount rate to 73 percent.

Kinship/Foster Care Emergency Funds

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$1,446	$1,422
Federal	543	519
State	903	903
County	0	0
Reimbursements	0	0

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 a 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 was implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- The estimate includes training costs for all new users as a result of user growth and staff turnover.
- The cost per hour of training is $48.07 for each fiscal year.
- The estimate assumes an 11.5 percent staff turnover rate.
- There are 15,819 budgeted users for each fiscal year.
- The estimate includes costs for five training components:
  - **New User Training** – provides 44 hours of basic training for newly hired staff as a result of staff turnover;
  - **Intermediate/Advanced Training** – provides 16 hours of training to service providers on the more difficult tasks not covered in the new user training;
  - **Management/Supervisory Training** – provides 16 hours of training to management on the supervisory process of approvals and program management reports;
  - **System Support Training** – provides 24 hours of training to newly hired system support staff as a result of caseload growth and staff turnover in order to assist other users as needed; and,
  - **Database Training** – provides 24 hours of training to staff responsible for extracting and interpreting caseload data.
- Costs are also included for statewide contracted training needs.

Child Welfare Services/Case Management System Staff Development

METHODOLOGY:

Costs are calculated for each training component by multiplying the number of users being trained by the number of hours of training at the hourly cost for training. Costs are then added for the statewide contracted training needs.

Fiscal Year (FY) 2007-08 and FY 2008-09: (1,819 New Users x 44 hours x $48.07) + (1,559 Intermediate/Advanced Users x 16 hours x $48.07) + (195 Management/Supervisory Users x 16 hours x $48.07) + (55 System Support Users x 24 hours x $48.07) + (29 Database Users x 24 hours x $48.07). For the statewide contract costs, $3,000,000 is added in each FY in order to meet the total contract commitment.

FUNDING:

Costs are shared according to California's federally approved Cost Allocation Plan (CAP) which allocates costs to all benefiting CWS Programs based on statewide county worker time study hours.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year costs are shared based on an updated CAP.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$8,294	$8,294
Federal	4,655	4,685
State	2,659	2,631
County	708	711
Reimbursements	272	267

Child Welfare Services/ Case Management System (CWS/CMS) Maintenance and Operation (M&O) Project

DESCRIPTION:

This premise reflects the costs related to the ongoing and administrative support of the 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. State level project management for CWS/CMS is provided by the Office of Systems Integration (OSI). OSI administers the projects under an interagency agreement with the California Department of Social Services (CDSS).

IMPLEMENTATION DATE:

This premise became effective Fiscal Year (FY) 1995-96.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- Costs represent ongoing M&O costs associated with support and oversight of the CWS/CMS.
- Costs include the wide-area network maintained by Department of Technology Services, OSI administrative support, and vendor costs related to operation, support, and maintenance of the application and technical architecture.

METHODOLOGY:

Costs are based on the FY 2008-09 M&O Plan.

Child Welfare Services/ Case Management System (CWS/CMS) Maintenance And Operation (M&O) Project

FUNDING:

The cost allocation included in this document is based on the CDSS Operational Cost Allocation Plan approved by the Division of Cost Allocation/Department of Health and Human Services.

CHANGE FROM THE APPROPRIATION:

The allocation of costs to benefiting programs was updated for FY 2007-08. Costs have also been adjusted for Employee Compensation and Retirement.

REASON FOR YEAR-TO-YEAR CHANGE:

The net decrease in FY 2008-09 reflects a decrease for Prime Vendor Services, Technical Maintenance Charges, and Local Assistance to Counties offset by an increase in Data Center Services and Employee Compensation and Retirement. The allocation of costs to benefiting programs was updated.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$92,106	$91,822
Federal	47,239	47,121
State	41,906	41,748
County	0	0
Reimbursements	2,961	2,953

CDSS/OSI PARTNERSHIP:

(in 000's)

	2007-08	2008-09
Total	$92,106	$91,822
CDSS	36,870	38,500
OSI	55,236	53,322

Child Welfare Services/ Case Management System (CWS/CMS) New System Project (NSP)

DESCRIPTION:

This premise reflects the costs related to the implementation of the CWS/CMS NSP. The NSP will be developed using a web services-based technical architecture and include the redevelopment of current functionality and development of the four unfulfilled Statewide Automated Child Welfare Information Systems requirements on the new architecture. Where appropriate, improvements will be made during the redevelopment of the current functionality to address business and user needs. The NSP will include improvements that take advantage of the capabilities of the new architecture, while not changing the way the state and counties conduct business. The current CWS/CMS will be maintained during the development and decommissioned upon statewide implementation of the NSP.

IMPLEMENTATION DATE:

This premise became effective Fiscal Year (FY) 2006-07.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- Costs represent NSP costs associated with support and oversight of the CWS/CMS.
- Costs include staffing, operating expenses and equipment, consultant services, Department of General Services fees, and administrative overhead in support of the NSP development.

METHODOLOGY:

Costs are based on the December 2007 Special Project Report.

FUNDING:

The cost allocation included in this document is based on the California Department of Social Services (CDSS) Operational Cost Allocation Plan approved by the Division of Cost Allocation/Department of Health and Human Services.

CHANGE FROM THE APPROPRIATION:

The allocation of costs to benefiting programs was updated for FY 2007-08. Costs have also been adjusted for Employee Compensation and Retirement.

Child Welfare Services/ Case Management System (CWS/CMS) New System Project (NSP)

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2008-09 reflects increases in staff, Operating Expenses and Equipment, hardware/software, overhead, consultant services and Employee Compensation and Retirement. The allocation of costs to benefiting programs was updated.

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$3,107	$5,604
Federal	1,603	2,892
State	1,404	2,532
County	0	0
Reimbursements	100	180

CDSS/OFFICE OF SYSTEMS INTEGRATION (OSI) PARTNERSHIP:

(in 000's)

	2007-08	2008-09
Total	$3,107	$5,604
CDSS	16	1,254
OSI	3,091	4,350

Child Health and Safety Fund

DESCRIPTION:

This premise reflects the distribution of funding to counties from the Child Health and Safety Fund (CHSF) for child abuse prevention in the community. Assembly Bill 3087 (Chapter 1316, Statutes of 1992) established the CHSF for specified purposes. Monies for this activity are generated through the Department of Motor Vehicles' (DMV) "Have a Heart, Be a Star, Help our Kids" license plate program pursuant to Vehicle Code Section 5072.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code (W&IC) section 18285.
- Of the license plate monies, up to 25 percent may be used for child abuse prevention, and of that 25 percent, 90 percent (i.e., 22.5 percent of the total plate revenue) is to be provided to counties (county children's trust funds) for support of child abuse prevention services in the community [W&IC section 18285(e)(1)].
- The total actual CHSF license plate revenue for Fiscal Year (FY) 2005-06 was $3,459,000 and for FY 2006-07 was $3,746,000.

METHODOLOGY:

- Using FY 2005-06 actual revenue multiplied by 1.25 as the estimate for FY 2007-08 plates' revenue (and appropriating a portion of the fund balance which accrued in the early years of the fund), 22.5 percent will be transferred to the counties for child abuse prevention activities ($3,459,000 x 1.25 x 22.5 percent = $1,245,000) for FY 2007-08.
- Using FY 2006-07 actual revenue multiplied by 1.6 as the estimate for FY 2008-09 plates' revenue (and appropriating a portion of the fund balance), 22.5 percent will be transferred to the counties for child abuse prevention activities ($3,746,000 x 1.5 x 22.5 percent = $1,264,000) for FY 2008-09.

FUNDING:

All funds are provided by the CHSF.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to anticipated revenue growth.

Child Health and Safety Fund

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$1,245	$1,264
Federal	0	0
State	1,245	1,264
County	0	0
Reimbursements	0	0

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 such as 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.
- The Department of Mental Health's annual cost for mental health services per child in Fiscal Year (FY) 2007-08 is assumed to be $5,676.
- For FY 2008-09, the cost for mental health services per child is assumed to be $5,896.

METHODOLOGY:

The funding for FY 2007-08 and FY 2008-09 is being held to the Budget Act of 2007 Appropriation level. Initially, cost for this program was calculated by multiplying the estimated number of children to be served by the cost per case for mental health services.

FUNDING:

This premise is shared 70 percent State and 30 percent county.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Supportive and Therapeutic Options Program (STOP)

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$14,220	$14,220
Federal	0	0
State	9,954	9,954
County	4,266	4,266
Reimbursements	0	0

Group Home Monthly Visits

DESCRIPTION:

This premise reflects the costs of providing monthly visits to all foster care children placed in group homes (GHs), both in-state and out-of-state. This premise was authorized by Senate Bill 933 (Chapter 311, Statutes of 1998).

IMPLEMENTATION DATE:

This premise was implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16516.5.
- This estimate reflects costs for only the non-Title IV-E Waiver counties.
- The in-state GH caseload is projected to be 7,502 for Fiscal Year (FY) 2007-08 and 7,065 for FY 2008-09 based on data as reported on the Child Welfare Services/Case Management System. The out-of-state GH caseload is estimated at 137 for FY 2007-08 and 141 for FY 2008-09.
- The hourly cost of a social worker is $72.60 for each fiscal year.
- For the out-of-state placements, it is assumed that an average of two cases can be visited per trip.
- All GH placements will receive ten additional visits per year.
- In-state visits will take an average of two hours per visit and out-of-state visits will take an average of 12 hours to visit two cases.
- Based on caseload data for in-state GH placements, 3,722 cases are placed out-of-county for FY 2007-08, and 3,553 cases for FY 2008-09. For each FY, these cases have been budgeted to include an additional two hours of travel time.
- For both fiscal years, out-of-state per diem costs are estimated at $124 and out-of-state travel costs are estimated at $500.

METHODOLOGY:

- For each fiscal year, the in-state costs for ten visits are calculated using the in-state GH caseload for two hours per visit multiplied by the hourly cost of a social worker.
- An additional two hours are calculated for the in-state, out-of-county placements at the hourly cost of a social worker.
- 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.
- Per diem and travel costs are added for each out-of-state visit.

Group Home Monthly Visits

FUNDING:

After the foster care federal discount rate of 75 percent for FY 2007-08 and 73 percent for FY 2008-09 is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

This estimate reflects costs for only the non-Title IV-E Waiver counties.

REASON FOR YEAR-TO-YEAR CHANGE:

There is a decrease in caseload.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$12,255	$11,825
Federal	4,596	4,316
State	7,659	7,509
County	0	0
Reimbursements	0	0

Caregiver Court Filing (SB 1667)

DESCRIPTION:

This premise reflects the cost for county social workers to instruct caregivers on how to file a Caregiver Information Form with the court at each status review hearing as a result of Senate Bill (SB) 1667 (Chapter 389, Statutes of 2006). This bill requires a social worker to provide the child's caregiver a copy of the Caregiver Information Form in the caregiver's primary language when available and information regarding filing the form with the court.

IMPLEMENTATION DATE:

The premise was implemented on January 1, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: SB 1667 (Chapter 389, Statutes of 2006).
- This estimate reflects costs for only the non-Title IV-E Waiver counties.
- Status review hearings are held every six months.
- The foster family home, small family home, relative home and guardian home caseload is estimated at 36,792 for Fiscal Year (FY) 2007-08 and 30,271 for FY 2008-09.
- Ten percent of the caseload will submit the Caregiver Information Form, requiring 15 minutes of social worker instruction time.
- The average hourly cost of a social worker is $72.60.

METHODOLOGY:

The caseload is multiplied by .25 of the hourly cost of a social worker which is then multiplied by two hearings per year.

FUNDING:

After the foster care federal discount rate of 75 percent for FY 2007-08 and 73 percent for FY 2008-09 is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

This estimate reflects costs for only the non-Title IV-E Waiver counties.

Caregiver Court Filing (SB 1667)

REASON FOR YEAR-TO-YEAR CHANGE:

There is a decrease in caseload.

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$134	$110
Federal	50	40
State	84	70
County	0	0
Reimbursements	0	0

Criminal Records Check for FR (AB 1774)

DESCRIPTION:

This premise reflects the cost to conduct background checks on parents wishing to reunify with their child as a result of Assembly Bill (AB) 1774 (Chapter 726, Statutes of 2006). AB 1774 expands the purposes for which criminal offender record information can be obtained to include assessing a parent's suitability to reunify with their child, provided that the parent's consent to fingerprint submission has been obtained. Courts would be allowed to consider the criminal history of a parent at review and permanency hearings.

IMPLEMENTATION DATE:

The premise was implemented on January 1, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 1774 (Chapter 726, Statutes of 2006).
- This estimate reflects costs for only the non-Title IV-E Waiver counties.
- Family Reunification (FR) cases can be subject to up to three review and permanency hearings before termination of parental rights is considered, however, it is assumed that criminal records checks will only be performed once.
- The FR average monthly caseload is projected at 16,274 for Fiscal Year (FY) 2007-08 and 16,796 for FY 2008-09.
- Costs for a Department of Justice background check through the Live Scan System are $32 along with a $16 application fee per check.
- The Federal Bureau of Investigations background check is $24.

METHODOLOGY:

The FR caseload for each FY is multiplied by $72.

FUNDING:

After the foster care federal discount rate of 75 percent for FY 2007-08 and 73 percent for FY 2008-09 is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

This estimate reflects costs for only the non-Title IV-E Waiver counties.

Criminal Records Check for FY (AB 1774)

REASON FOR YEAR-TO-YEAR CHANGE:

There is an increase in caseload.

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$1,173	$1,209
Federal	440	441
State	733	768
County	0	0
Reimbursements	0	0

Background Checks

DESCRIPTION:

This premise reflects the cost associated with conducting background checks prior to placing children in the home of a relative, or the home of any other person who is not a licensed foster parent. Pursuant to Assembly Bill 1695 (Chapter 653, Statutes of 2001), all unlicensed foster parents must meet the same standards set forth in regulations for the licensing of foster family homes. Therefore, all unlicensed foster parents will be subject to a background check to be conducted through the Child Abuse Index, the Department of Justice and the Federal Bureau of Investigations.

IMPLEMENTATION DATE:

This premise was implemented on January 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 361.4.
- The caseload for Fiscal Year (FY) 2007-08 is 25,376, based on new placement data for Calendar Year 2006. The caseload for FY 2008-09 is 24,847, based on new placement data for FY 2006-07.
- Based on information from the California Welfare Directors Association, it is assumed that an average of 1.56 children is placed per home.
- It is assumed that an average of two persons in the home will require background checks.
- The cost for the Child Abuse Index check is estimated at $15 per check.
- Costs for a Department of Justice background check through the Live Scan System are $32 along with a $16 application fee per check.
- The Federal Bureau of Investigations background check is $24.

METHODOLOGY:

The costs are calculated by dividing the caseload by number of placements per home, multiplied by two persons in the home requiring background checks, multiplied by the cost for background checks.

FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent General Fund.

Background Checks

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in cost is due to a decline in caseload.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$2,831	$2,771
Federal	1,061	1,039
State	1,770	1,732
County	0	0
Reimbursements	0	0

Relative Home Approvals

DESCRIPTION:

This premise reflects the cost associated with conducting an in-home approval prior to placing children in the home of a relative, or the home of a nonrelative extended family member (Initial Approvals). This premise also reflects the cost of conducting an annual visit for continued approval of a relative home (Annual Approvals). Assembly Bill (AB) 1695 (Chapter 653, Statutes of 2001) requires the county welfare department to conduct an in-home inspection to assess the safety of the home and the ability of the relative to care for the child's needs. The bill stipulates that the standards used to evaluate and grant or deny approval of the home of the relative shall be the same standards set forth in regulations for the licensing of foster family homes. However, all homes will require an annual reassessment as opposed to targeted visits for continued licensure of foster family homes.

IMPLEMENTATION DATE:

This premise was implemented January 1, 2002.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 309(d).
- The caseload for Fiscal Year (FY) 2007-08 is 25,376, based on new placement data for Calendar Year 2006. The caseload for FY 2008-09 is 24,847, based on new placement data for FY 2006-07.
- The existing caseload for FY 2007-08 is 30,469 based on placement data for January 2007. The existing caseload for FY 2008-09 is 32,105 based on placement data for July 2007.
- Based on information from the California Welfare Directors' Association (CWDA), it is assumed that an average of 1.56 children are placed per home.
- Based on information from the CWDA, it is assumed that it will take an average of nine hours to complete the additional activities associated with conducting an initial approval equivalent to the licensure of a foster family home.
- An additional 30 minutes is required to check the Licensing Administrative Action Records System (LAARS) as part of the background check process.
- It is assumed that it will take an average of three hours to conduct an annual visit for reapproval of the home.
- The hourly cost of a social worker is $72.60 for each FY.

METHODOLOGY:

Costs for the initial assessments are calculated by dividing the new caseload by the number of children per home, multiplied by the number of hours for approval, multiplied by the hourly cost of a social worker. Costs for annual reapprovals are then calculated for the existing caseload.

Relative Home Approvals

FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 70 percent General Fund and 30 percent county.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The net decrease is due to a decrease in new caseload and an increase in existing caseload.

EXPENDITURES:

(in 000's)

Initial Approvals:	2007-08	2008-09	**Annual Approvals:**	2007-08	2008-09
	County Admin.	County Admin.		County Admin.	County Admin.
Total	$11,266	$11,031	Total	$4,254	$4,482
Federal	4,225	4,137	Federal	1,595	1,681
State	4,929	4,826	State	1,861	1,961
County	2,112	2,068	County	798	840
Reimbursements	0	0	Reimbursements	0	0

COMBINED TOTAL:	2007-08	2008-09
	County Admin.	County Admin.
Total	$15,520	$15,513
Federal	5,820	5,818
State	6,790	6,787
County	2,910	2,908
Reimbursements	0	0

Multiple Relative Home Approvals

DESCRIPTION:

This premise reflects the cost associated with conducting additional approvals when more than one relative or non-related extended family member is seeking to have related foster children placed with them. These additional approvals of all willing relatives or non-related extended family members are necessary in order to fairly establish viable placement options and to better enable the State to meet the federal Adoption and Safe Families Act requirement that approval of relative homes be in compliance with foster family home licensing/approval standards.

IMPLEMENTATION DATE:

This premise was implemented on December 1, 2002.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 309(d).
- The caseload for Fiscal Year (FY) 2007-08 is 25,376, based on new placement data for Calendar Year 2006. The caseload for FY 2008-09 is 24,847, based on new placement data for FY 2006-07.
- Based on information from the California Welfare Directors Association (CWDA), it is assumed that an average of 1.56 children is placed per home.
- It is assumed that 30 percent of the placements have more than one party interested in receiving the placement.
- It is assumed that there are two to three (2.5 average) interested parties per placement. Therefore, since the “Relative Home Approvals” premise already provides for one assessment, there is an average of 1.5 additional homes that require approvals.
- Based on information from CWDA, it is assumed that it will take an average of 15 hours to assess each home for approval.
- An additional 30 minutes is required to check the Licensing Administrative Action Records System (LAARS) as part of the background check process.
- The hourly cost of a social worker is $72.60 for both fiscal years.

METHODOLOGY:

The number of approvals to be conducted is calculated by dividing the caseload by the average placements per home, then multiplying by the percentage of placements with multiple interest, multiplied by the additional homes requiring approval. Annual costs are calculated by multiplying the number of approvals by the number of hours per approval multiplied by the hourly cost of a social worker.

Multiple Relative Home Approvals

FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are shared 70 percent General Fund and 30 percent county.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in cost is due to a decline in caseload.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$8,259	$8,086
Federal	3,097	3,032
State	3,613	3,538
County	1,549	1,516
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 was implemented on January 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 309(d).
- The caseload for Fiscal Year (FY) 2007-08 is 25,376, based on new placement data for Calendar Year 2006. The caseload for FY 2008-09 is 24,847, based on new placement data for FY 2006-07.
- Based on information from the California Welfare Directors Association, it is assumed that an average of 1.56 children is placed per home.
- It is assumed that 30 percent of the placements have more than one party interested in receiving the placement.
- It is assumed that there are two to three (2.5 average) interested parties per placement.
- It is assumed that 45 percent of homes will be disapproved.
- It is assumed that 20 percent of those whose homes are disapproved will request a review.
- It is assumed that it will take an average of eight hours to review each case.
- The hourly cost of a social worker is $72.60 for both fiscal years.

METHODOLOGY:

The number of reviews to be conducted is calculated by dividing the caseload by the average placements per home, then multiplying by the percentage of placements with multiple interest, multiplied by the average interested parties per placement, then multiplying by the percent of homes that are disapproved and the percent of those requesting a review. Annual costs are calculated by multiplying the number of reviews by the number of hours per review multiplied by the hourly cost of a social worker.

Grievance Review for Relatives

FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are shared 70 percent General Fund and 30 percent county.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in cost is due to a decline in caseload.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$638	$625
Federal	239	234
State	279	274
County	120	117
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 for the Foster Care program. Before a child can be placed in a foster home or 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 allow for immediate onsite fingerprint processing.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Assembly Bill 1740 (Chapter 52, Statutes of 2000).
- The 58 counties were provided funds to purchase 100 Live Scan machines in Fiscal Year 2000-01.
- Costs are negotiated and contracted with a Live Scan vendor by each of the counties.
- Contract costs for on-going maintenance are based on an existing Live Scan contract for Community Care Licensing activities.

METHODOLOGY:

The estimate is based on an existing Live Scan contract to provide on-going maintenance.

FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Live Scan Technology

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$1,200	$1,200
Federal	450	450
State	750	750
County	0	0
Reimbursements	0	0

Health Services for Children in Foster Care

DESCRIPTION:

This premise reflects the cost to fund positions for public health care nurses (PHNs) in the county welfare departments. These nurses will provide enhanced health services to children entering foster care. As authorized by Assembly Bill 1111 (Chapter 147, Statutes of 1999), this program will improve the physical, mental, dental, and developmental well being of children in the child welfare system. The PHNs funded through this program shall work closely with the child's caseworker or probation officer to coordinate health care services and serve as a liaison with health care professionals and other providers of health related services.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.3.
- For Fiscal Year (FY) 2007-08, the number of new cases added to foster care is being held at the FY 2006-07 level of 44,853 cases. FY 2008-09, the number new cases added to foster care is 43,721 based on actual data from the previous 11 months.
- The foster care caseload per PHN is based on a 1:200 ratio.
- The cost for a PHN for FY 2007-08 and FY 2008-09 is being held to the FY 2004-05 level of $104,039.
- The matching General Fund (25 percent) is reflected in the California Department of Social Services' (CDSS) budget and, through an interagency agreement, passed over to the budget of the Department of Health Care Services (DHCS).

METHODOLOGY:

FY 2007-08

The FY 2007-08 estimate is being held at the Budget Act of 2007 Appropriation level.

FY 2008-09

The projected new foster care caseload is divided by the number of annual cases per PHN, then multiplied by the unit cost of a PHN to determine the total cost of the program (43,721 ÷ 200 x $104,039). The total funds are multiplied by 25 percent to calculate the amount reflected in the CDSS budget and the remaining 75 percent of the funds are reflected in the DHCS budget.

Health Services for Children in Foster Care

FUNDING:

This program is eligible for enhanced federal Title XIX funding of 75 percent with a match of 25 percent GF.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to a lower caseload.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$5,833	$5,686
Federal	0	0
State	5,833	5,686
County	0	0
Reimbursements	0	0

County Self-Assessment and System Improvement Planning (SIP) Development

DESCRIPTION:

This premise reflects the cost to provide funding to counties to support the additional administrative responsibility related to the planning and coordination of the periodic county Child Welfare Services (CWS) performance self-assessments and annual System Improvement Plans (SIPs) as required by Assembly Bill (AB) 636 (Chapter 678, Statutes of 2002). Self-assessments and SIPs are critical and mandated components of the new CWS outcomes and accountability systems that require full and continuous participation by the public, service recipients, providers, courts, and agencies participating in CWS and are necessary to ensure a comprehensive, efficient, and non-duplicative approach to CWS assessment, design and operations.

Additional staff resources are necessary for the new function of identifying, selecting, updating membership, providing information, and coordinating the activities of the wide range of participants that include: advocates, the general public, law enforcement, courts, health and mental health agencies, local education, foster parents, foster youth, service recipient parents, and tribal organizations.

IMPLEMENTATION DATE:

This premise was implemented January 1, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Budget Act of 2007.
- This estimate reflects costs for only the non-Title IV-E Waiver counties.
- Seventy-eight staff, at the social worker level, are budgeted to perform these duties for each Fiscal Year (FY).
- The statewide average cost of a social worker is $129,074 for each FY.

METHODOLOGY:

The estimate is calculated by multiplying the number of social workers by the statewide average cost of a social worker.

FUNDING:

After the foster care federal discount rate of 75 percent for FY 2007-08 and 73 percent for FY 2008-09 is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are shared 70 percent General Fund and 30 percent county.

County Self-Assessment and System Improvement Planning (SIP) Development

CHANGE FROM THE APPROPRIATION:

This estimate reflects costs for only the non-Title IV-E Waiver counties.

REASON FOR YEAR-TO-YEAR CHANGE:

The foster care federal discount rate has decreased.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$10,080	$10,080
Federal	3,780	3,679
State	4,410	4,481
County	1,890	1,920
Reimbursements	0	0

Federal Child & Family Services Review

DESCRIPTION:

This premise reflects funding for activities related to the preparation and completion of the federal Child and Family Services Review scheduled for Federal Fiscal Year 2008. The funds will be used to hire a contractor to complete research and prepare the Statewide Self Assessment. In addition, funding is needed to support preparation and completion of the onsite review in three counties and development of a Program Improvement Plan.

IMPLEMENTATION DATE:

This premise implements on July 1, 2007.

KEY DATA/ASSUMPTIONS:

- Contractor costs for the Statewide Self Assessment are $200,000.
- Costs for the three county reviews are estimated at $50,000 each.
- The foster care federal discount rate is 75 percent.

METHODOLOGY:

Contractor costs are added to the three county costs.

FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 70 percent General Fund and 30 percent county.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The reviews will be conducted in FY 2007-08.

Federal Child & Family Services Review

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$350	$0
Federal	131	0
State	153	0
County	66	0
Reimbursements	0	0

Data Requirements for New Activities

DESCRIPTION:

This premise reflects the cost related to the additional data requirements associated with the many new mandated activities counties must accomplish to implement the Program Improvement Plan (PIP) and the California Child & Family Services Review process authorized by Assembly Bill 636 (Chapter 678, Statutes of 2002). Counties must review and update data already contained in the Child Welfare Services/Case Management System to ensure the new required data elements are entered into the case files. Counties must also spend additional time entering these additional data requirements in all new cases as they are created. This effort must be accomplished so that it is possible to measure program improvement progress as required in the PIP in order to avoid federal penalties.

IMPLEMENTATION DATE:

This premise was implemented January 1, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Budget Act of 2005.
- This estimate reflects costs for only the non-Title IV-E Waiver counties.
- The Fiscal Year (FY) 2007-08 and FY 2008-09 estimates are for new cases only.
- The new caseload is 39,518 for FY 2007-08 based on actual data for FY 2005-06 and 31,562 for FY 2008-09 based on actual data for FY 2005-06.
- It is assumed that it will take an average of 15 minutes per case to enter data for all new cases.
- The hourly cost of a social worker is $72.60 for each FY.

METHODOLOGY:

The estimate is calculated by multiplying the caseload by the number of hours per case and then by the hourly cost of a social worker.

FUNDING:

For the non-Title IV-E Waiver counties, after the foster care federal discount rate of 75 percent for FY 2007-08 and 73 percent for FY 2008-09 is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are shared 70 percent State GF and 30 percent county.

Data Requirements for New Activities

CHANGE FROM THE APPROPRIATION:

This estimate reflects costs for only the non-Title IV-E Waiver counties.

REASON FOR YEAR-TO-YEAR CHANGE:

There is a decrease in caseload.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$718	$573
Federal	269	209
State	314	255
County	135	109
Reimbursements	0	0

Peer Quality Case Reviews

DESCRIPTION:

This premise reflects the cost associated with backfilling and travel and per diem costs for social workers and probation officers participating in Peer Quality Case Reviews (PQCR) as required by Assembly Bill 636 (Chapter 678, Statutes of 2001). The purpose of the PQCR is to learn, through intensive examination of county child welfare practice, how to improve child welfare services and practices in California, both in the participating county and in other jurisdictions as well. Without relying on the PQCR as a vehicle for validating the quantitative data contained within each county's County Data Report and Self Assessment, the PQCR should provide another layer of information. Specifically, the PQCR will be another mechanism for understanding the key to the child welfare system and social worker practice. While the quantitative data provides integral, population-based information, the PQCR will provide a rich and deep understanding of actual practice in the field. In addition, the PQCR goes beyond the County Self-Assessment by incorporating outside expertise, including county peers, to help identify the strengths and weaknesses of county child welfare services delivery systems, and social worker and probation officer practices.

IMPLEMENTATION DATE:

This premise was implemented July 1, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10601.2.
- This estimate reflects costs for only the non-Title IV-E Waiver counties.
- There will be 15 counties completing County Welfare Department (CWD) and County Probation Department (CPD) reviews in Fiscal Year (FY) 2007-08 and 20 counties completing CWD and CPD reviews in FY 2008-09.
- Each CWD review will take approximately five days to complete and will involve an average of 16 staff; eight staff from the county being reviewed and eight staff from other counties. Each CPD review will take approximately three days to complete and will involve an average of 16 staff; eight staff from the county being reviewed and eight staff from other counties.
- Based on information from the County Welfare Directors Association, it will require a total of 712 hours of social worker time for each CWD review, which also includes time for preparation, coordination and training for the reviews and completion and review of reports. Each CPD review will take approximately three-fifths the time of a CWD review, or 427 hours of probation worker time.
- The hourly cost of a worker is $72.60.
- Eight social workers from other counties will participate in each county review and will require travel and per diem costs of $124.00 per day.
- $20,000 of state support is included in the premise.

Peer Quality Case Reviews

METHODOLOGY:

The total number of worker hours per review is multiplied by the number of reviews and then by the worker cost per hour. Costs are then added for travel and per diem for eight visiting workers for each of the reviews at $124.00 per day.

FUNDING:

After the foster care federal discount rate of 75 percent for FY 2007-08 and 73 percent for FY 2008-09 is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are shared 70 percent General Fund and 30 percent county.

CHANGE FROM THE APPROPRIATION:

This estimate reflects costs for only the non-Title IV-E Waiver counties.

REASON FOR YEAR-TO-YEAR CHANGE:

The number of reviews has increased.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$1,400	$1,853
Federal	525	677
State	613	831
County	262	345
Reimbursements	0	0

Child Fatality and Near Fatality Peer Quality Case Reviews (PQCRs)

DESCRIPTION:

This premise reflects the costs associated with compiling and publishing reports on all child deaths and near deaths that are caused by suspected child abuse or neglect as required by the federal Child Abuse Prevention and Treatment Act (CAPTA). A team will be established to review cases on a monthly basis and compile data for a final report. In addition, the on-site review of high profile cases will be contracted out.

IMPLEMENTATION DATE:

This premise will implement July 1, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: CAPTA.
- Eight county staff will meet monthly in Sacramento for two days.
- The average hourly cost for a social worker is $72.60.
- Airfare is estimated at $100 and per diem costs are estimated at $124 per day.
- On-site contracting costs are $100,000.

METHODOLOGY:

The number of staff is multiplied by the annual number of hours and then multiplied by the average cost per hour. Costs are added for travel and per diem and for on-site contracting.

FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 70 percent General Fund and 30 percent county.

CHANGE FROM THE APPROPRIATION:

There is no change.

Child Fatality and Near Fatality Peer Quality Case Reviews (PQCRs)

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$245	$245
Federal	92	92
State	107	107
County	46	46
Reimbursements	0	0

Statewide Standardized Training

DESCRIPTION:

This premise reflects the additional costs associated with the need for counties to backfill behind county social workers and supervisors who must attend additional days of training, as required under the statewide standardized common core curriculum for all current and new child welfare, and probation workers, and their supervisors. The additional training days resulted from California's negotiation of the federal Children and Family Services Review (CFSR) Program Improvement Plan (PIP) which was aimed at improving outcomes for children in foster care. The PIP required that the California Department of Social Services (CDSS) develop regulations which would mandate the standardized training curricula which will result in four additional days of training. The standardized curricula and additional days of training were also added to the Training Plan section of the Title IV-B State Plan. The standardized curricula was developed in collaboration with the Statewide Training and Education Committee, which includes representation from all of the Regional Training Academies (RTA) and the Inter-University Consortium (IUC), California Social Work Education Center (CalSWEC), county staff, the tribal community, and other important stakeholders.

IMPLEMENTATION DATE:

This premise was implemented in Fiscal Year (FY) 2006-07.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16200 through 16215.
- The additional days of training were required as part of the CSFR PIP and Title IV-B Training Plan.
- Funding is based on the number of county Full Time Equivalent (FTE's) who will be attending the additional days of training. For FY 2007-08 there are 874 new social workers, 125 new social work supervisors, 7,190 existing social workers, 1,027 existing social work supervisors, and 175 existing probation workers. For FY 2008-09 there are 833 new social workers, 119 new social work supervisors, 7,195 existing social workers, 1,028 existing social work supervisors, and 175 existing probation workers
- New social workers will attend four additional days of initial training and new social work supervisors will attend one additional day of initial training.
- Existing social workers will attend four additional days of continued training; existing social work supervisors will attend two additional days of continued training; and existing probation workers will attend three additional days of continued training.

METHODOLOGY:

The estimate is based on the total number of FTEs in each county who will be attending the additional days of training multiplied by the number of hours of training. The total hours are then multiplied by the hourly cost of a social worker.

Statewide Standardized Training

FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared at 75 percent federal, 17.5 percent State, and 7.5 percent county. Nonfederally eligible costs are funded with 70 percent State, 30 percent county.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The number of workers to be trained has decreased.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$20,304	$20,217
Federal	11,421	11,372
State	6,218	6,192
County	2,665	2,653
Reimbursements	0	0

CWS Program Improvement Fund

DESCRIPTION:

This premise reflects donated grants, gifts, or bequests made to the State from private sources to be deposited into the Child Welfare Services (CWS) Program Improvement Fund as established by Assembly Bill 2496 (Chapter 168, Statutes of 2004). These funds are intended to enhance the State's ability to provide a comprehensive system of supports that promote positive outcomes for children and families.

IMPLEMENTATION DATE:

This premise was implemented July 1, 2005.

KEY DATA/ASSUMPTIONS:

- Donated funds will be eligible for federal Title IV-E enhanced training matching funds.
- The foster care federal discount rate is 75 percent for Fiscal Years (FYs) 2007-08 and 2008-09.

METHODOLOGY:

The expected donations total $3,000,000 in FY 2007-08 and $4,000,000 in FY 2008-09.

FUNDING:

After applying the foster care federal discount rate, federally-eligible costs are shared 75 percent enhanced federal Title IV-E training funds and 50 percent nonfederal. Nonfederal costs are 100 percent General Fund, payable from the CWS Program Improvement Fund.

CHANGE FROM THE APPROPRIATION:

The expected donations have increased.

REASON FOR YEAR-TO-YEAR CHANGE:

The expected donations have increased.

EXPENDITURES:

(in 000's)	2007-08	2008-09
	County Admin.	County Admin.
Total	$6,858	$9,143
Federal	3,858	5,143
State	3,000	4,000
County	0	0
Reimbursements	0	0

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CWS Differential Response (DR), Safety Assessment (SA) and Permanency & Youth Services (PYS)

DESCRIPTION:

This premise reflects funding for activities related to DR, SA, and PYS that were previously identified as separate premises. Beginning at the Child Welfare Services (CWS) Hotline, the new DR intake system provides a more customized response to families through case planning and development, and provides enhanced services to support the specific needs of children and families. The Standardized Safety Assessment System establishes the standards, tools, and practice applications to improve California's safety outcomes. PYS is aimed at increasing permanence and stability for children in the CWS system as well as supporting foster youth as they transition to adulthood.

IMPLEMENTATION DATE:

This premise was implemented July 1, 2005.

KEY DATA/ASSUMPTIONS:

- This premise provides funding for continued implementation in the 10 counties (Contra Costa, Glenn, Humboldt, Placer, Sacramento, San Luis Obispo, San Mateo, Stanislaus, Tehama, and Trinity) that received funding in Fiscal Year (FY) 2004-05 through other existing fund sources.
- Additional funding is provided for state level contracts for training and technical assistance in support of the DR, SA, and PYS activities.
- The foster care federal discount rate is 75 percent for FY 2007-08 and 73 percent for FY 2008-09.
- It is assumed that a portion of activities for DR are ineligible for federal Title IV-E funding and are funded with 100 percent General Fund (GF).

METHODOLOGY:

The GF amount for the 10 counties is $6,475,000. An additional $325,000 GF is provided for state contracts.

FUNDING:

After applying the foster care federal discount rate, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal for the non-enhanced expenditures and 75 percent enhanced federal Title IV-E training funds and 25 percent nonfederal.

CWS Differential Response (DR), Safety Assessment (SA) and Permanency & Youth Services (PYS)

CHANGE FROM THE APPROPRIATION:

This estimate reflects costs for only the non-Title IV-E Waiver counties.

REASON FOR YEAR-TO-YEAR CHANGE:

The foster care federal discount rate has decreased.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$11,146	$11,070
Federal	4,346	4,270
State	6,800	6,800
County	0	0
Reimbursements	0	0

CWS Outcome Improvement Project

DESCRIPTION:

This premise reflects funding for county child welfare and probation agencies to enhance/modify their existing service delivery systems to improve outcomes for children and families consistent with the strategies contained in the county System Improvement Plans approved by each county's Board of Supervisors. These plans are required under the new California Child and Family Services Review, pursuant to Chapter 678, Statutes of 2001 (Assembly Bill 636). Improvements in the area of safety are a priority. In addition, the eleven Child Welfare Services (CWS) Program Improvement pilot counties can access these funds to support ongoing development of their Standardized Safety Assessment System, Differential Response, and Youth Permanency programs. The California Department of Social Services anticipates that there will be both one-time and ongoing costs for improvements that could include specialized training, equipment, consultant services, enhanced staffing, and expanded service capacity. In addition, Assembly Bill (AB) 1808 (Chapter 75, Statutes of 2006) provided a $98.6 million augmentation for all counties to be spent flexibly on local priorities identified in the county System Improvement Plans.

IMPLEMENTATION DATE:

This premise was implemented July 1, 2005.

KEY DATA/ASSUMPTIONS:

- Authorizing Statute: AB 1808 (Chapter 75, Statutes of 2006).
- This estimate reflects costs for only the non-Title IV-E Waiver counties.
- The General Fund (GF) for county welfare department Child Welfare Services Outcome Improvement Project (CWSOIP) activities is $9,032,000.
- The GF for county probation department CWSOIP activities is $1,203,000.
- AB 1808 provides an augmentation of $39,367,000 GF.
- The foster care federal discount rate is 75 percent for FY 2007-08 and 73 percent for FY 2008-09.
- For county welfare department CWSOIP activities, 55 percent of the activities are ineligible for federal Title IV-E funding.
- For county probation department CWSOIP activities, 100 percent of the activities are eligible for federal Title IV-E funding.

METHODOLOGY:

The CWSOIP funding is added with the CWSOIP Augmentation funding.

CWS Outcome Improvement Project

FUNDING:

For the CWSOIP, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal, after applying the foster care federal discount rate. Nonfederal costs are 100 percent GF. The CWSOIP Augmentation funding is determined by AB 1808.

CHANGE FROM THE APPROPRIATION:

This estimate reflects costs for only the non-Title IV-E Waiver counties.

REASON FOR YEAR-TO-YEAR CHANGE:

The foster care federal discount rate has decreased.

EXPENDITURES:

(in 000's)

CWSOIP:	2007-08	2008-09
	County Admin.	County Admin.
Total	$12,790	$12,682
Federal	2,555	2,447
State	10,235	10,235
County	0	0
Reimbursements	0	0

CWSOIP Augmentation:	2007-08	2008-09
	County Admin.	County Admin.
Total	$63,389	$61,995
Federal	24,022	22,628
State	39,367	39,367
County	0	0
Reimbursements	0	0

COMBINED TOTAL:	2007-08	2008-09
	County Admin.	County Admin.
Total	$76,179	$74,677
Federal	26,577	25,075
State	49,602	49,602
County	0	0
Reimbursements	0	0

Safe & Timely Interstate Placement of FC Act of 2006

DESCRIPTION:

This premise reflects the costs associated with Child Welfare Services (CWS) and Adoptions social workers meeting the new 60-day home study time frame requirement of the Safe and Timely Interstate Placement of the Foster Care Act of 2006 (H.R. 5403). Within the 60 days, county social workers must complete a study of a home environment in order to assess the safety and suitability of placing a child in a foster or adoptive home and to develop a report of their findings. The bill also grants authority for incentive payments of $1,500 for each home study completed within 30 days.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: H.R. 5403
- The CWS caseload for the non-Title IV-E Waiver counties from out-of-state is estimated at 425 annually for Fiscal Year (FY) 2007-08 and 425 annually for FY 2008-09.
- The Adoptions caseload from out-of state is estimate at 200 annually for each FY.
- Each CWS home study will take an average of 15.5 hours and each Adoptions home study will take an average of 24 hours.
- The average hourly cost of a social worker is $72.60.
- California will not qualify for the incentive payments.

METHODOLOGY:

The caseload is multiplied by the hours and then multiplied by the hourly cost.

FUNDING:

For CWS, after the foster care federal discount rate of 75 percent for FY 2007-08 and 73 percent for FY 2008-09 is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 70 percent General Fund and 30 percent county. For Adoptions, costs are shared 43.14 percent federal and 56.86 percent nonfederal for FY 2007-08 and 42.79 percent federal and 57.21 percent nonfederal for FY 2008-09.

CHANGE FROM THE APPROPRIATION:

For CWS, the estimate reflects costs for only the non-Title IV-E Waiver counties.

Safe & Timely Interstate Placement of FC Act of 2006

REASON FOR YEAR-TO-YEAR CHANGE:

The caseload and sharing ratios have been updated.

EXPENDITURES:

(in 000's)

CWS	2007-08 County Admin.	2008-09 County Admin.
Total	$538	$478
Federal	202	174
State	235	213
County	101	91
Reimbursements	0	0

Adoptions	2007-08 County Admin.	2008-09 County Admin.
Total	$347	$347
Federal	150	148
State	197	199
County	0	0
Reimbursements	0	0

Adam Walsh Child Protection and Safety Act of 2006

DESCRIPTION:

This premise reflects the costs associated with the new federal law (Public Law 109-248, known as the Adam Walsh Child Protection and Safety Act of 2006) which requires that states check child abuse and neglect registries in each state in which prospective foster or adoptive parents, relative caregivers or nonrelative extended family members (NREFM) (as well as other adults in the home) have resided in the preceding five years prior to approval for placement of a child. This premise also reflects the costs associated with responding to other states' requests for underlying information about child abuse and neglect reports in California. Senate Bill (SB) 703 (Chapter 583, Statutes of 2007) brings California into conformity with this Act.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2008.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Public Law 109-248 and SB 703.
- Ten percent of those seeking home approval have resided in another state within the past five years and will require a child abuse and neglect registry check.
- Ten percent of those who have resided in another state within the past five years will have a history of child abuse and neglect.
- Both social workers and licensing workers will spend one hour per registry check. When information from other states indicates a history of child abuse and neglect, an additional seven hours will be required to investigate and review the facts of the case.

Child Welfare Services (CWS)

- The relative and NREFM caseload for each full Fiscal Year (FY) is 24,847, based on new placement data for FY 2006-07.
- Based on information from the California Welfare Directors Association, it is assumed that an average of 1.56 children is placed per home.
- It is assumed that an average of two persons in the home will require a child abuse and neglect registry check in another state.
- The fee charged by other states to check their registries is $15 per check.
- The number of outgoing registry checks that indicate a history of child abuse and neglect is assumed to be the same as the number of incoming requests for underlying case information.
- Social workers will spend four hours responding to incoming requests for underlying case information.
- The hourly cost of a social worker is $72.60.

Community Care Licensing (CCL)

- The foster family home caseload for each full FY is 1,753, based on new licensing activity for FY 2006-07.

Adam Walsh Child Protection and Safety Act of 2006

KEY DATA/ASSUMPTIONS (CONTINUED):

- It is assumed that an average of 2.5 persons in the home will require a child abuse and neglect registry check in another state.
- The hourly cost of a licensing worker is $70.68.

METHODOLOGY:

CWS

The caseload is multiplied by the percentage of those living in another state, multiplied by the number of hours required to cause a registry check, multiplied by the hourly cost of a social worker. The number of registry checks is multiplied by the percentage of those with a history of child abuse and neglect, multiplied by the additional hours of investigative activity, multiplied by the hourly cost of a social worker. The number of registry checks is multiplied by the cost per check. The number of incoming requests for underlying case information is multiplied by the number of hours to respond to the request, multiplied by the hourly cost of a social worker.

CCL

The caseload is multiplied by the percentage of those living in another state, multiplied by the number of hours required to cause a registry check, multiplied by the hourly cost of a licensing worker. The number of registry checks is multiplied by the percentage of those with a history of child abuse and neglect, multiplied by the additional hours of investigative activity, multiplied by the hourly cost of a licensing worker.

FUNDING:

For CWS, after the foster care federal discount rate of 75 percent is applied, federally eligible costs are shared 50 percent federal Title IV-E and 50 percent GF. Nonfederal costs are shared 70 percent GF and 30 percent county.

For CCL, based on actual expenditure data from FY 2006-07, the sharing ratio is 40.3 percent federal Title IV-E and 59.7 percent GF.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to a full year of implementation.

Adam Walsh Child Protection and Safety Act of 2006

EXPENDITURES:

(in 000's)

CWS	2007-08	2008-09
	County Admin.	County Admin.
Total	$252	$505
Federal	94	189
State	111	222
County	47	94
Reimbursements	0	0

(in 000's)

CCL	2007-08	2008-09
	County Admin.	County Admin.
Total	$27	$54
Federal	11	22
State	16	32
County	0	0
Reimbursements	0	0

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AB 408 Child Relationships (Amended by AB 1412)

DESCRIPTION:

This premise reflects the costs for social workers to perform additional activities on every initial and six month case plan and court report on children 10 years of age and older who are placed in group homes for more than six months to establish a special relationship with an important person in the child's life as stipulated by Assembly Bill (AB) 408 (Chapter 813, Statutes of 2003). Social workers will conduct investigations to identify these individuals, evaluate and assess relationships between foster children and other important people in their lives, excluding siblings, and take necessary actions to maintain these relationships. These identified persons will be included in the child's Transitional Independent Living Plan (TILP).

Effective January 1, 2006, the provisions of AB 408 are amended as stipulated by AB 1412 (Chapter 640, Statutes of 2005) to include all children who are developmentally appropriate and who are in out-of-home placements. In addition, the social workers will insure that developmentally appropriate children are involved in the development of their case plan, help plan for permanent placement, and that children 12 years of age or older review their case plan, sign it, and receive a copy.

The implementation and operation of the amendments are to be budgeted by phases.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2004 and was amended on January 1, 2006.

KEY DATA/ASSUMPTIONS:

Authorizing statute: AB 408 (Chapter 813, Statutes of 2003) and AB 1412 (Chapter 640, Statutes of 2005).

AB 408

- There are approximately 700 new out-of-home placements 10 years of age and older in group homes six months or more with a Family Reunification service component.
- There are approximately 6,500 foster children 16 and older in group homes to complete a TILP.
- One out of every four relationships initially assessed will not be deemed in the child's best interest. In such cases, another relationship will be assessed, which will require four additional hours of social worker time.
- The social worker cost per hour is $72.60.
- Background checks will be performed on each initial and additional assessment case at a cost of $87.00 per case.

AB 1412

- Implementation of AB 1412 was delayed until July 1, 2006.
- There are approximately 800 new children 10 years of age and older and placed with a nonrelative for six months or longer.

AB 408 Child Relationships (Amended by AB 1412)

KEY DATA/ASSUMPTIONS (CONTINUED):

- There are approximately 10,000 children 10 years of age and older and placed with a permanent placement (PP) relative for six months or longer.
- There are approximately 1,300 new children 10 years of age and older and who have been in out-of-home placement for six months or longer.
- There are approximately 13,000 children 8 to 11 years old who are developmentally appropriate to participate in their case plan development.
- There are approximately 34,000 children 12 years and older who will review and sign their case plan.
- One out of every four relationships initially assessed will not be deemed in the child's best interest. In such cases, another relationship will be assessed, which will require four additional hours of social worker time.
- For Phase I (FY 2006-07), a social worker will spend at least four hours per case for the initial assessment of new cases for children 10 years and older placed with a non-relative for six months or longer and one-half hour for one-half of the new cases for a six month case plan/court report.
- For Phase II (FY 2007-08), a social worker will spend at least 15 minutes for Phase I children for the six months court report and at least four hours per case for the children 10 years and older placed in PP relative care for six months or longer and one-half hour for the PP cases for the six month case plan/court report.
- For Phase III (FY 2008-09), a social worker will spend at least 15 minutes for Phase I and Phase II children for the six months court report, at least four hours per case for the children
  10 years and older placed in out-of-home placement for more than six months and one-half hour for the out-of-home placement cases for the six month case plan/court report.
- The social worker cost per hour is $72.60.
- Background checks will be performed on each initial and additional assessment case at a cost of $87.00 per case.

METHODOLOGY:

For FY 2007-08 and FY 2008-09, the non-Title IV-E Waiver counties are held at the Budget Act of 2007 Appropriation level. The Title IV-E Waiver counties base is now reflected in Item 153 Title IV-E Waiver.

The estimate is calculated by multiplying the amount of time by the frequency of activity per year by social worker rate and by the number of cases. In addition, the background check cost is added to the total.

AB 408 Child Relationships (Amended by AB 1412)

FUNDING:

After the foster care federal discount rate of 75 percent is applied, costs are shared 50 percent federal and the nonfederal portion is funded 70 percent with General Fund and 30 percent county funds. For FY 2008-09 the foster care federal discount rate of 73 percent is applied.

CHANGE FROM THE APPROPRIATION:

The decrease in FY 2007-08 is due to the transfer of the Title IV-E Waiver county base to Item 153 Title IV-E Waiver.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to transitioning from Phase II to Phase III and an adjustment for the foster care federal discount rate to 73 percent.

EXPENDITURES:

(in 000's)

Total	2007-08 County Admin.	2008-09 County Admin.
Total	$8,925	$6,310
Federal	3,342	2,303
State	3,908	2,805
County	1,675	1,202
Reimbursements	0	0

AB 408	2007-08 County Admin.	2008-09 County Admin.
Total	$1,832	$1,833
Federal	687	669
State	802	815
County	343	349
Reimbursements	0	0

AB 408 Child Relationships
(Amended by AB 1412)

EXPENDITURES (CONTINUED):

(in 000's)

AB 1412	2007-08	2008-09
	County Admin.	County Admin.
Total	$7,093	$4,477
Federal	2,655	1,634
State	3,107	1,990
County	1,331	853
Reimbursements	0	0

Resource Family Approval Pilot (AB 340)

DESCRIPTION:

Assembly Bill 340 (Chapter 464, Statutes of 2007) requires the California Department of Social Services (CDSS), in consultation with stakeholders and interested parties, to implement a three-year pilot program, in up to five counties, to establish a single comprehensive resource family pilot approval process for foster care and adoption. This single process would replace the existing separate processes for licensing foster family homes, approving relatives and non-related extended family members, and approving adoptive families.

IMPLEMENTATION DATE:

This premise will implement on July 1, 2008.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16519 and 16519.5.
- For this estimate, all three approval functions (adoption, relative, licensing) are performed by the five selected counties. For the selected counties, the adoptions caseload is 257, the relative home caseload is 1,621 and the licensing caseload is 339.
- The number of hours to perform approvals is increased up to the level of an adoption approval.
- Duplicative processes for approvals and background checks are eliminated, thus creating savings.
- Placements are more stable, eliminating secondary placements for Foster Family Home (FFH) cases, thus creating savings.
- State administrative hearing reviews for licensing cases will be replaced by less-costly county grievance reviews.
- The estimate includes additional one-time social worker training and county start-up costs of $361,000. On-going training beginning in Fiscal Year (FY) 2009-10 for new staff as a result of turnover is estimated at $4,000 annually. These costs are split 82.64 percent Child Welfare Services (CWS) and 17.36 percent Community Care Licensing (CCL) based on the ratio of approval workers funded through this premise.
- Licensing cases will require annual reassessments which will commence in FY 2009-10.

<u>CWS</u>

- The annual cost of a social worker is $129,074. The hourly cost of a social worker is $72.60.
- The number of hours to perform relative/NREFM home approvals is 15 hours.
- Sixty percent of cases placed in FFHs experience at least one placement change within the first 12 months of placement. Social workers typically spend 18 hours on activities associated with finding an alternate placement for these cases.

Resource Family Approval Pilot (AB 340)

KEY DATA/ASSUMPTIONS (CONTINUED):

Adoptions

- The hourly cost of a social worker is $72.60.
- The number of hours to perform an adoptive home approval is 24 hours.
- The cost to conduct background checks is $87 per check.
- There are two persons per home that require a background check.

CCL

- The hourly cost of a licensing worker is $70.68.
- The number of hours to perform a FFH home approval is 16 hours.
- Of the 339 licensing cases approximately 19 will be denied.
- Approximately 20 percent of the denied cases will appeal.
- It will take a licensing worker 8 hours per review.

METHODOLOGY:

CWS

The approval costs for CWS cases are calculated by taking the difference between the number of hours required for a relative/NREFM approval and an adoptive home approval, multiplied by the hourly cost of a social worker (1,621 cases X 9 hours X $72.60). Savings for the elimination of secondary placements are calculated by multiplying 60 percent of the FFH placements by the number of hours of social worker activity, multiplied by the hourly cost of a social worker (339 cases X 60 percent X 18 hours X $72.60). Training and start-up costs are then added in the amount of $298,300.

Adoptions

Savings are calculated for the elimination of approval and background check process for 257 cases [(257 cases X 24 hours X $72.60 per hour) + (257 cases X 2 per home X $87 per background check)].

CCL

The approval costs for license cases are calculated by taking the difference between the number of hours required for an FFH home approval, multiplied by the hourly cost of a licensing worker (339 cases X 8 hours X $70.68). The grievance costs are calculated by taking 20 percent of the denied cases, multiplied by the number of hours per case, multiplied by the hourly cost of a licensing worker [(339 X 0.20) X 8 X 70.68]. Training and start-up costs are then added in the amount of $62,700.

Resource Family Approval Pilot (AB 340)

Funding:

CWS

After the foster care federal discount rate of 75 percent is applied, federally eligible costs are shared 50 percent federal Title IV-E and 50 percent GF. Nonfederal costs are shared 70 percent GF and 30 percent county.

Adoptions

Savings are shared 46.76 percent federal and 63.03 percent GF based on actual sharing ratios for the five selected counties from FY 2005-06.

CCL

Based on actual expenditure data from FY 2006-07, the sharing ratio for FY 2008-09 is 40.3 percent federal Title IV-E and 59.7 percent GF.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
CWS		
Total	$0	$1,092
Federal	0	409
State	0	478
County	0	250
Reimbursements	0	0

	2007-08	2008-09
Adoptions		
Total	$0	$-492
Federal	0	-230
State	0	-262
County	0	0
Reimbursements	0	0

Resource Family Approval Pilot (AB 340)

EXPENDITURES (CONTINUED):

(in 000's)

	2007-08	2008-09
CCL		
Total	$0	$270
Federal	0	109
State	0	161
County	0	0
Reimbursements	0	0

AB 1512 Health Benefit Determination

DESCRIPTION:

Assembly Bill 1512 (Chapter 467, Statutes of 2007) requires the county child welfare agency or probation department responsible for the child's placement needs to determine in consultation with the foster parent, whether a foster child who is currently enrolled in a county organized health system (COHS) and placed in an out-of-county placement should remain in the COHS. This bill requires that the determination be made one working day after the out-of-county placement begins. If the decisionis to disenroll the child from the COHS, the placing county would also be required to request the disenrollment within two working days after the out-of-county placement begins. This bill requires that if the foster child is to be disenrolled from a COHS because of an out-of-county placement, the placing county would request the disenrollment.

IMPLEMENTATION DATE:

This premise will implement on January 1, 2009.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 14093.09.
- There are currently eight counties who have adopted the COHS. They are: Monterey, Napa, Orange, San Mateo, Santa Barbara, Santa Cruz, Solano and Yolo.
- There are seven counties interested in adopting the COHS model. They are: Lake, Marin, Mendocino, San Benito, San Luis Obispo, Sonoma and Ventura.
- The hourly cost for one social worker hour is $72.60.

METHODOLOGY:

The cost is derived by multiplying the two hours it will take the social worker to make the determination by the social worker hourly cost.

FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally eligible costs are shared 50 percent federal Title IV-E and 50 percent General Fund.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

Implementation will begin Fiscal Year 2008-09. The Budget Year costs represent a partial year cost.

AB 1512 Health Benefit Determination

Expenditures:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$0	$176
Federal	0	66
State	0	110
County	0	0
Reimbursements	0	0

AB 2985 – Foster Youth Identity Theft

DESCRIPTION:

Assembly Bill 2985 (Chapter 387, Statutes of 2006) requires a County Welfare Department (CWD) to request a credit check from a credit reporting agency for every foster child upon his/her 16th birthday. When a credit report contains negative information or evidence of identity theft, the CWD must refer the child to an approved credit counseling organization from a list developed by the California Department of Social Services, in consultation with the County Welfare Directors Association and other stakeholders.

This premise reflects costs associated with requesting and evaluating a credit check and referring a child to an approved credit counseling organization.

IMPLEMENTATION DATE:

This premise will implement on January 1, 2008.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10618.6.
- A credit check from a credit reporting agency is $15.00.
- The hourly cost for one social worker hour is $72.60. The standard time to process each credit check is one hour. To process each referral to a credit counseling organization is one additional hour.
- Approximately, 13,000 foster children are 16 years of age or older. One percent will not receive a free credit check. Ten percent will be referred to a credit counseling organization.
- This estimate reflects costs for only the 56 non-Title IV-E Waiver counties.

METHODOLOGY:

The estimated cost of obtaining credit reports is derived by multiplying the number of children not eligible to receive a free credit report by $15.00.

The estimated social worker cost is derived by multiplying the number of credit reports requested and evaluated, and referrals by the social worker hourly cost.

The Title IV-E Waiver counties base is now reflected in Item 153 Title IV-E Waiver.

FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally eligible costs are shared 50 percent federal title IV-E and 50 percent General Fund. For FY 2008-09 the foster care federal discount rate of 73 percent is applied.

AB 2985 – Foster Youth Identity Theft

CHANGE FROM THE APPROPRIATION:

Program implementation has been delayed until July 1, 2008, when an appropriation can be provided.

REASON FOR YEAR-TO-YEAR CHANGE:

Implementation will begin Fiscal Year 2008-09.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$0	$1,201
Federal	0	438
State	0	763
County	0	0
Reimbursements	0	0

Reduction in Child Welfare Services Allocation

DESCRIPTION:

Child Welfare Services (CWS) provides emergency response and in-home services for abused and neglected children and their families. The program also provides for training and technical assistance for administrators and staff. This proposal is an 11.4 percent reduction to the total General Fund allocation for CWS, with the exception of the CWS/Case Management System (CWS/CMS). CWS/CMS is not included, as the reduction for this project is accounted for in the automation project reduction proposal. This premise is necessitated by the budget balancing reductions.

IMPLEMENTATION DATE:

This reduction assumes a March 1, 2008 enactment of Legislation with a July 1, 2008 implementation date.

KEY DATA/ASSUMPTIONS:

The amount of the General Fund (GF) reduction is $83,708,000.

METHODOLOGY:

The amount of the GF reduction is $83,708,000.

FUNDING:

This program is funded 35.43 percent federal and 64.57 percent GF.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

Reduction in Child Welfare Services Allocation

EXPENDITURES:
(in 000's)

	2007-08	2008-09
Total	$0	-$129,635
Federal	0	-45,927
State	0	-83,708
County	0	0
Reimbursements	0	0

Adoptions Program – Basic Costs

DESCRIPTION:

This premise reflects costs associated with agency (relinquishment) and independent adoptions for 30 counties. Although only 28 counties provide adoptive services, these costs include funding for independent adoptions and services in two adjacent counties. Relinquishment and agency adoption include:

1. Agency (Relinquishment) Adoptions - Placements through a licensed adoption agency in which a child to be adopted has been relinquished by his or her legal 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).

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16100 through 16106.
- The counties are funded with 560.55 FTEs in each Fiscal Year (FY).
- The statewide average annual unit cost of an adoption worker was held at $128,564 for each FY.
- Additional federal spending authority in the amount of $1,569,889 for FY 2007-08 and $7,089,039 for FY 2008-09 is included based on actual historical expenditure data.

METHODOLOGY:

- Estimates are individually calculated for each county that performs its own adoptive services by multiplying the number of FTEs by the county's annual adoption worker unit cost.
- Additional federal funds are included to bring the federal spending authority up to a level based on actual historical expenditure data.

Adoptions Program – Basic Costs

FUNDING:

The sharing ratio for FY 2007-08 is 43.14 percent federal and 56.86 percent nonfederal based on actual expenditure data from FY 2004-05. The sharing ratio for FY 2008-09 is 42.79 percent federal and 57.21 percent nonfederal based on actual expenditure data from FY 2005-06. The nonfederal share is 100 percent General Fund (GF). Additional federal funding is included in the amount of $1,569,889 for FY 2007-08 and $7,089,039 for FY 2008-09 to provide sufficient federal spending authority to a level based on actual historical expenditure data.

CHANGE FROM THE APPROPRIATION:

There is no change

REASON FOR YEAR-TO-YEAR CHANGE:

The nonfederal sharing ratio has increased and the amount of additional federal funding has increased.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$73,637	$79,156
Federal	32,672	37,838
State	40,965	41,318
County	0	0
Reimbursements	0	0

Improving Adoptions Outcomes

DESCRIPTION:

This premise reflects the costs and savings associated with augmenting county adoption funding to improve permanency outcomes for children via adoption resulting in increased foster care exits. The funding is provided to hire additional adoptions caseworkers to increase the number of finalized adoptions.

IMPLEMENTATION DATE:

This premise implemented July 1, 2006.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Budget Act of 2007.
- In each Fiscal Year (FY), funding is provided to maintain additional adoptions caseworkers to produce 1,000 adoptions finalizations.
- Adoption Assistance Payment (AAP) Program costs for are based on the average Foster Family Homes (FFH) grant of $693.44.
- Foster Care (FC) grant savings are based on cases moving from FFH and Foster Family Agencies (FFA). For the non-Title IV-E Waiver counties, the weighted average grant amount is $795.02.
- For the non-Title IV-E Waiver counties, Child Welfare Services (CWS) administrative savings of $28.46 in FY 2007-08 and $28.63 in FY 2008-09 per permanent placement case each month will be realized as a result of cases exiting the child welfare system. For FY 2007-08 there are 7,865 casemonths of savings not already in trend and for FY 2008-09 there are 12,899 casemonths of savings not already in trend.
- FC and AAP administrative savings are the average cost per case based on actual data.

METHODOLOGY:

- A 1,000 case increase in adoptions represents a 15.55 percent increase over actual adoptions finalized during FY 2003-04. Therefore, the additional cost to the Adoptions Program is calculated based on a 15.55 percent increase in funding over the Adoptions Basic Program estimate before the additional federal spending authority is added.
- The AAP estimate are calculated by multiplying the average federal and nonfederal FFH grant by the projected 8,500 casemonths in FY 2007-08 and 20,500 casemonths in FY 2008-09.
- The FC grant savings are calculated by multiplying the average federal and nonfederal FFH grant by the projected 5,709 casemonths in FY 2007-08 and 13,768 casemonths in FY 2008-09.
- CWS administrative savings are calculated by applying the permanent placement cost per case to total casemonths avoided due to cases exiting from the child welfare system.
- Net FC and AAP administrative savings are calculated by multiplying the average cost per case by the projected casemonths.

Improving Adoptions Outcomes

FUNDING:

The Adoptions Program, AAP Program, FC Program, FC Administration and CWS Administrative costs/savings are shared at the same ratios as in their respective programs.

CHANGE FROM THE APPROPRIATION:

The decrease reflects transfer of Title IV-E Waiver counties cost to Item 153, and updated grants.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects full-year cumulative costs and savings.

EXPENDITURES:

(in 000's)

ITEM 101 – AAP Grant Costs	2007-08 Grant	2008-09 Grant
Total	$5,894	$14,216
Federal	2,947	7,108
State	2,210	5,331
County	737	1,777
Reimbursements	0	0

ITEM 101 – Foster Care Savings	2007-08 Grant	2008-09 Grant
Total	-$4,539	-$10,946
Federal	-2,269	-5,473
State	-908	-2,189
County	-1,362	-3,284
Reimbursements	0	0

Improving Adoptions Outcomes

EXPENDITURES (continued):

(in 000's)

ITEM 141 –	2007-08	2008-09
Foster Care Admin Savings	County Admin.	County Admin.
Total	-$360	-$868
Federal	-180	-434
State	-126	-304
County	-54	-130
Reimbursements	0	0

ITEM 151 – CWS Admin Savings	2007-08 County Admin.	2008-09 County Admin.
Total	-$224	-$370
Federal	-84	-135
State	-98	-164
County	-42	-71
Reimbursements	0	0

ITEM 151 – Adoptions Cost	2007-08 County Admin.	2008-09 County Admin.
Total	$11,207	$11,207
Federal	4,837	4,782
State	6,370	6,425
County	0	0
Reimbursements	0	0

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Older Foster Youth Adoption Project

DESCRIPTION:

This premise reflects the costs to establish a three year project in four counties to provide preadoption and postadoption services as required by Assembly Bill (AB) 1808 (Chapter 75, Statutes of 2006). These services are aimed at ensuring the successful adoption of children and youth who have been in foster care 18 months or more, are at least nine years of age, and are placed in an unrelated foster home or in a group home.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 2006.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 1808 (Chapter 75, Statutes of 2006).
- AB 1808 specifies San Francisco and Los Angeles Counties as two of the participating counties. The two additional counties selected are Alameda and Kern Counties based on criteria developed by the California Department of Social Services and the County Welfare Directors Association.

METHODOLOGY:

As specified in AB 1808, $750,000 General Fund (GF) is made available for San Francisco County and $1,250,000 GF is made available for Los Angeles County. Also, $2,000,000 is made available for the other two counties, less costs to implement the pilot in one State District Office ($300,000 GF). Due to a delay in program implementation, $1,088,148 GF will be shifted from Fiscal Year (FY) 2006-07 to FY 2007-08.

FUNDING:

For FY 2007-08, the federal share of cost is 43.14 percent and the GF share is 56.86 percent based on FY 2005-06 actual expenditures for the Adoptions Basic program. For FY 2008-09, the federal share of cost is 42.79 percent and the GF share is 57.21 percent based on FY 2006-07 actual expenditures for the Adoptions Basic program

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

A portion of the costs have shifted from FY 2006-07 to FY 2007-08 due to a delay in program implementation and are no longer reflected in FY 2008-09.

Older Foster Youth Adoption Project

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$8,421	$6,468
Federal	3,633	2,768
State	4,788	3,700
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. Effective February 1, 2008, Senate Bill (SB) 84 (Chapter 177, Statutes of 2007) increased the compensatory limit per placement to $10,000 per placement of a special need child for which the adoptive home study approval occurred on or after July 1, 2007.

Once the child is placed, a claim is submitted to the California Department of Social Services (CDSS) for the adoption costs incurred by the private adoption agency. CDSS 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 CDSS program staff.

IMPLEMENTATION DATE:

This premise was originally implemented on July 1, 1992.

The AB 1225 reimbursement payment increase went into effect on July 1, 1999.

The SB 84 reimbursement payment increase will go into effect on February 1, 2008 for all qualifying placements.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16120 through 16122.
- For Fiscal Year (FY) 2007-08, the caseload is projected at 2,089 based on actual caseload data, at a cost of $5,000 per adoptive placement. The Legislature augmented the program by $2 million General Fund to cover any adoptive placements qualifying for the $10,000 reimbursement payment.
- For FY 2008-09, the caseload is projected at 2,367 based on actual caseload data. The reimbursement increase to $10,000 will result in additional adoptive placements that will be phased-in beginning in October 2008 and will result in additional costs in the Adoption Assistance Payment (AAP) Program and savings in the Foster Care (FC) grants, FC administration and Child Welfare Services (CWS) administration. For FY 2008-09 an additional 887 adoptive placements will occur for a total of 3,254, each receiving a $10,000 reimbursement payment.
- AAP Program costs are based on the average Foster Family Homes (FFH) grant of $693.44.
- FC grant savings for Non-Title IV-E Waiver counties are based on cases moving from FFH and Foster Family Agencies (FFA). The weighted average grant amount is $795.02.
- For the Non-Title IV-E waiver counties, CWS administrative savings of $28.63 in FY 2008-09 per permanent placement case each month will be realized as a result of the additional cases exiting the child welfare system. For FY 2008-09 there are 2,980 casemonths of savings.
- FC and AAP administrative savings are the average cost per case based on actual data.

Private Agency Adoption Reimbursement Payments

METHODOLOGY:

- To determine the PAARP basic cost, the projected number of private agency adoptive placements was multiplied by the reimbursement cost per placement.
- The AAP estimate was calculated by multiplying the average federal and nonfederal FFH grant by the projected 4,437 casemonths in FY 2008-09.
- The estimated savings in foster care for the Non-Title IV-E Waiver counties was calculated by multiplying the average federal and nonfederal FFH and FFA weighted average by the projected 2,980 casemonths in FY 2008-09.
- CWS administrative savings are calculated by applying the permanent placement cost per case to total casemonths avoided due to cases exiting from the child welfare system.
- Net FC and AAP administrative savings are calculated by multiplying the average cost per case by the projected casemonths

FUNDING:

The Adoptions Program, AAP Program, FC Program, FC Administration and CWS Administrative costs/savings are shared at the same ratios as in their respective programs.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

Caseload has increased and a full-year of the $10,000 reimbursement payment is reflected. Costs and savings associated with the increased placements have been included in the budget year.

EXPENDITURES:

(in 000's)

ITEM 101 – Foster Care Savings	2007-08 Grant	2008-09 Grant
Total	$0	-$2,370
Federal	0	-1,185
State	0	-474
County	0	-711
Reimbursements	0	0

Private Agency Adoption Reimbursement Payments

EXPENDITURES (continued):

(in 000's)

ITEM 101 –	2007-08	2008-09
AAP – Grant Costs	Grant	Grant
Total	$0	$3,077
Federal	0	1,538
State	0	1,154
County	0	385
Reimbursements	0	0

ITEM 141 –	2007-08	2008-09
Foster Care Admin Savings	County Admin.	County Admin.
Total	$0	-$188
Federal	0	-94
State	0	-66
County	0	-28
Reimbursements	0	0

ITEM 151 –	2007-08	2008-09
CWS Admin Savings	County Admin.	County Admin.
Total	$0	-$85
Federal	0	-31
State	0	-38
County	0	-16
Reimbursements	0	0

Private Agency Adoption Reimbursement Payments

EXPENDITURES (continued):

(in 000's)

ITEM 151 – Adoptions Cost	2007-08	2008-09
	County Admin.	County Admin.
Total	$14,188	$32,539
Federal	6,617	15,184
State	7,571	17,355
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 California Department of Social Services and private providers; counties are not directly involved.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 1982.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Federal Multiethnic Placement Act.
- The Foster and Adoptive Home Recruitment Program will fund three contracts with private providers in the current and budget years.

METHODOLOGY:

- The estimate for Fiscal Years (FYs) 2007-08 and 2008-09 is developed based on anticipated and actual executed contracts.
- The foster care federal discount rate is 75 percent for both FYs.

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 General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an increase in contracts.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$417	$447
Federal	156	167
State	261	280
County	0	0
Reimbursements	0	0

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County Counsel Costs

DESCRIPTION:

This premise reflects the costs of parental rights termination proceedings for those counties that do not provide their own adoption services. For these counties, Senate Bill 243 (Chapter 1485, Statutes of 1987) transferred the function of terminating parental rights for court dependents from the State Attorney General's Office to the county counsels, effective January 1, 1990.

Cost elements of the parental rights termination function are primarily attorney and paralegal costs; however, they also include minor costs such as publication of notices, process server fees, court reporter fees, sheriff fees, and expert witness fees.

IMPLEMENTATION DATE:

This premise was implemented on January 1, 1990.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code sections 16100 through 16106.
- For Fiscal Year (FY) 2007-08, the average cost per case is $3,087 based on actual data from FY 2005-06. For FY 2008-09, the average cost per case is $4,144 based on actual data from FY 2006-07.
- For those counties that report expenditures, the projected number of children freed for adoption by county counsels is 447 for FY 2007-08 and 409 for FY 2008-09.
- The foster care federal discount rate is 75 percent for each FY.

METHODOLOGY:

The average cost per case was derived by dividing the expenditures by the number of children freed during that same period. The average cost per case was then multiplied by the projected number of children to be legally freed for adoption.

FUNDING:

After the foster care federal discount rate is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

County Counsel Costs

REASON FOR YEAR-TO-YEAR CHANGE:

The average cost per case has increased and the caseload has decreased.

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$1,379	$1,691
Federal	517	635
State	862	1,056
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 was implemented on January 1, 1990.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16120.1.
- The maximum reimbursement that can be applied to each case is $400.
- Approximately 68 percent of all adopted children can be classified as special needs children.
- Based on actual caseload and expenditure data, an average of 40.61 percent of eligible cases will submit claims in Fiscal Year (FY) 2007-08 and 40.77 percent will submit claims in FY 2008-09.

METHODOLOGY:

The estimate was developed by multiplying the projected number of adoptions by the percentage that would qualify as special needs cases (6,166 adoptions x 68 percent). This number was then multiplied by the average percentage of submitted claims, and then by the maximum reimbursement amount.

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 percentage of submitted claims has slightly increased.

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$682	$684
Federal	341	342
State	341	342
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 Substance Abuse/HIV Infant Program (Options for Recovery) authorized by AB 67 (Chapter 606, Statutes of 1997).

IMPLEMENTATION DATE:

This premise was 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 10 counties (El Dorado, Mendocino, Monterey, Riverside, San Francisco, San Luis Obispo, Santa Clara, Santa Cruz, Shasta, and Stanislaus) that are participating in this program.
- The foster care federal discount rate is 75 percent for each Fiscal Year (FY).

METHODOLOGY:

The estimate for this program was developed by calculating the costs for each of the three separate components (respite care, training, and recruitment). The total program funding is $1,871,000, based on the $1,000,000 General Fund (GF) appropriation in AB 2198 for the implementation of this program.

FUNDING:

After the foster care federal discount rate is applied, federally-eligible recruitment activities are funded with 50 percent federal funds and 50 percent nonfederal funds. The nonfederal funds are shared 70 percent GF and 30 percent county.

After the foster care federal discount rate is applied, federally-eligible training costs are funded with 75 percent federal funds and 25 percent nonfederal funds. The nonfederal funds are shared 70 percent GF and 30 percent county.

Respite care is funded with 70 percent GF and 30 percent county funds.

Specialized Training for Adoptive Parents (STAP)

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$1,871	$1,871
Federal	442	442
State	1,000	1,000
County	429	429
Reimbursements	0	0

Nonresident Petitions for Adoption (AB 746)

DESCRIPTION:

This premise reflects the costs associated with conducting home studies for non-California residents who file a petition for either an agency or independent adoption in the county where the child resides. Assembly Bill (AB) 746 (Chapter 1112, Statutes of 2002) requires a review to be conducted and an endorsed home study report to be completed by either the California Department of Social Services or a California licensed adoption agency. This home study report would need approval in the nonresident petitioner's state.

IMPLEMENTATION DATE:

This premise was implemented on January 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code sections 8714 through 8715, 8802, and 8807.
- AB 746 would result in an increase of 33 more out-of-state adoptions.
- Each new case would require, on average, 2.5 visits per year.
- It would take 16 hours, including travel, to conduct each visit.
- Travel costs are estimated to be $624 (including per diem) per visit.
- The average hourly cost for a social worker is $72.60.

METHODOLOGY:

The estimate was developed by first multiplying the number of new cases by the average number of visits required (33 new cases x 2.5 visits per case = 82.5 total visits). The average cost of the social worker ($72.60 per hour x 16 hours per visit = $1,162) was added to the travel costs ($1,162 cost of social worker + $624 travel costs = $1,786). This total cost was then multiplied by the number of total visits (82.5 total visits x $1,786 cost per visit = $147,345).

FUNDING:

For Fiscal Year (FY) 2007-08, the federal share of costs is 43.14 percent and the General Fund (GF) share is 56.86 percent based on FY 2005-06 actual expenditures for the Adoptions Basic program. For FY 2008-09, the federal share of costs is 42.79 percent and the GF share is 57.21 percent based on FY 2006-07 actual expenditures for the Adoptions Basic program.

CHANGE FROM THE APPROPRIATION:

There is no change.

Nonresident Petitions for Adoption (AB 746)

REASON FOR YEAR-TO-YEAR CHANGE:

The sharing ratios have been updated based on actual expenditures for the Adoptions Basic program.

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$148	$148
Federal	64	63
State	84	85
County	0	0
Reimbursements	0	0

Electronic Record System

DESCRIPTION:

This premise reflects funding needed to conduct a Feasibility Study Report (FSR) in order to analyze the feasibility of converting adoption case files maintained by the California Department of Social Services (CDSS) Adoptions Services Bureau to an electronic format in order to protect irreplaceable case records in the event of a disaster. These case files are currently in paper format and stored at the State Record Center.

IMPLEMENTATION DATE:

This premise will implement on July 1, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Budget Act of 2007.
- A contractor has conducted a pre-assessment of the scope of this project and has provided a report to the CDSS with recommendations and cost estimates.

METHODOLOGY:

Contract costs of $159,000 have been provided to conduct the FSR.

FUNDING:

The federal share of costs is 43.14 percent and the General Fund share is 56.86 percent based on Fiscal Year (FY) 2005-06 actual expenditures for the Adoptions Basic program.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The FSR will be conducted and completed in FY 2007-08.

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$159	$0
Federal	69	0
State	90	0
County	0	0
Reimbursements	0	0

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Disclosure of Sibling Contact Information (AB 2488)

DESCRIPTION:

This premise reflects the costs associated with locating and obtaining consent to disclosure of contact information from adoptees and their siblings pursuant to Assembly Bill (AB) 2488 (Chapter 386, Statutes of 2006). AB 2488 lowers the age of consent to disclosure of contact information between adoptees and their siblings from 21 years of age to 18. For those children under 18, consent to disclosure of their information is allowed provided that their adoptive parent, legal parent or guardian consents. Additionally, AB 2488 authorizes a court to appoint the adoption agency as a confidential intermediary to make all reasonable efforts to obtain the consent of an adoptee or their sibling who has not already consented to disclosure.

IMPLEMENTATION DATE:

This premise was implemented on January 1, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 2488 (Chapter 386, Statutes of 2006).
- The projected number of requests for intermediary services is estimated at 265 per month.
- Each request will require an average of 8 hours to locate adoptees and siblings and obtain consent.
- The average hourly cost of an adoptions worker is $72.31.
- Program implementation has been delayed until July 1, 2008.

METHODOLOGY:

The number of requests is multiplied by the hours and then multiplied by the hourly cost.

FUNDING:

The federal share of costs is 42.79 percent and the General Fund share is 57.21 percent based on Fiscal Year (FY) 2006-07 actual expenditures for the Adoptions Basic program.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

Implementation will begin FY 2008-09.

Disclosure of Sibling Contact Information (AB 2488)

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$0	$1,840
Federal	0	787
State	0	1,053
County	0	0
Reimbursements	0	0

Adoption Opportunity Grant

DESCRIPTION:

This premise reflects an annual $350,000 in federal grant funds that the California Department of Social Services will receive for five years, on behalf of Sacramento County, to help promote adoptive placements and to provide services to children in foster care. Services include building a culture of permanence in partner agencies through the enhancement of existing protocols, training and collaborations; implementing changes in current services by engaging project youth in recruitment plans and activities to increase permanency; developing and implementing marketing strategies to increase recruitment of adoptive families; and addressing system barriers by identifying focus issues and enhancing partnerships between advocates, policy makers, and legislators. Sacramento County will contract with Sierra Adoptions Services to provide these services. Sierra Adoptions Services will provide the 11.93 percent nonfederal match required for the grant.

IMPLEMENTATION DATE:

This premise was implemented during Fiscal Year 2003-04.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Senate Bill 1104 (Chapter 229, Statutes of 2004).

METHODOLOGY:

The amount of funding reflects the federal grant award on a Fiscal Year basis.

FUNDING:

Funding is 88.07 percent federal share with an 11.93 percent county match.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The federal grant expires on September 30, 2008.

Adoption Opportunity Grant

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$398	$100
Federal	350	88
State	0	0
County	48	12
Reimbursements	0	0

Privatization of Independent Adoptions

DESCRIPTION:

The independent adoptions program ensures that adoptions are investigated on behalf of the court by CDSS seven district offices in 55 counties and by three county adoption agencies (Alameda, Los Angeles, and San Diego). An independent adoption means an adoption in which the birth parent selects the family for the child and places the child directly with the selected family. The investigations are required by law to assess the adoptive home and determine whether the child is a proper subject for adoption. The investigation must be completed within 180 days of the filing of the adoption petition and report the findings to the courts with a recommendation for or against the adoption petition. The fee for the investigation is $2,950 which helps offset the cost of the Independent Adoptions Program (IAP). This proposal will privatize the IAP by transferring direct services provision from the counties of Alameda, Los Angeles, and San Diego to licensed private adoption agencies effective July 1, 2008. This premise is necessitated by the budget balancing reductions.

IMPLEMENTATION DATE:

This reduction assumes a March 1, 2008 enactment of Legislation with a July 1, 2008 implementation date.

KEY DATA/ASSUMPTIONS:

- The Fiscal Year (FY) 2007-08 budget includes funding for 13 full-time equivalents in order to operate the IAP in the three counties.
- Counties will accept petitions through June 30, 2008.
- Concurrently, these counties will investigate petitions received through June 30, 2008, phasing-out operation no later than July 1, 2009.

METHODOLOGY:

Fifty percent of funding will continue in FY 2008-09 in order for counties to process petitions received through June 30, 2008.

FUNDING:

This program is funded 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

Privatization of Independent Adoptions

EXPENDITURES:
(in 000's)

	2007-08	2008-09
Total	$0	-$839
Federal	0	0
State	0	-839
County	0	0
Reimbursements	0	0

Repeal of Assembly Bill 2488

DESCRIPTION:

Assembly Bill (AB) 2488 (Chapter 386, Statutes of 2006) permits an adopted person greater opportunities to initiate contact with siblings. It lowers the age from 21 to 18 years of age at which siblings separated by adoption may submit a Waiver of Rights to Confidentiality for Siblings (AD 904A) form; permits siblings under 18 years of age who were separated by adoption to submit a Waiver of Rights to Confidentiality for Siblings – Under the Age of 18 (AD 904B) form with the consent of their adoptive parent, legal parent, guardian, or the dependency court under specified circumstances, permits an adopted person or his or her sibling to petition the superior court under Family Code Section 9205 to have the CDSS or the licensed adoption agency that provided adoption services, be appointed as the confidential intermediary if a waiver form has not been filed by each party. This program was included in the Governor's 2007-08 Budget Veto Message which delayed enactment to 2008-09. This proposal would eliminate the county requirement of searching for adoptees and siblings separated by adoption in order to solicit a waiver form as proposed by AB 2488, and eliminates funding for counties to hire additional staff to provide the services. This premise is necessitated by the budget balancing reductions.

IMPLEMENTATION DATE:

This reduction assumes a March 1, 2008 enactment of Legislation with a July 1, 2008 implementation date.

KEY DATA/ASSUMPTIONS:

All funding for this bill has been repealed.

METHODOLOGY:

All funding for this bill has been repealed.

FUNDING:

This program is funded 42.79 percent federal and the 57.21 percent General Fund.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

Repeal of Assembly Bill 2488

EXPENDITURES:
(in 000's)

	2007-08	2008-09
Total	$0	-$1,840
Federal	0	-787
State	0	-1,053
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 local assistance contract component of approximately $1.0 million which funds innovative, child-centered approaches for the prevention of child abuse and neglect.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 18960 through 18965.
- These funds are used to fulfill federal Community-Based Child Abuse Prevention (CBCAP) grant matching and leveraging requirements.

METHODOLOGY:

Total funding is divided among county allocations, innovative services, and training and technical assistance/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 uses a formula that considers a county's child population (under age 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: The funding is $306,200 to ensure that the programs effectively serve high-risk children and their families, provide for regional training on various child abuse issues and periodic statewide training institutes, and provide state support for the program. Of the $306,200, $200,000 is appropriated for a statewide nonprofit consortium. The T&TA/State Support amount is not included in the local assistance budget.

FUNDING:

The CAPIT funding is 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

County Third Party Contracts

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)	2007-08	2008-09
	Grant	Grant
Total	$13,395	$13,395
Federal	0	0
State	13,395	13,395
County	0	0
Reimbursements	0	0

Federal Grants

DESCRIPTION:

This premise reflects the federal grants associated with assisting local and private agencies in the development and strengthening of child abuse and neglect prevention and treatment programs. These federal grants include those under the Child Abuse Prevention and Treatment Act (CAPTA). The CAPTA grants consist of Title I (consisting of the former Parts A and B) and Title II, otherwise known as the Community-Based Child Abuse Prevention (CBCAP) grant. Approximately 50 percent of each annual CBCAP grant award is allocated to the counties. The CBCAP grant was formerly known as the Community-Based Family Resource and Support (CBFRS) grant.

In Fiscal Year (FY) 2006-07 the California Department of Social Services (CDSS) received the Linkages Grant. CDSS in collaboration with Child and Family Policy Institute of California will enhance, expand, and measure the impacts of Linkages. Linkages is a strategic effort involving nearly 30 counties in California to improve coordination between California Work Opportunity and Responsibility to Kids (CalWORKs) and Child Welfare Services (CWS). The mission of Linkages is to deepen and broaden collaboration and coordination of CalWORKs and CWS at the county level to better serve families and improve outcomes. Through training and support, Linkages will also work towards increasing the number of counties co-locating services, support counties in developing strategies to serve at least one identified underserved population, and strengthen data collection practices and counties' use of data for continuous improvement of service delivery and systems integration.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18958.
- Project funding is contingent upon continued receipt of federal grant awards.
- CBCAP grant awards are contingent upon using Child Abuse Prevention, Intervention, and Treatment (CAPIT) funds to fulfill nonfederal matching and leveraging requirements.

METHODOLOGY:

The CAPTA federal grants average approximately $3 million annually and have a lifetime limit of five years to fully expend the annual grant. This allows states flexibility in the use and support of multi-year projects. The Linkages Grant is $400,000 annually and has a lifetime limit of five years to fully expend the annual grant.

Federal Grants

METHODOLOGY (continued):

The total reflects the following federal grants:

	2007-08	2008-09
• CAPTA Title I Grants	$5,301,325	$5,000,000
• CAPTA Title II – CBCAP Grants	$2,775,472	$3,358,998
	$8,076,797	$8,358,998
• Linkages Grant	$400,000	$400,000

FUNDING:

Funding for these projects is 100 percent federal grant funds. The Linkages Grant is 90 percent federal grant funds with a 10 percent match using CAPIT funds.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to a higher federal grant.

EXPENDITURES:

(in 000's)	2007-08 Grant	2008-09 Grant
Total	$8,477	$8,759
Federal	8,477	8,759
State	0	0
County	0	0
Reimbursements	0	0

State Children's Trust Fund Program

DESCRIPTION:

This premise reflects the revenue available for the State Children's Trust Fund (SCTF) 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 (CDSS).

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 CDSS as to the availability of funds.

METHODOLOGY:

This premise reflects the current funding available for the SCTF, as provided by OCAP.

FUNDING:

The SCTF is used for research, evaluation, dissemination of information to the public, the establishment of public-private partnerships with foundations and corporations; to increase public awareness about child abuse and neglect via media campaigns, and to seek continued contributions to the fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)	2007-08	2008-09
	Grant	Grant
Total	$3,755	$3,755
Federal	0	0
State	3,755	3,755
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 Supplemental Security Income/State Supplementary Payment (SSI/SSP) program are also included in this premise since Fiscal Year (FY) 2000-01. These NMOHC costs were previously reflected in the "Small Programs (non-CalWORKs) Block Grant" premise.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13004 through 13007.
- The General Fund (GF) is block granted at $10.5 million.
- The county match ($10.9 million) reflects the FY 1996-97 CSBG county expenditure level. Senate Bill 2199 (Chapter 946, Statutes of 1998) required the counties to maintain their FY 1996-97 APS expenditure level for CSBG purposes.
- The Title XIX reimbursement rate is assumed to be 31.89 percent, based on the actual federal reimbursement percentage claimed on the county administrative expense claim for the past four quarters.

METHODOLOGY:

- In the current year (CY), estimated costs are computed by adding the GF block grant, the county match , the Title XIX reimbursements and NMOHC costs ($10,500,000 + $10,936,000 + $13,786,134 + $455,045 = $35,677,179).
- In the budget year (BY), the estimated costs are computed by adding the GF block grant, the county match, the Title XIX reimbursements and the NMOHC costs ($10,500,000 + $10,936,000 + $13,786,134 + $440,269 = $35,662,403).

FUNDING:

- GF for CSBG is block granted at $10.5 million with county participation at the maintenance of effort level.
- NMOHC is funded with 100 percent GF.
- The Title XIX reimbursements are as follows:
  - Activities performed by skilled professional medical personnel are eligible for Title XIX reimbursement at 75 percent.
  - Health-related activities provided to Medi-Cal eligible recipients are eligible for Title XIX reimbursement at 50 percent.

County Services Block Grant – Basic Costs

CHANGE FROM THE APPROPRIATION:

The CY increase reflects actual expenditures in Title XIX reimbursements.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY reduction in total costs reflects a reduction in estimated costs for the NMOHC Program.

EXPENDITURES:

(in 000's)	2007-08	2008-09
	County Admin.	County Admin.
Total	$35,677	$35,662
Federal	0	0
State	10,955	10,940
County	10,936	10,936
Reimbursements	13,786	13,786

Adult Protective Services

DESCRIPTION:

This premise reflects the funds available over and above the funds provided in the County Services Block Grant (CSBG) for the provision of Adult Protective Services (APS). Senate Bill (SB) 2199 (Chapter 946, Statutes of 1998) established a statewide mandated APS Program and provided these additional funds for expanded APS activities. The county share of APS expenditures was held at the Fiscal Year (FY) 1996-97 county match level for the CSBG. The APS Program has been funded in whole or in part under CSBG since the 1984 Budget Act. The APS Program, administered by the county welfare departments, provides assistance to elderly and dependent adults who are functionally impaired, unable to meet their own needs, and who are victims of abuse, neglect or exploitation.

The APS Program, as defined in SB 2199, requires the counties to respond to reports of elder and dependent adult abuse on a 24-hour emergency response basis. Among the services required by SB 2199 are investigations, needs assessments, and case management services. SB 2199 also provides for necessary tangible resources such as food, emergency shelter care, in-home protection, transportation, and the use of multidisciplinary teams.

IMPLEMENTATION DATE:

- This premise implemented on July 1, 1997.
- The enhanced APS Program became effective May 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Elder Abuse and Dependent Adult Civil Protection Act, commencing Welfare and Institutions Code section 15600.
- This program received a $20 million General Fund (GF) augmentation in the 1998 Budget Act to provide counties with additional resources needed to implement the statewide mandated APS Program. An additional $25.3 million GF augmentation was provided in the 1999 Budget Act.
- The counties are assumed to have no additional share of the APS costs effective FY 1998-99. SB 2199 held county costs to the FY 1996-97 CSBG expenditure level.

METHODOLOGY:

The GF estimated expenditures are held at the FY 2002-03 levels and the Federal Title XIX reimbursement is based on actual expenditures for FY 2005-06.

FUNDING:

- The program is funded with GF and Title XIX reimbursements.
- The Title XIX reimbursements are as follows:
  - Activities performed by skilled professional medical personnel are eligible for Title XIX reimbursement at 75 percent; and,

Adult Protective Services

FUNDING (continued):

- Health-related activities provided to Medi-Cal eligible recipients are eligible for Title XIX reimbursement at 50 percent.

CHANGE FROM THE APPROPRIATION:

The current year increase reflects actual Title XIX expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$89,421	$89,421
Federal	0	0
State	50,179	50,179
County	0	0
Reimbursements	39,242	39,242

APS Contract for Training Curriculum

DESCRIPTION:

This premise reflects the cost of 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), and subsequent legislation. The training is intended to promote statewide uniformity and consistency in the administration and delivery of services under the APS Program.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2001.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Elder Abuse and Dependent Adult Civil Protection Act, commencing Welfare and Institutions Code section 15600.
- The cost for ongoing training activities is estimated to be $176,000 annually.

METHODOLOGY:

The funding for this premise reflects the amount of the contract.

FUNDING:

The federal Title XIX reimbursement represents 12.5 percent of the total funding. The nonfederal share is funded with 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

APS Contract for Training Curriculum

EXPENDITURES:

(in 000's)

	2007-08 Contracts	2008-09 Contracts
Total	$176	$176
Federal	0	0
State	154	154
County	0	0
Reimbursements	22	22

Reduce Adult Protective Services Program by Ten Percent

DESCRIPTION:

This premise reflects the savings from reducing the funds available for the provision of adult protective services (APS) by ten percent effective July 1, 2008. This premise is necessitated by the budget balancing reductions.

IMPLEMENTATION DATE:

This reduction assumes a March 1, 2008 enactment of Legislation with a July 1, 2008 implementation date.

KEY DATA/ASSUMPTIONS:

- This premise reflects reductions in APS and County Services Block Grant (CSBG) Basic funding.
- The county match ($10.9 million) required by Senate Bill 2199 (Chapter 946, Statutes of 1998) is not impacted.

METHODOLOGY:

The savings reflect ten percent of the projected Fiscal Year 2008-09 APS and CSBG expenditures.

FUNDING:

- The program is funded with General Fund (GF) and Title XIX reimbursements.
- The Title XIX reimbursements are as follows:
  - Activities performed by skilled professional medical personnel are eligible for Title XIX reimbursement at 75 percent; and,
  - Health-related activities provided to Medi-Cal eligible recipients are eligible for Title XIX reimbursement at 50 percent.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

Reduce Adult Protective Services Program by Ten Percent

REASON FOR YEAR-TO-YEAR CHANGE:

This premise implements in Budget Year.

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$0	-$11,432
Federal	0	0
State	0	-6,127
County	0	0
Reimbursements	0	-5,305

Community Care Licensing - Foster Family Homes

DESCRIPTION:

This premise reflects the costs of providing basic funding for Foster Family Home (FFH) licensing and recruitment services. The California Community Care Facilities Act authorizes counties to provide FFH licensing services. There are currently 41 counties providing FFH licensing and recruitment services. FFHs in the remaining 17 counties are licensed by the California Department of Social Services' (CDSS) Community Care Licensing Program. For these counties, funds are provided for the purpose of recruiting FFH providers.

In Fiscal Year (FY) 2003-04, CDSS implemented a Targeted Visits protocol to streamline the annual review process of licensed care facilities to focus on facilities in which health and safety may be at greatest risk, or those facilities that require an annual visit as a condition of federal funding. A random sample (30 percent for FY 2007-08) of the remainder of the facilities is subject to annual unannounced visits. Current law requires that all facilities be visited at least once every five years and if the number of citations increases by ten percent over the prior year, the number of unannounced visits must also increase by ten percent.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1500 through 1519.
- The workload standards used to determine Full Time Equivalents (FTE) for targeted visits in FY 2007-08 and FY 2008-09 is 120 cases per worker.
- The worker to supervisor ratio used to determine the total number of FTEs is 6.35:1.
- The average statewide unit cost is held at the FY 2002-03 unit cost of $125,663.

METHODOLOGY:

FY 2007-08

The estimate was developed by determining the number of FTEs based on an updated FY 2007-08 average caseload of 7,436. This caseload was divided by the workload standards of cases per worker to derive the number of nonsupervisory FTEs (7,436 cases ÷ 120 cases per worker = 61.97 FTEs). The FTEs were expanded to include supervisors at a ratio of 6.35:1 to determine the total number of FTEs [(61.97 FTEs ÷ 6.35 supervisor ratio) + 61.97 FTEs = 71.73 FTEs]. The federal and GF sharing ratio was applied.

The total estimate was derived by adding the recruitment-only allocation to the FFH Program estimate ($9,013,203 + $877,764). Then, an additional $3,632,926 in federal spending authority, based on a 3-year average of actual expenditures, was included. The recruitment-only amount is held at the FY 2005-06 funding level.

Community Care Licensing - Foster Family Homes

METHODOLOGY (continued):

FY 2008-09

The estimate was developed by determining the number of FTEs based on an updated FY 2008-09 average caseload of 7,278. This caseload was divided by the workload standards of cases per worker to derive the number of nonsupervisory FTEs (7,278 cases ÷ 120 cases per worker = 60.65 FTEs). The FTEs were expanded to include supervisors at a ratio of 6.35:1 to determine the total number of FTEs [(60.65 FTEs ÷ 6.35 supervisor ratio) + 60.65 FTEs = 70.20 FTEs]. The federal and GF sharing ratio was applied.

The total estimate was derived by adding the recruitment-only allocation to the FFH Program estimate ($8,821,691 + $877,764). Then, an additional $3,632,926 in federal spending authority, based on a 3-year average of actual expenditures, was included. The recruitment-only amount is held at the FY 2005-06 funding level. For FY 2008-09 the FFH portion of the *Gresher v. Anderson* premise ($27,000 total funds) is included in this premise.

FUNDING:

Based on actual expenditure data from FY 2006-07, the sharing ratio for FY 2007-08 and for FY 2008-09 is 40.3 percent federal Title IV-E and 59.7 percent GF. Additional federal spending authority is included based on actual expenditures.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to a lower caseload amount. There is an increase of $27,000 total funds for the *Gresher v. Anderson* premise being added to the FFH premise.

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$13,523	$13,360
Federal	7,727	7,569
State	5,796	5,791
County	0	0
Reimbursements	0	0

Family Child Care Homes – Basic Costs

DESCRIPTION:

This premise reflects the costs of providing basic funding to five counties for Family Child Care Home (FCCH) licensing services and processing serious incident reports. FCCH programs in the remaining 53 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. Also, FCCH licensees are required 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.

In Fiscal Year (FY) 2003-04, CDSS implemented a Targeted Visits protocol to streamline the annual review process of licensed care facilities to focus on facilities in which health and safety may be at greatest risk, or those facilities that require an annual visit as a condition of federal funding. A random sample (30 percent for FY 2007-08) of the remainder of the facilities is subject to annual unannounced visits. Current law requires that all facilities be visited at least once every five years and if the number of citations increases by ten percent over the prior year, the number of unannounced visits must also increase by ten percent.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1500 through 1519.
- The workload standard used to determine Full Time Equivalents (FTE) for targeted monitoring visits for FY 2007-08 and FY 2008-09 is 257 cases per worker.
- The worker to supervisor ratio used to determine FTEs is 6.35:1.
- The average statewide unit cost is held at the FY 2002-03 level of $117,885.

METHODOLOGY:

FY 2007-08

The estimate was developed by determining the number of FTEs based on the FY 2007-08 projected caseload of 3,802. This caseload was divided by the workload standard of 257 cases per worker to determine the number of nonsupervisory FTEs (3,802 caseload ÷ 257). The FTEs were then expanded to include supervisors at a ratio of 6.35:1 to derive the total number of FTEs ([14.79 FTEs ÷ 6.35 supervisor ratio] + 14.79 FTEs = 17.12 FTEs). The average statewide unit cost was then multiplied by total FTEs.

FY 2008-09

The estimate was developed by determining the number of FTEs based on the FY 2008-09 projected caseload of 3,911. This caseload was divided by the workload standard of 257 cases per worker to determine the number of nonsupervisory FTEs (3,911 caseload ÷ 257). The FTEs were then expanded to include supervisors at a ratio of 6.35:1 to derive the total number of FTEs ([15.22 FTEs ÷ 6.35 supervisor ratio] + 15.722 FTEs = 17.61 FTEs). The average statewide unit cost was then multiplied by total FTEs.

Family Child Care Homes – Basic Costs

FUNDING:

The funding includes reimbursements from the California Department of Education (from the federal Child Care Development Block Grant fund) to cover a portion of the costs of conducting comprehensive site visits. The remaining costs are funded 100 percent General Fund (GF).

CHANGE FROM THE APPROPRIATION:

The increase is due to a technical adjustment.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to a higher caseload amount. There is an increase of $10,000 GF for the *Gresher v. Anderson* premise being added to the FCCH premise.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$2,099	$2,166
Federal	0	0
State	1,781	1,848
County	0	0
Reimbursements	318	318

Gresher v. Anderson

DESCRIPTION:

This premise reflects the costs associated with implementation of the court ruling of *Gresher v. Anderson*. On February 25, 2005, the appellate court overturned an earlier trial court decision and ruled against the California Department of Social Services (CDSS). This case challenged background check procedures used by CDSS and counties for dealing with applicants with criminal records seeking employment or Trustline registration, and who need an exemption as part of their criminal background clearance in order to be employed as a caregiver. In particular, the Gresher decision will require the background check exemption process to include notification of the applicant of the following details:

- The conviction information that the county received and relied upon when determining the need for an exemption; and
- A summary of the reasons for denial of an exemption tailored to each specific case.

There are currently 41 counties providing Foster Family Home (FFH) licensing services and five counties providing Family Child Care Home (FCCH) licensing services.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2005.

KEY DATA/ASSUMPTIONS:

This estimate reflects the local assistance cost for the additional time necessary for the issuance of exemption needed notices and exemption denied notices to individuals with criminal convictions requiring exemptions.

METHODOLOGY:

The annual cost is determined by multiplying the total hours, based on the number of exemption needed notices and exemption denied notices, divided by the full-time equivalent which equates to 0.21 for FFH and 0.09 for FCCH times the unit costs. The unit cost for the FFHs and for the FCCHs is being held at the Fiscal Year (FY) 2002-03 level of $125,663 and $117,885, respectively.

Foster Family Homes

- In FY 2007-08 and FY 2008-09 the number of county exemption needed notices is estimated at 1,172 times 0.25 additional hours to review the rap sheet, identify specific convictions, and include the conviction details in the exemption needed notice. This equates to 293 total hours.
- In FY 2007-08 and FY 2008-09 the number of county exemption denied notices is estimated at 1,172 times 8 percent (statewide average of denied exemption notices) equals 94 times 0.25 additional hours to develop the language explaining the specific reasons for the denial and to incorporate them into the exemption denied notice. This equates to 24 total hours.

Gresher v. Anderson

METHODOLOGY (continued):

Family Child Care Homes

- In FY 2007-08 and FY 2008-09 the number of county exemption needed notices is estimated at 550 times 0.25 additional hours to review the rap sheet, identify specific convictions, and include the conviction details in the exemption needed notice. This equates to 138 total hours.
- In FY 2007-08 and FY 2008-09 the number of county exemption denied notices is estimated at 550 times 8 percent (statewide average denied exemption notices) equals 44 times 0.25 additional hours to develop the language explaining the specific reasons for the denial and to incorporate them into the exemption denied notice. This equates to 11 total hours.

FUNDING:

Foster Family Homes
After the federal discount rate of 75 percent is applied, the costs are shared 50 percent federal and 50 percent General Fund (GF).

Family Child Care Homes
The funding is 100 percent GF. The FCCHs are ineligible for federal financial participation because the clientele are not foster youth.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

For FY 2008-09 the funds have been added to the FFH and FCCH basic lines.

EXPENDITURES:

(in 000's)

	2007-08 County Admin.	2008-09 County Admin.
Total	$37	$0
Federal	10	0
State	27	0
County	0	0
Reimbursements	0	0

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:

The attorney fees and settlement costs for these court cases are anticipated to be paid in Fiscal Year (FY) 2007-08 and FY 2008-09.

KEY DATA/ASSUMPTIONS:

The estimate for settlement costs and attorney fees is based in part on actual payments for specific cases in the Current Year (CY), and a projection of costs that are anticipated to be paid in CY and the Budget Year (BY).

FUNDING:

The legal fees and settlement amounts are funded 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	County Admin.	County Admin.
Total	$500	$500
Federal	0	0
State	500	500
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 certain fee-exempt providers pursuant to Senate Bill (SB) 933 (Chapter 311, Statutes of 1998). 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 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.

METHODOLOGY:

The funding is suspended for Fiscal Years 2007-08 and 2008-09.

FUNDING:

This premise is funded with 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Fee-Exempt Live Scan

EXPENDITURES:

(in 000's)	2007-08 Contracts	2008-09 Contracts
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Reduction of Random Licensing Inspections

DESCRIPTION:

The Community Care Licensing Division (CCLD) directly licenses and monitors approximately 75,000 community care facilities and provides oversight, direction, and training to counties that license approximately 11,000 additional facilities. These facilities include child day care, children's residential, and elderly residential and day support facilities and serve approximately 1.4 million clients statewide.

One way that CCLD provides oversight of these approximately 86,000 community care facilities is by completing facility inspections. Annual inspections are made to facilities that require close monitoring due to their compliance history or because they care for developmentally disabled clients. These inspections equate to approximately 10 percent of all licensed facilities. For the remaining 90 percent of community care facilities, a 30 percent random sample is inspected annually.

This proposal would reduce the current 30 percent random inspection protocol to a 14 percent random inspection protocol to achieve a 10 percent reduction in licensing costs.

Under this proposal, all facilities would continue to receive inspections at a reduced frequency (approximately once every 7 years), and CCLD will continue to respond to complaints, follow-up on administrative actions and violations, conduct criminal background checks, license new facilities, and otherwise administer the complement of inspections/protections and provider/staff supports required for effective program delivery.

To mitigate health and safety impacts, no reduction will be made to follow-up inspection schedules for facilities that have previously been found to be out of compliance with licensing standards. Even with this reduction, the frequency of visits will surpass the level occurring when the Administration took office.

This premise is necessitated by the budget balancing reductions.

IMPLEMENTATION DATE:

This reduction assumes a March 1, 2007 enactment of Legislation with a July 1, 2008 implementation date.

KEY DATA/ASSUMPTIONS:

- The workload standards used to determine Full Time Equivalents (FTE) for targeted visits for Foster Family Homes (FFH) is 130 cases per worker and for Family Child Care Homes (FCCH) is 298 cases per worker.
- For FFH and FCCH the worker to supervisor ratio used to determine the total number of FTEs is 6.35:1.
- The average statewide unit cost is held at the FY 2002-03 unit cost of $125,663 for FFH and $117,885 for FCCH.

Reduction of Random Licensing Inspections

METHODOLOGY:

The FFH estimate was developed by determining the number of FTEs based on an updated FY 2007-08 average caseload of 7,436. This caseload was divided by the workload standards of cases per worker to derive the number of nonsupervisory FTEs (7,436 cases ÷ 120 cases per worker = 61.97 FTEs). The FTEs were expanded to include supervisors at a ratio of 6.35:1 to determine the total number of FTEs [(61.97 FTEs ÷ 6.35 supervisor ratio) + 61.97 FTEs = 71.73 FTEs]. The federal and GF sharing ratio was applied.

The FCCH estimate was developed by determining the number of FTEs based on the FY 2007-08 projected caseload of 3,802. This caseload was divided by the workload standard of 257 cases per worker to determine the number of nonsupervisory FTEs (3,802 caseload ÷ 257). The FTEs were then expanded to include supervisors at a ratio of 6.35:1 to derive the total number of FTEs ([14.79 FTEs ÷ 6.35 supervisor ratio] + 14.79 FTEs = 17.12 FTEs). The average statewide unit cost was then multiplied by total FTEs.

FUNDING:

The FFH funding is based on actual expenditure data from FY 2006-07, the sharing ratio for FY 2007-08 and for FY 2008-09 is 40.3 percent federal Title IV-E and 59.7 percent GF. Additional federal spending authority is included based on actual expenditures.

The FCCH funding includes reimbursements from the California Department of Education (from the federal Child Care Development Block Grant fund) to cover a portion of the costs of conducting comprehensive site visits. The remaining costs are funded 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
Total	$0	$-637
Federal	0	-137
State	0	-341
County	0	0
Reimbursements	0	-159

Special Programs – Other Specialized Services

DESCRIPTION:

This premise reflects the costs for the Foster Care Burial and Repatriated Americans 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.

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.

METHODOLOGY:

Foster Care Burial

The estimated costs for both current and budget years are held at the Fiscal Year (FY) 1999-00 General Fund (GF) expenditure level of $186,000.

Repatriated Americans

The estimated costs for both current and budget years were held at the Budget Act of 2000 Appropriation level of $75,000.

FUNDING:

The Foster Care Burial program is funded with 100 percent GF. 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, which are provided to individuals on a repayable basis.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Special Programs – Other Specialized Services

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	Grant	Grant
Total	$261	$261
Federal	75	75
State	186	186
County	0	0
Reimbursements	0	0

Eligibility/Extension of Dog Food Allowance

DESCRIPTION:

This premise reflects the costs associated with providing a monthly dog food allowance to recipients of federal Social Security Disability Insurance, Supplemental Security Income/State Supplementary Payments (SSI/SSP) and In-Home Supportive Services (IHSS) only program participants who have incomes at or below the federal poverty level. Existing law provides that eligible individuals with guide, signal, or service dogs are eligible for a dog food allowance of $50 per month.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statutes: Welfare and Institutions Code sections 12553 and 12554.
- Recipients will receive a monthly dog food allowance of $50.

METHODOLOGY:

The current year (CY) and budget year (BY) estimates are based on year-to-date actual costs and projected caseload growth.

FUNDING:

This program is funded with 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

The CY increase reflects caseload growth.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Eligibility/Extension of Dog Food Allowance

Expenditures:

(in 000's)

	2007-08	2008-09
	Grant	Grant
Total	$518	$518
Federal	0	0
State	518	518
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.
- In FY 2007-08, the program is funded with $2,996,000 in Title XX funds.

METHODOLOGY:

The estimated costs for both current and budget years are held at the FY 1998-99 appropriation level.

FUNDING:

This program is funded with 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.

EXPENDITURES:

(in 000's)

	2007-08 Grant	2008-09 Grant
Total	$5,804	$5,804
Federal	2,996	2,996
State	2,808	2,808
County	0	0
Reimbursements	0	0

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Access Assistance/Deaf Program Reduction

DESCRIPTION:

This premise reflects savings from reducing Office of Deaf Access, Access Assistance/Deaf Program costs by ten percent effective July 1, 2008. This premise is necessitated by the budget balancing reductions.

IMPLEMENTATION DATE:

This reduction assumes a March 1, 2008 enactment of Legislation with a July 1, 2008 implementation date.

KEY DATA/ASSUMPTIONS:

This premise reflects savings from reducing the Fiscal Year (FY) 2008-09 expenditures.

METHODOLOGY:

The estimated cost is ten percent of the projected FY 2008-09 expenditures.

FUNDING:

This program is funded with General Fund (GF). The Title XX block grant allocated to the program reduces the amount of GF in the program.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise implements in budget year.

EXPENDITURES:

(in 000's)

	2007-08 Grant	2008-09 Grant
Total	$0	-$581
Federal	0	-300
State	0	-281
County	0	0
Reimbursements	0	0

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Refugee 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 federal Office of Refugee Resettlement (ORR). 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.
- The federal grant includes $8.5 million in standard funds.
- A contract in the amount of $1.1 million in Fiscal Years (FYs) 2007-08 and 2008-09 to serve unaccompanied refugee minors is included in the total funding.

METHODOLOGY:

The funding is based on a federal award.

FUNDING:

This program is 100 percent federally funded.

CHANGE FROM THE APPROPRIATION:

Funding has decreased slightly in the current year due to the absence of a set-aside grant to provide employment services to Hmong refugees.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2007-08 Grant	2008-09 Grant
Total	$9,634	$9,634
Federal	9,634	9,634
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 can award TA discretionary funds to the State for specific local projects. Local agencies develop project proposals in response to a federal announcement. The federal government selects the projects to be funded.

IMPLEMENTATION DATE:

This premise was implemented on October 1, 1983.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13275-13282.
- The Fiscal Years (FYs) 2007-08 and 2008-09 allocations include $263,125 in discretionary funding to serve elderly refugees.

METHODOLOGY:

The funding is based on a federal award.

FUNDING:

This program is 100 percent federally funded.

CHANGE FROM THE APPROPRIATION:

Funding has decreased due to a reduction in the standard TA grant award.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2007-08 Grant	2008-09 Grant
Total	$4,344	$4,344
Federal	4,344	4,344
State	0	0
County	0	0
Reimbursements	0	0

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Refugee School Impact Grant

DESCRIPTION:

This premise reflects the federal funding granted to the Department by the Office of Refugee Resettlement (ORR) to provide services to school-age refugee children and their families. The funding for this grant will be a pass-through from the Department to the California Department of Education (CDE). Services provided through local educational agencies will include intensive and innovative educational interventions to assist refugee children to improve English fluency and to progress toward grade-level proficiency.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Title 45 of the Code of Federal Regulations Part 92.
- A federal grant in the amount of $1,700,000 was awarded in August 2006 to serve school-age refugee children and their families. This is the second year of a five-year project period.
- A Memorandum of Understanding between the CDE and the Department outlines the working relationship between the two departments and assigns responsibilities to each pursuant to the implementation of the grant.
- The services funded under this grant will serve the following counties: Alameda, Fresno, Los Angeles, Orange, Sacramento, San Diego, San Francisco, and Santa Clara.

METHODOLOGY:

The funding is based on a federal award.

FUNDING:

This program is 100 percent federally funded.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2007-08 Grant	2008-09 Grant
Total	$1,700	$1,700
Federal	1,700	1,700
State	0	0
County	0	0
Reimbursements	0	0

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Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project

DESCRIPTION:

On March 31, 2006, the federal Department of Health and Human Services (DHHS) approved the Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project (CAP). The approved waiver allows Title IV-E funds, which are restricted to pay for board and care costs and child welfare services administration, to be used for services and supports in order to avoid the over reliance on out-of-home care and reunify families more expeditiously. The intent of the CAP is to test a "capped allocation" strategy which would block grant a portion of the federal Title IV-E and General Fund (GF) Administrative and Assistance costs. The California Department of Social Services (CDSS) has been working with the County Welfare Directors Association (CWDA) and interested counties to refine a practice and fiscal model that can be implemented under the waiver. The CAP allows up to 20 counties to participate in the five year demonstration project.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2007.

KEY DATA/ASSUMPTIONS:

- Two counties, Los Angeles and Alameda, are participating in the Project.
- An annual capped allocation for federal Title IV-E and General Fund (GF) has been established.
- Participating counties are required to provide funding equal to their Fiscal Year (FY) 2005-06 actual expenditures.

METHODOLOGY:

- The federal base allocations are based on the county's average Title IV-E actual expenditure claims for administration and assistance submitted for Federal Fiscal Years (FFY) 2003, 2004, and 2005. An annual two percent growth on the federal funds for administration and assistance is provided beginning in FFY 2006.
- The GF base allocation for Foster Care (FC) Assistance is capped based on actual expenditures for FY 2005-06.
- The GF base allocations for Child Welfare Services (CWS) and FC Administration are based on specified SFY 2006-07 allocations. An annual two percent growth above the base allocations is provided beginning in FY 2007-08.
- After the GF base allocations for FC Assistance and CWS Administration are calculated, federal Title XX funds transferred from the Temporary Assistance for Needy Families block grant are used in lieu of eligible GF.
- All base allocations for FC Assistance, FC Administration, and CWS Administration are reflected separately in Budget Item 153 with total growth above the base amounts reflected in the IV-E Waiver Adjustment line.

Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project

METHODOLOGY (CONTINUED):

- Additional GF is provided above the base for either new premises or premises not included in the base calculations that do not impact caseload and is reflected separately in the Non-Base Premises lines for FC Assistance, FC Administration, and CWS Administration.
- For FC Assistance, the Non-Base Premises 101 line for FY 2007-08 and FY 2008-09 reflects costs for Dual Agency and the Five Percent Foster Care Rate increase.
- For FC Administration, the Non-Base Premises 141 line for FY 2008-09 reflects costs for FC SSI/SSP Application.
- For CWS Adminstration, the Non-Base Premises line for FY 2007-08 reflects costs for *Gomez v. Saenz*; Criminal Record Check for Family Reunification (FR); Caregiver Court Filing; CWS Differential Response(DR), Safety Assessment (SA), and Permanency and Youth Services (PYS); CWS Outcome Improvement Project (CWSOIP); and the Safe and Timely Interstate Placement Act of 2006. The Non-Base Premises line for FY 2008-09 reflects costs for *Gomez v. Saenz*; Criminal Record Check for FR; Caregiver Court Filing; CWS DR, SA, and PYS; CWSOIP; Safe and Timely Interstate Placement Act of 2006; Peer Quality Case Reviews; FC SSI/SSP Application; and Foster Youth Identity Theft.

FUNDING:

Funding consists of the federal Title IV-E and GF capped allocations along with the required county funding. The FC Assistance base allocation consists of $16.8 million in Title XX funds that are used in lieu of GF. The CWS base allocation consists of $24.2 million in Title XX funds that are used in lieu of GF.

CHANGE FROM THE APPROPRIATION:

The county share of costs has been updated and funding for the Non-Base Premises have been moved from Items 101, 141, and 151 to Item 153.

REASON FOR YEAR-TO-YEAR CHANGE:

The IV-E Waiver Adjustment reflects two years of the two percent growth and the Non-Base Premises lines have been increased for new premises.

Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project

EXPENDITURES:

(in 000's):

Item 153 Title IV-E Waiver Total	2007-08 Services/Admin And Grants	2008-09 Services/Admin And Grants
Total	$1,165,667	$ 1,153,827
Federal	464,315	472,782
State	317,358	292,703
County	383,994	388,342
Reimbursements	0	0

Item 153 IV-E Waiver Adjustment	2007-08 Services/Admin And Grants	2008-09 Services/Admin And Grants
Total	$ 26,156	$ 38,762
Federal	22,450	30,917
State	3,706	7,845
County	0	0
Reimbursements	0	0

Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project

EXPENDITURES (CONTINUED):

(in 000's):

	2007-08	2008-09
Item 153	Grants	Grants
Foster Care 101 - Base		
Total	$ 505,933	$ 505,933
Federal	177,536	177,536
State	121,805	121,805
County	206,592	206,592
Reimbursements	0	0

	2007-08	2008-09
Item 153	Admin.	Admin.
Foster Care 141 - Base		
Total	$ 38,061	$ 38,061
Federal	19,845	19,845
State	12,432	12,432
County	5,784	5,784
Reimbursements	0	0

	2007-08	2008-09
Item 153	Services/Admin.	Services/Admin.
CWS 151 - Base		
Total	$ 557,438	$ 557,438
Federal	244,484	244,484
State	148,678	148,678
County	164,276	164,276
Reimbursements	0	0

Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project

EXPENDITURES (CONTINUED):

(in 000's):

	2007-08	2008-09
Item 153	Grants	Grants
Foster Care 101 – Non-Base Premises		
Total	$ 11,760	$ 17,946
Federal	0	0
State	4,704	7,179
County	7,056	10,767
Reimbursements	0	0

	2007-08	2008-09
Item 153	Admin.	Admin.
Foster Care 141 – Non-Base Premises		
Total	$ 0	$ 58
Federal	0	0
State	0	58
County	0	0
Reimbursements	0	0

Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project

EXPENDITURES (CONTINUED):

(in 000's):

	2007-08	2008-09
Item 153	Admin.	Admin.
CWS 151 – Non-Base Premises		
Total	$ 27,442	$ 30,275
Federal	0	0
State	27,156	29,352
County	286	923
Reimbursements	0	0

	2007-08	2008-09
Item 153	Grants	Grants
Foster Care 101 – Reduce Rates by 10 Percent		
Total	-$ 1,123	-$ 13,477
Federal	0	0
State	-1,123	-13,477
County	0	0
Reimbursements	0	0

	2007-08	2008-09
Item 153	Services/Admin.	Services/Admin.
CWS 151 - Reduce CWS Allocations		
Total	$ 0	-$ 21,169
Federal	0	0
State	0	-21,169
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 California Work Opportunity and Responsibility to Kids (CalWORKs) program recipients, including those transitioning from CalWORKs, 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 Families (TANF) program and a TANF block grant to replace the Aid to Families with Dependent Children (AFDC) program. For Fiscal Year (FY) 2007-08, an adjustment has been made to reflect that California met the federal work participation rate (WPR) for the CalWORKs program in Federal Fiscal Year (FFY) 2006. California is not expected to meet the federal WPR in FFY 2007. When the State meets this rate, the MOE level falls from 80 percent to 75 percent. In addition, adjustments are made to the MOE as a result of Tribal TANF. Therefore, with the WPR and Tribal TANF MOE adjustments, the final MOE level is $2.7 billion in FY 2007-08 and $2.9 billion in FY 2008-09.

The State may count either local and State expenditures made by California Department of Social Services (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, Job Opportunities and Basic Skills (JOBS), Emergency Assistance, Child Care for AFDC recipients, At-Risk Child Care, or Transitional Child Care programs in FFY 1995, all otherwise countable 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.

Services provided by CCC 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 CalWORKs 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 July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Title 45, Code of Federal Regulations, sections 263.2 and 263.4.
- It is assumed the eligible MOE expenditures will be $43.6 million in FY 2007-08 and FY 2008-09.

Other Departments' TANF MOE Eligible Expenditures Community Colleges – Expansion of Services to TANF Eligibles

KEY DATA/ASSUMPTIONS (CONTINUED):

- These funds are required to be expended for educational-related services for CalWORKs program eligible recipients only.

METHODOLOGY:

For FYs 2007-08 and 2008-09, the estimate reflects the anticipated MOE-eligible expenditures.

FUNDING:

This program is funded with 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2007-08 Grant	2008-09 Grant
Total	$43,580	$43,580
Federal	0	0
State	43,580	43,580
County	0	0
Reimbursements	0	0

Other Departments' TANF MOE Eligible Expenditures CDE Child Care Programs

DESCRIPTION:

This premise reflects the State maintenance of effort (MOE) expenditures made by the California Department of Education (CDE) for child care programs that provide services for the California Work Opportunity and Responsibility to Kids (CalWORKs)/Temporary Assistance for Needy Families (TANF) program. This premise also reflects expenditures for those who are income eligible but not participating in CalWORKs/TANF.

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. For Fiscal Year (FY) 2007-08, an adjustment has been made to reflect that California met the federal work participation rate (WPR) for the CalWORKs program in Federal Fiscal Year (FFY) 2006. California is not expected to meet the federal WPR in FFY 2007. When the State meets this rate, the MOE level falls from 80 percent to 75 percent. In addition, adjustments are made to the MOE as a result of Tribal TANF. Therefore, with the WPR and Tribal TANF MOE Adjustments, the final MOE level is $2.7 billion in FY 2007-08 and $2.9 billion in FY 2008-09.

The State may count both local and state expenditures made by the California Department of Social Services (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, Child Care for AFDC recipients, At-Risk Child Care, or Transitional Child Care programs in FFY 1995, all otherwise countable 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, 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 Child Care and Development Fund (CCDF). In order for states to receive a portion of the CCDF, 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 allow state expenditures for child care to satisfy both the CCDF 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 that have not been used toward meeting the CCDF MOE requirement or to receive federal matching funds, these expenditures may count toward the state's TANF MOE, provided that the benefiting families meet the state's definition for TANF eligibility. All other TANF MOE requirements and limitations, as set forth in federal regulations, must also be met.

Other Departments' TANF MOE Eligible Expenditures
CDE Child Care Programs

IMPLEMENTATION DATE:

This premise implemented July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Title 45, Code of Federal Regulations, sections 263.2 and 263.3.
- Based on estimated General Fund (GF) expenditures for CalWORKs recipients and CalWORKs eligible families in CDE child care programs, it is assumed the eligible MOE expenditures will be $644.2 million in both FY 2007-08 and FY 2008-09.
- Federal regulations allow state expenditures for child care to satisfy both the CCDF MOE and the TANF MOE, provided that these expenditures meet the MOE requirements for both grants.
- All TANF/CalWORKs-eligible families meet CCDF eligibility requirements and would, therefore, meet both the CCDF and TANF MOE expenditure requirements.
- The total "double-countable" expenditures cannot exceed the MOE level for the CCDF ($85.6 million).

METHODOLOGY:

For FYs 2007-08 and 2008-09, the estimate reflects the anticipated MOE-eligible expenditures.

FUNDING:

This program is funded with 100 percent GF.

CHANGE FROM THE APPROPRIATION:

As a result of the State's structural deficit between GF revenue and expenditures the CDSS is counting additional MOE from other departments which reduces the GF expenditures in the CDSS budget.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Other Departments' TANF MOE Eligible Expenditures
CDE Child Care Programs

EXPENDITURES:

(in 000's)

	2007-08 Grant	2008-09 Grant
Total[1]	$644,162	$644,162
Federal	0	0
State	644,162	644,162
County	0	0
Reimbursements	0	0

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Other Departments' TANF MOE Eligible Expenditures 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. For Fiscal Year (FY) 2007-08, an adjustment has been made to reflect that California met the federal work participation rate (WPR) for the CalWORKs Program in Federal Fiscal Year (FFY) 2006. California is not expected to meet the federal WPR in FFY 2007. When the State meets this rate, the MOE level falls from 80 percent to 75 percent. In addition, adjustments are made to the MOE as a result of Tribal TANF. Therefore, with the WPR and Tribal TANF MOE Adjustments, the final MOE level is $2.7 billion in FY 2007-08 and $2.9 billion in FY 2008-09.

The State may count both local and state expenditures made by the California Department of Social Services (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, Child Care for AFDC recipients, At-Risk Child Care or Transitional Child Care programs in FFY 1995, then the expenditures may count toward the MOE. However, if such expenditures were not previously authorized and allowable, then 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 CalWORKs grant, custodial parents also receive the first $50 of the current month's child support payment collected from the noncustodial parent. Forwarding the disregard portion of the collection to the family instead of retaining it to reduce the State's cost of the CalWORKs grant results in cost increases (lost collection revenues).

In 1996, the federal government discontinued federal financial participation (FFP) in the disregard payment to the family (P.L. 104-193). With the passage of the federal Deficit Reduction Act (DRA) (P. L. 109-171), FFP will be reinstated as of October 1, 2008. In California, the FFP ratio is 50 percent federal, 50 percent state. In addition, the DRA changed the amount that states may disregard and pass through to families. Effective October 1, 2008, states may disregard up to $100 per month for one child, and up to $200 for families with two or more children, in child support payments collected on behalf of a TANF or foster care family.

This premise reflects the cost for the State to fund 100 percent of the $50 disregard payment to the custodial parent through September 2008 (before the FFP is reinstated), and 50 percent of all future disregard payments. The Governor's Budget also assumes that, beginning January 1, 2009, the disregard payment will increase from $50 to $100 per month, regardless of family size.

Other Departments' TANF MOE Eligible Expenditures State Disregard Payment to Families

IMPLEMENTATION DATE:

This program was originally implemented in 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 $26.7 million in FY 2007-08 and $21.4 million in FY 2008-09. The estimate is based on projected expenditures from DCSS.
- The child support payment data are based on the counties' monthly CS 35 Reports and the Child Support Services Supplement to the CS 34 Monthly Report of Collections and Distributions.
- Through September 2008, the State will pay the full $50 disregard without any FFP.
- Between October and December 2008, the $50 disregard share of cost will be split 50/50 between the State and the federal government.
- Beginning January 2009, the State will increase the disregard payment to families to $100. The $100 share of cost will be split 50/50 between the State and the federal government.

METHODOLOGY:

The cost of the disregard is reported monthly on the CS 35 Report. The disregard is paid when the child support collection is distributed.

FUNDING:

For the purpose of counting program expenditures toward the MOE, this program is funded with 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

The anticipated expenditures for current year increased due to updated information from DCSS.

REASON FOR YEAR-TO-YEAR CHANGE:

The anticipated expenditures for budget year decreased due to updated information from DCSS and the change due to the DRA.

Other Departments' TANF MOE Eligible Expenditures State Disregard Payment to Families

EXPENDITURES:

(in 000's)

	2007-08 Grant	2008-09 Grant
Total	$26,725	$21,361
Federal	0	0
State	26,725	21,361
County	0	0
Reimbursements	0	0

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Other Departments' TANF MOE Eligible Expenditures Cal Grants

DESCRIPTION:

This premise reflects the State maintenance of effort (MOE) expenditures associated with Cal Grants, awarded through the California Student Aid Commission (CSAC), to assist students with paying college expenses. The Cal Grants awards are paid with state funded grants for students attending public or private colleges and universities. It is assumed that state expenditures for Cal Grants are countable toward the Temporary Assistance for Needy Families (TANF) MOE requirement under Purpose Three of TANF.

The CSAC is the principal state agency responsible for administering financial aid programs for students attending public and private universities, colleges, and vocational schools in California. The Cal Grants awards have been used to help middle- and low-income students finance their unmet financial needs for college.

There are two components of the Cal Grants awards used for this premise:

Cal Grant A can be used for tuition and fees at public and private colleges as well as some occupational and career colleges.

Cal Grant B provides low-income students with a living allowance and assistance with tuition and fees.

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. For Fiscal Year (FY) 2007-08, an adjustment has been made to reflect that California met the federal work participation rate (WPR) for the California Work Opportunity and Responsibility to Kids (CalWORKs) program in Federal Fiscal Year (FFY) 2006. California is not expected to meet the federal WPR in FFY 2007. When the State meets this rate, the MOE level falls from 80 percent to 75 percent. In addition, adjustments are made to the MOE as a result of Tribal TANF. Therefore, with the WPR and Tribal TANF MOE Adjustments, the final MOE level is $2.7 billion in FY 2007-08 and $2.9 billion in FY 2008-09.

The State may count local and State expenditures made by California Department of Social Services (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, Job Opportunities and Basic Skills (JOBS), Emergency Assistance, Child Care for AFDC recipients, At-Risk Child Care, or Transitional Child Care programs in FFY 1995, then the 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.

Furthermore, the recent passage of the Federal Deficit Reduction Act 2005 (DRA) allows other expenditures to be counted without regards to eligibility conditions. This includes counting funds spent in programs which can be reasonably calculated to accomplish TANF goals three and /or four. The Cal Grants awards meets TANF goal number three as described below.

(3) Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies.

Other Departments' TANF MOE Eligible Expenditures Cal Grants

IMPLEMENTATION DATE:

This premise implemented July 1, 2006.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Title 45, Code of Federal Regulations, sections 263.2 and 263.4.
- The FY 2008-09 estimate is held to the Appropriation.
- All Cal Grants expenditures for Cal Grants A and B used for tuition and fees for unmarried students are countable in the same year they are expended. The expenditures for the excess allowance for Cal Grants B recipients are removed from the countable expenditures.

METHODOLOGY:

For FY 2008-09, the estimate reflects the anticipated MOE-eligible expenditures.

FUNDING:

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

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2007-08 Grant	2008-09 Grant
Total[1]	$208,985	$208,985
Federal	0	0
State	208,985	208,985
County	0	0
Reimbursements	0	0

[1]-Total does not reflect an additional $14 million in eligible Cal Grant expenditures in FY 2007-08 and FY 2008-09 that will be counted as excess MOE. Refer to the "Excess Maintenance-of-Effort (MOE)" premise description for more information.

Other Departments' TANF MOE Eligible Expenditures After School MOE

DESCRIPTION:

This premise reflects the State maintenance of effort (MOE) associated with expenditures made by the California Department of Education (CDE) for students attending After School Programs as made available by the CDE. It is assumed that state expenditures for After School are countable toward the Temporary Assistance for Needy Families (TANF) MOE requirement under Purpose Three of TANF.

The After School Education and Safety (ASES) Program is the result of the 2002 voter approved initiative, Proposition 49. The ASES Program funds the establishment of local after school education and enrichment programs. These programs are created through partnerships between schools and local community resources to provide literacy, academic enrichment, and safe, constructive alternatives for students in kindergarten through ninth grade. Funding is designed to: 1) maintain existing before- and after-school program funding, and 2) provide eligibility to all elementary and middle schools throughout California that submit quality applications.

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. For Fiscal Year (FY) 2007-08, an adjustment has been made to reflect that California met the federal work participation rate (WPR) for the California Work Opportunity and Responsibility to Kids (CalWORKs) program in Federal Fiscal Year (FFY) 2006. California is not expected to meet the federal WPR in FFY 2007. When the State meets this rate, the MOE level falls from 80 percent to 75 percent. In addition, adjustments are made to the MOE as a result of Tribal TANF. Therefore, with the WPR and Tribal TANF MOE Adjustments, the final MOE level is $2.7 billion in FY 2007-08 and $2.9 billion in FY 2008-09.

The State may count either local and State expenditures made by California Department of Social Services (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, Job Opportunities and Basic Skills (JOBS), Emergency Assistance, Child Care for AFDC recipients, At-Risk Child Care, or Transitional Child Care programs in FFY 1995, then the 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.

Furthermore, the recent passage of the Federal Deficit Reduction Act 2005 (DRA) allows other expenditures to be counted without regards to eligibility conditions. This includes counting funds spent in programs which can be reasonably calculated to accomplish one or more of the four TANF goals. The After School Program meets TANF goal number three as described below.

(3) Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies.

IMPLEMENTATION DATE:

This premise implemented July 1, 2006.

Other Departments' TANF MOE Eligible Expenditures After School MOE

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Title 45, Code of Federal Regulations, sections 263.2 and 263.4.
- All General Fund (GF) expenditures spent on After School programs will be counted towards the MOE requirement in the year it is spent.
- It is assumed the eligible MOE expenditures will be $76.6 million in FY 2007-08 and $126.6 million in FY 2008-09.

METHODOLOGY:

The estimate reflects the anticipated MOE-eligible expenditures for FY 2007-08 and FY 2008-09.

FUNDING:

This program is funded with 100 percent GF.

CHANGE FROM THE APPROPRIATION:

As a result of the State's structural deficit between GF revenue and expenditures the CDSS is counting additional MOE from other departments which reduces the GF expenditures in the CDSS budget.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year is due to updated information from CDE.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
	Grant	Grant
Total[1]	$76,217	$126,603
Federal	0	0
State	76,217	126,603
County	0	0
Reimbursements	0	0

[1]-Total does not reflect an additional $385.5 million in eligible after school expenditures in FY 2007-08 and $335.2 million in FY 2008-09 that will be counted as excess MOE. Refer to the "Excess Maintenance-of-Effort (MOE)" premise description for more information.

Other Departments' TANF MOE Eligible Expenditures Community College Fee Waivers

DESCRIPTION:

This premise reflects the State maintenance of effort (MOE) countable expenditures associated with the California Community College Chancellor's Office (CCCCO) Board of Governor's (BOG) fee waivers program which provides tuition costs to financially needy students attending any of the State's Community Colleges. It is assumed that state expenditures for BOG fee waivers are countable toward the Temporary Assistance Needy Families (TANF) MOE requirement under Purpose Three of TANF. It is assumed the countable expenditures benefit unmarried students.

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. For Fiscal Year (FY) 2007-08, an adjustment has been made to reflect that California met the federal work participation rate (WPR) for the California Work Opportunity and Responsibility to Kids (CalWORKs) program in Federal Fiscal Year (FFY) 2006. California is not expected to meet the federal WPR in FFY 2007. When the State meets this rate, the MOE level falls from 80 percent to 75 percent. In addition, adjustments are made to the MOE as a result of Tribal TANF. Therefore, with the WPR and Tribal TANF MOE Adjustments, the final MOE level is $2.7 billion in FY 2007-08 and $2.9 billion in FY 2008-09.

The State may count either local and State expenditures made by California Department of Social Services (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, Job Opportunities and Basic Skills (JOBS), Emergency Assistance, Child Care for AFDC recipients, At-Risk Child Care, or Transitional Child Care programs in FFY 1995, then the 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.

Furthermore, the recent passage of the Federal Deficit Reduction Act of 2005 allows other expenditures to be counted without regard to eligibility conditions. This includes counting funds spent in programs which can be reasonably calculated to accomplish goals three and/or four. The BOG fee waivers meets TANF goal three as described below.

(3) Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies.

IMPLEMENTATION DATE:

This premise implemented July 1, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Title 45, Code of Federal Regulations, sections 263.2 and 263.4.
- CDSS will continue to work with CCCCO to identify expenditures benefiting unmarried students.
- Any eligible General Fund (GF) expenditures identified will be counted towards the MOE requirement in the same year they are spent.
- It is assumed the eligible MOE expenditures will be $85.6 million in FY 2008-09.

Other Departments' TANF MOE Eligible Expenditure Community College Fee Waivers

METHODOLOGY:

For FY 2008-09, the estimate reflects the anticipated MOE-eligible expenditures.

FUNDING:

This program is funded with 100 percent GF.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

As a result of the state's structural deficit between GF revenue and expenditures, CDSS is counting additional MOE from other Departments in 2008-2009, which reduces the GF expenditures in the CDSS budget.

EXPENDITURES:

(in 000's)

	2007-08 Grant	2008-09 Grant
Total[1]	$0	$85,560
Federal	0	0
State	0	85,560
County	0	0
Reimbursements	0	0

[1]-Total does not reflect an additional $85.6 million in eligible Community College Fee Waiver expenditures in FY 2007-08 that will be counted as excess MOE. Refer to the "Excess Maintenance-of-Effort (MOE)" premise description for more information.

Excess Maintenance of Effort (MOE)

DESCRIPTION:

This premise reflects the California Department of Social Service's strategy to earn additional Caseload Reduction Credit (CRC) by counting excess MOE dollars spent on allowable activities above the MOE requirement. Current federal regulations allow states that are investing state MOE funds in eligible families, in excess of the required MOE level, to receive a pro rata CRC. Under new federal guidelines included in the Federal Deficit Reduction Act of 2005, states are allowed to count as MOE, without regard to income or eligibility criteria, those expenditures that meet Temporary Assistance for Needy Families (TANF) goals three and/or four (prevent and reduce the incidence of out-of-wedlock births, and/or encourage the formation and maintenance of two-parent married families, respectively). Based on this expanded definition, CDSS has identified additional countable MOE from other departments that meet the TANF goals.

The resulting CRC the state would receive from excess MOE will enable the state to move closer toward meeting the federal work participation rate and will subsequently assist the State in avoiding or reducing any federal penalties.

IMPLEMENTATION DATE:

This premise implemented July 1, 2006.

KEY DATA/ASSUMPTIONS:

- Authorizing Statute: Title 45, Code of Federal Regulations, section 261.43.
- For further information on Other Department's TANF MOE, see premises titled CDE Child Care MOE, After School MOE, Cal Grants MOE, and Community College Fee Waivers.

METHODOLOGY:

- In Fiscal Year (FY) 2007-08, CDSS will claim a total of $485.1 million in excess MOE from other Departments for After School ($385.5 million), Cal Grants ($14 million), and Community College Fee Waivers ($85.6 million).
- In the FY 2008-09, CDSS will claim a total of $349.2 million in excess MOE from other Departments for After School ($335.2 million), and Cal Grants ($14 million).

FUNDING:

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

CHANGE FROM THE APPROPRIATION:

Anticipated excess MOE expenditures increased by $99.7 million primarily due to After School Excess MOE expenditures.

Excess Maintenance of Effort (MOE)

REASON FOR YEAR-TO-YEAR CHANGE:

As result of the State's structural deficit between GF revenue and expenditures, CDSS is counting additional MOE from other departments towards the MOE requirement, which reduces the amount to be counted as excess MOE.

EXPENDITURES:

(in 000's)

	2007-08	2008-09
Total	$485,122	$349,176
Federal	0	0
State	485,122	349,176
County	0	0
Reimbursements	0	0

General Fund Maintenance of Effort Work Participation Rate Adjustment

DESCRIPTION:

This premise reflects adjustments made on the California Department of Social Services' (CDSS) 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 (WPR) for the California Work Opportunity and Responsibility to Kids (CalWORKs) program.

CDSS 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, CDSS files an amended federal report for that past FFY to reflect the lower MOE expenditure level of 75 percent. Therefore, Fiscal Year (FY) 2007-08 reflects the adjustment for FFY 2006. California is not expected to meet the WPR for FFY 2007, therefore, the State will have to meet the 80 percent MOE requirement in FY 2008-09.

IMPLEMENTATION DATE:

The WPR adjustment is 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 FFY 2006 adjustment was determined by adjusting the MOE levels for those years to 75 percent. This results in reductions of $179.5 million, which is displayed in FY 2007-08. Because of the overlapping quarter between the FFY and the FY, CDSS is able to reflect the impact of the MOE reduction in a later FY. Accordingly, the General Fund (GF) expenditure reductions are not reflected in the State Budget until FY 2007-08. These adjustments do not, however, bring the MOE expenditure level below the federal requirement for any FFY. Because California is not expected to meet the WPR in FFY 2007, the State will have to meet the 80 percent MOE requirement in FY 2008-09.

FUNDING:

The funding is 100 percent GF.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

This change is due to California not likely meeting the WPR in FFY 2007; therefore, the State will not be able to reduce its MOE requirement from 80 percent to 75 percent in FY 2008-09.

General Fund Maintenance of Effort Work Participation Rate Adjustment

EXPENDITURES:

(in 000's)

	2007-08 Grant	2008-09 Grant
Total	-$179,546	$0
Federal	0	0
State	-179,546	0
County	0	0
Reimbursements	0	0

Total TANF Reserve

DESCRIPTION:

This premise reflects the Temporary Assistance for Needy Families (TANF) funds that are held in reserve to meet unanticipated pressures in the California Work Opportunity and Responsibility to Kids (CalWORKs) program. Expenditures as determined by the California Department of Social Services (CDSS) are subject to Legislative notification and approval by the California Health and Human Services Agency and the Department of Finance.

IMPLEMENTATION DATE:

This premise implemented July 1, 2000.

KEY DATA/ASSUMPTIONS:

- The reserve was originally established by the Budget Act of 2000.
- The Total TANF Reserve funds are used to meet unforeseen program needs in the CalWORKs program.

METHODOLOGY:

The reserve has been eliminated to zero due to existing budget pressures.

FUNDING:

This premise is funded with 100 percent federal TANF funds.

CHANGE FROM THE APPROPRIATION:

The decrease in current year is due to budget pressures that necessitate eliminating the reserve.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

RESERVE:

(in 000's)	2007-08	2008-09
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

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Restore TANF Reserve

DESCRIPTION:

This premise reflects the restoration of Temporary Assistance for Needy Families (TANF) funds that are held in reserve to meet unanticipated pressures in the California Work Opportunity and Responsibility to Kids (CalWORKs) program. Expenditures as determined by the California Department of Social Services (CDSS) are subject to Legislative notification and approval by the California Health and Human Services Agency and the Department of Finance.

Funds for this premise are made available as a result of the overall budget balancing reductions.

IMPLEMENTATION DATE:

The TANF Reserve will be restored in FY 2008-09.

KEY DATA/ASSUMPTIONS:

- The reserve was originally established by the Budget Act of 2000.
- The Total TANF Reserve funds are used to meet unforeseen program needs in the CalWORKs program.

METHODOLOGY:

For Fiscal Year (FY) 2008-09, approximately $87 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:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in budget year is necessary to ensure that funding is available for unforeseen expenses.

RESERVE:

(in 000's)	2007-08	2008-09
Total	$0	$86,957
Federal	0	86,957
State	0	0
County	0	0
Reimbursements	0	0

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