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CalWORKs MOE Subaccount Funds

DESCRIPTION:

This premise reflects the shift in assistance costs from state General Fund (GF) to county share funds for the California Work Opportunity and Responsibility to Kids (CalWORKs) program, as amended by Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statutes of 2011). Counties will be able to draw funds from the "CalWORKs Maintenance of Effort (MOE) Subaccount" (which will include funds that were previously deposited into the Mental Health Subaccount) to pay an increased county share of the CalWORKs assistance costs.

IMPLEMENTATION DATE:

This premise implemented July 1, 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code (W&IC) section 17601.2
- Counties will be required to pay an increased county share of CalWORKs assistance costs up to the amount of funds available in the CalWORKs MOE Subaccount.
- The CalWORKs MOE Subaccount is projected to have approximately $1.06 billion in revenue in Fiscal Year (FY) 2011-12 and $1.12 billion in revenue in FY 2012-13.
- The CalWORKs MOE Subaccount funds equal approximately 32.5 percent and 36.1 percent of the CalWORKs assistance costs in FY 2011-12 and FY 2012-13, respectively.

METHODOLOGY:

The increased county share is equal to the projected revenues for the CalWORKs MOE Subaccount.

FUNDING:

The increased county share is funded by revenues from the CalWORKs MOE Subaccount, which offsets GF.

CHANGE FROM PRIOR SUBVENTION:

The decrease in FY 2011-12 and FY 2012-13 is due to a decrease in the projected revenues.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase from FY 2011-12 to FY 2012-13 is due to an increase in projected revenues.

CalWORKs MOE Subaccount Funds

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Grants		
Total	$0	$0
Federal	0	0
State	-1,060,795	-1,120,551
County	1,060,795	1,120,551
Reimbursements	0	0

General Fund Maintenance of Effort Adjustment

DESCRIPTION:

This premise reflects the shift of expenditures that is necessary to meet the Maintenance of Effort (MOE) funding requirements of the Temporary Assistance for Needy Families (TANF) program. Public Law (PL) 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. The legislation also established the amount of MOE General Fund (GF) that states must contribute as a condition of receiving the block grant. In any year in which the state meets the federal work participation rate (WPR) for the California Work Opportunity and Responsibility to Kids (CalWORKs) program the MOE requirement falls from 80 percent to 75 percent. In addition, adjustments are made to the MOE as a result of Tribal TANF program expenditures. The state has not met the WPR since Federal Fiscal Year (FFY) 2007.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1996.

METHODOLOGY:

To determine the 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 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 FY 2011-12 and FY 2012-13 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 base MOE level. The transfer is offset by a corresponding reverse adjustment to federal TANF funds. There is no change in the total funds available.

General Fund Maintenance of Effort Adjustment

CHANGE FROM PRIOR SUBVENTION:

The decrease in additional GF MOE needed in FY 2011-12 from the 2011 November Estimate is primarily due to an increase in the TANF block grant carry forward from FY 2010-11. The decrease in additional GF MOE needed in FY 2012-13 is primarily due to the increase in state funding for new Safety Net cases as a result of the new 48 month time limit (which was not previously identified in the 2011 November Estimate). Additionally, the decrease in non-MOE funds for the Child Maintenance program also contributes to the decrease in additional GF MOE needed.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in additional GF MOE needed from FY 2011-12 to FY 2012-13 is due to a decrease in projected MOE from other departments.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Program		
Total	$0	$0
Federal	-844,818	-1,128,272
State	844,818	1,128,272
County	0	0
Reimbursements	0	0

Two-Parent Families

DESCRIPTION:

A two-parent 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, two-parent 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, California Work Opportunity and Responsibility to Kids (CalWORKs) cash assistance, Welfare to Work (WTW) services, and administrative services for two-parent 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 for a minimum 55 hours per week in WTW activities in order 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 Fiscal Year (FY) 2011-12 and FY 2012-13 caseload projections.
- The employment services and Stage One child care costs for two-parent families are based on the most recent information.
- The ratio for two parents participating in the CalWORKs Mental Health program is 13.34 percent and 13.92 percent in the Substance Abuse program and is based on the most recent CalWORKs Welfare-to-Work Monthly Activity Report (WTW 25/25A) caseload information.

METHODOLOGY:

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

FUNDING:

- The 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.

Two-Parent Families

CHANGE FROM PRIOR SUBVENTION:

- The decrease for CalWORKs grant costs in FY 2011-12 is due to a lower CalWORKs caseload.
- The FY 2011-12 service, and administration costs decrease is due to a lower ratio of two-parent expenditures.
- The FY 2011-12 increase in Child Care is due to an adjustment to the base Child Care funding.
- The FY 2012-13 decrease in grants, services, and administration is due primarily to a projected decrease in the CalWORKs caseload.
- The FY 2012-13 increase in Child Care costs is due to CalWORKs refocusing proposals.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in FY 2012-13 is due primarily to a decrease in the caseload.

CASELOAD:

	FY 2011-12	FY 2012-13
Average Monthly Caseload	52,932	45,697

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs		
Total	$447,937	$363,524
Federal	420,038	335,976
State	20,016	22,157
County	7,883	5,391
Reimbursements	0	0

Two-Parent Families

EXPENDITURES (CONTINUED):

(in 000s)

Item 101 – CalWORKs Grants	FY 2011-12	FY 2012-13
Total	$315,310	$215,632
Federal	307,427	210,241
State	0	0
County	7,883	5,391
Reimbursements	0	0

Item 101 – CalWORKs Services	FY 2011-12	FY 2012-13
Total	$54,605	$61,143
Federal	54,605	61,143
State	0	0
County	0	0
Reimbursements	0	0

Item 101 – CalWORKs Administration	FY 2011-12	FY 2012-13
Total	$58,006	$64,592
Federal	58,006	64,592
State	0	0
County	0	0
Reimbursements	0	0

Two-Parent Families

EXPENDITURES (CONTINUED):

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Stage One Child Care		
Total	$20,016	$22,157
Federal	0	0
State	20,016	22,157
County	0	0
Reimbursements	0	0

CalWORKs 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 has been consolidated to now also include cases that were previously indentified in the Safety Net and the Recent Noncitizen Entrants (RNEs) premises.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11450.
- For Fiscal Year (FY) 2011-12 a total of 12,232,817 All Other Families (AF) personmonths and 2,274,931 Two-Parent (TP) personmonths are anticipated. For FY 2012-13, 11,920,252 AF personmonths and 2,099,646 TP personmonths are projected.
- For both FY 2011-12 and FY 2012-13 AF cases consist of 2.30 persons. The TP cases consist of 3.63 persons in FY 2011-12 and 3.62 persons in FY 2012-13.
- Adjustments are made for the estimated costs of current premises which are already included in the base period. These premises include: “Cal Learn Bonuses,” “RNEs,” “County Exemptions and Flexibility,” “Reduced California Work Opportunity and Responsibility to Kids (CalWORKs) Grant Impact” and “Proposition L.” Another adjustment is made for the costs associated with new tribes establishing Tribal Temporary Assistance for Needy Families (TANF) program. Also, costs for the CalWORKs policy changes have been included to offset the effects of those premise items being deducted on their own. Those premises are the 48-Month Time Limit, Eight Percent Maximum Aid Payment Reduction, and Earned Income Disregard.
- Costs are included for the Diversion Program. Based on the most recent CalWORKs Cash Grant Caseload Movement Reports (CA 237) and CalWORKs Expenditure Reports (CA 800D), the average monthly diversion caseload is estimated at 14 for FY 2011-12 and FY 2012-13, with an average cost per case of $1,608.
- The estimated CalWORKs grant cost per person is based on an average of the actual cost per person from July 2011 to December 2011.
- The AF cost per person is $202.49 for FY 2011-12 and FY 2012-13. The TP cost per person is $155.59 for FY 2011-12 and FY 2012-13.
- The AF and TP basic cost are adjusted for the projected OASDI COLA change of 3.6 percent, effective January 1, 2012 and 0.5 percent on January 1, 2013. Due to the negative Consumer Price Index (CPI) there is assumed to be no impact to OASDI payments for January 2011.
- 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 2011-12 reduction in cash grants of $1,213,020 and a reduction of $3,030,285 in FY 2012-13.
- The FY 2011-12 and FY 2012-13 reflect a shift of funds from the RNE program for persons in mixed cases that are TANF-eligible. The shift is reflected in the RNE premise.

CalWORKs Grants

METHODOLOGY:

- The personmonths are multiplied by the cost per person to determine AF and TP basic costs.
- The 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,” “RNE’s,” “County Exemptions and Flexibility,” “Reduced CalWORKs Grant Impact,” new tribes establishing Tribal TANF programs, and Proposition L. For FY 2012-13, “Cal Learn Sanctioned Grants” will not be reduced due to the elimination of the Cal Learn program.

DATA COMPARISON CHART:

FY 2011-12	AF	TP
Projected Personmonths	12,232,817	2,274,931
Projected Casemonths	5,324,742	626,738
Cost Per Case	2.30	3.63

FY 2012-13	AF	TP
Projected Personmonths	11,920,252	2,099,646
Projected Casemonths	5,190,713	579,426
Cost Per Case	2.30	3.62

FUNDING:

Basic grant costs are funded 90.3 percent TANF, 7.2 percent General Fund (GF), and 2.5 percent county. Due to a federal audit exception, effective September 1, 2009, TANF hardship cases are funded with GF Maintenance of Effort (MOE) instead of TANF funds. In addition, GF MOE is used to fund the RNE program with persons in mixed cases that are TANF eligible. The RNE grant costs are funded with 95 percent GF and 5 percent county funds. Safety Net costs associated with CalWORKs grants are 97.5 percent GF and 2.5 percent county.

CHANGE FROM PRIOR SUBVENTION:

The decrease in FY 2011-12 and FY 2012-13 is due to a decline in caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in FY 2012-13 is due to a decline in caseload.

CalWORKs Basic Grants

CASELOAD:

	FY 2011-12	FY 2012-13
Average Monthly Caseload	495,957	480,845
Average Monthly Persons	1,208,979	1,168,325

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101-CalWorks Assistance		
Total	$3,609,268	$3,540,629
Federal	2,874,545	2,779,951
State	641,440	669,267
County	93,283	91,411
Reimbursements	0	0

CalWORKs Basic Grants

FY 2011-12
APPROPRIATION
(in 000s)

	Total	Federal	State	County	Reimb.
CalWORKs Assistance	**$3,599,148**	**$2,974,405**	**$532,682**	**$92,061**	**$0**
Basic Grants	3,251,169	2,974,405	193,564	83,200	0
Safety Net (Post 60 Mths)	291,872	0	285,146	6,726	0
Recent Noncitizen Entrants	56,107	0	53,972	2,135	0

FY 2011-12
2012 MAY REVISION
(in 000s)

	Total	Federal	State	County	Reimb.
CalWORKs Assistance	**$3,609,268**	**$2,874,545**	**$641,440**	**$93,283**	**$0**
Basic Grants	3,208,861	2,874,545	251,957	82,359	0
Safety Net (Post 60 Mths)	363,871	0	354,774	9,097	0
Recent Noncitizen Entrants	36,536	0	34,709	1,827	0

FY 2012-13
2012 MAY REVISION
(in 000s)

	Total	Federal	State	County	Reimb.
CalWORKs Assistance	**$3,540,629**	**$2,779,951**	**$669,267**	**$91,411**	**$0**
Basic Grants	3,106,760	2,779,951	247,143	79,666	0
Safety Net (Post 60 Mths)	397,945	0	387,996	9,949	0
Recent Noncitizen Entrants	35,924	0	34,128	1,796	0

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 for the Assembly Bill (AB) 98 (Chapter 589, Statutes of 2007) Subsidized Employment (SE) program. Due to the implementation of the American Recovery and Reinvestment Act (ARRA) Emergency Contingency Fund (ECF) SE program, AB 98 activities were suspended through September 30, 2010. The AB 98 program resumed after the end of ARRA. In addition, this premise reflects changes made to the program as a result of the enactment of Senate Bill (SB) 72 (Chapter 8, Statutes of 2011), effective March 24, 2011. SB 72 increased the maximum amount of funding that will be provided to the counties for this program, expanded the eligible population, and increased the duration of qualifying job placements.

Under AB 98, the state's contribution toward a participant's wage subsidy was limited to 50 percent of a CalWORKs recipient's wage subsidy, not to exceed 50 percent of the Maximum Aid Payment (MAP) for the Assistance Unit (AU). SB 72 increased the amount of SE costs that counties may claim up to 50 percent, less $56, of the total wage costs for the participant; not to exceed 100 percent of the computed grant for the AU in the month prior to participation in SE. SB 72 also expanded the program to participants who become ineligible for CalWORKs due to the SE income, individuals in Welfare-to-Work sanction status, and individuals who have exceeded the CalWORKs time limits and are receiving Safety Net benefits for their eligible children. However, wage subsidies may be eligible for AB 98 funding only if the individuals are not otherwise employed at the time of entry into the SE position. The state's contribution to the wage subsidy is limited to a maximum of six months for each participant, but may be available for a total of 12 months if the county determines that a longer subsidy is necessary in order to mutually benefit the employer and the participant. In addition, SB 72 stated that the expansion of the SE program is intended to be cost neutral.

IMPLEMENTATION DATE:

This premise originally implemented on January 1, 2008, but was suspended during ARRA SE. This premise reinstated AB 98 SE with the completion of ARRA as of September 30, 2010, and also expanded the SE program with the passage of SB 72 on March 24, 2011. Counties have experienced a delay in implementation of the expanded SE program due to planning and budget uncertainty, and have started a phase-in implementation which began in July 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11322.63.
- Based on data submitted by participating counties and actual expenditures through December 2011, counties began their expanded SE programs in July 2011. Participation in the SE program lasts up to six months per participant. For FY 2011-12, the counties are projected to serve approximately 7,000 participants (for the duration of up to six months per participant) within the expanded SE program.
- Based on county survey information, counties are projected to serve 6,707 participants in FY 2012-13 (for the duration of up to six months per participant) within the expanded SE program.

Subsidized Employment (AB 98)

KEY DATA/ASSUMPTIONS (CONTINUED):

- Due to the receipt of SE earnings the recipient's grant will be reduced, resulting in grant savings. The cost for CalWORKs services will be offset by the grant savings, resulting in the cost neutrality of the SE program.
- Due to delayed implementation in some counties, cases beginning the SE program in FY 2011-12 may complete the program in FY 2012-13, shifting a portion of costs (and savings) to FY 2012-13.
- For FY 2011-12 and FY 2012-13, the average wage is assumed to be $1,387 per month resulting in the maximum state contribution of $638 for an AU size of three.
- It is assumed that under the expanded SE program, participants had no earned or unearned income prior to the SE and were receiving the maximum aid payment. Therefore, the average grant savings in FY 2011-12 and FY 2012-13 is assumed to be the maximum aid payment of $638 per case (based on an AU of three).
- Due to continued tracking of cases for SE program purposes, there will be no administrative savings for cases which "income out" of CalWORKs.

METHODOLOGY:

For FY 2011-12, SE program actual expenditures (not including expenditures to the single allocation for SE programs) for the first two quarters were approximately $2.5 million total funds. Approximately 1,200 cases were not included in the expenditures and will be adjusted in the first two quarters for a total of approximately $4.8 million expenditures. Based on county surveys, the third and fourth quarters of FY 2011-12 will reflect full implementation and is assumed to double from the first two quarters to approximately $9.5 million. Total expenditures assumed for FY 2011-12 is approximately $14.3 million ($14.3 million services costs and the associated $14.3 million grant savings).

For FY 2012-13, the services costs are calculated by taking 50 percent of the total wage costs, less $56, up to 100 percent of the AU's grant amount prior to SE, and then multiplying by the cases per month.

($1,387 X 50 percent) - $56 = $638 X 6,707 cases X 6 months = $25.67 million

The grant savings are calculated by taking the $638 (MAP of an AU size of three) and then multiplying by the cases per month.

$638 X 6,707 cases X 6 months = $25.67 million

FUNDING:

The funding for the CalWORKs grant savings is 90.3 percent Temporary Assistance for Needy Families (TANF), 7.2 percent General Fund (GF), and 2.5 percent county. The funding for the services is 98.2 percent TANF and 1.8 percent GF.

Subsidized Employment (AB 98)

CHANGE FROM PRIOR SUBVENTION:

For FY 2011-12, service costs decreased (along with the associated grant savings) as a result of delayed implementation. For FY 2012-13, service costs decreased (along with the associated grant savings) as a result of reduced county participation.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in service costs and associated grant savings reflects full implementation of the SE program.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Grants		
Total	-$14,330	-$25,674
Federal	-12,943	-23,190
State	-1,027	-1,839
County	-360	-645
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Services		
Total	$14,330	$25,674
Federal	14,076	25,219
State	254	455
County	0	0
Reimbursements	0	0

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CalWORKs Short-Term Reform Efforts – County Exemptions and Flexibility

DESCRIPTION:

Chapter 4, Statutes of 2009 Fourth Extraordinary Session, Assembly Bill (AB) X4 4 includes short-term reforms to the California Work Opportunity and Responsibility to Kids (CalWORKs) program. The provision allows counties to provide time limit and Welfare-to-Work (WTW) participation exemptions for individuals who have been granted good cause due to lack of supportive services and for families with young children (i.e., 12-23 months or if two or more children are under the age of six). These short-term exemptions are effective August 1, 2009, and will remain in effect until September 30, 2012, as proposed in the CalWORKs Refocusing proposal (see CalWORKs Refocusing premise for additional information). For cases that have young children, the premise also reflects the impact of restoring the adult portion of the grant in cases that otherwise would have been sanctioned for non-compliance with work requirements.

The statutory changes included in AB X4 4 provide the counties flexibility to address funding reductions included in the Budget Act of 2009 (which reduced the single allocation by $376.9 million) and the Budget Act of 2011 (which extended the exemptions through Fiscal Year [FY] 2011-12). The language allows the county flexibility to redirect mental health and substance abuse funding and to grant exemptions from WTW participation as noted above. AB X4 4 also states that it is the goal of the Legislature to minimize disruption of WTW services for those clients already participating, and prioritize exemptions and good cause for new applicants. However, this does not preclude counties from granting these exemptions to current clients.

IMPLEMENTATION DATE:

August 1, 2009 for AB X4 4 (Chapter 4, Statutes of 2009) and July 1, 2011 for the Budget Act of 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11320.3, as implemented by AB X4 4 and the Budget Act of 2011.
- For cases that have young children, the premise also includes restoring the adult portion of the grant in cases that otherwise would have been sanctioned for non-compliance with work requirements.

<u>Good Cause Due to Lack of Supportive Services</u>

- The estimate assumes that approximately 9,250 cases/families will receive an exemption and lose child care services because of reductions to the Single Allocation (see Reduction in Employment Services and Child Care premise) in FY 2011-12. Of those families that lose child care, approximately 459 would otherwise be subject to reach their 60-month time limit.
- Absent this policy, approximately 64 percent of cases/families subject to reach their 60-month time limit would have gone to the Safety Net and 36 percent would have left aid.

CalWORKs Short-Term Reform Efforts – County Exemptions and Flexibility

KEY DATA/ASSUMPTIONS (CONTINUED):

Good Cause Due to Lack of Supportive Services (continued)

- The estimate assumes that the cases that otherwise would have gone to the Safety Net will have the adult portion of their grant restored (approximately 286 cases). The estimate further assumes that 26 percent of the cases that would have left aid upon reaching their 60-month time limit will remain in the program and receive their full grant (approximately 118 cases), and 10 percent of the cases will leave the program (approximately 45 cases).

Young Children Exemption

- The estimate assumes that approximately 47,655 cases/families have young children that meet the exemption criteria.
- Based on data from July 2008 to June 2009, approximately 965 cases time out each month. Of the cases that time out each month, approximately 8.25 percent meet the young child criteria, resulting in approximately 954 cases (965 cases x 8.25 percent x 12 months = 954 cases).
- Absent this policy, approximately 64 percent of cases/families subject to reach their 60-month time limit would have gone to the Safety Net and 36 percent would have left aid.
- The estimate assumes that the cases that otherwise would have gone to the Safety Net will have the adult portion of their grant restored (approximately 609 cases). The estimate further assumes that 26 percent of the cases that would have left aid upon reaching their 60-month time limit will remain in the program and receive their full grant (approximately 250 cases), and 10 percent of the cases will leave the program (approximately 95 cases).
- The estimate assumes that cases that would have transferred to the Safety Net will cost an additional $122 per month, which is the cost of adding the adult back to the Assistance Unit. Cases that would have left the program will cost $516, which is the maximum family grant for an Assistance Unit of two in CalWORKs.

Sanctioned Cases

- The estimate assumes that 6,420 cases/families are in sanction status.
- The estimate assumes that the counties will provide a “blanket” exemption to all families/cases in sanction and that the adult portion of the grant will be restored.
- The estimate assumes that cases that would have otherwise been sanctioned will cost an additional $122 per month, which is the cost of adding the adult back to the Assistance Unit.

Administrative Costs

- The estimate assumes administrative costs ($33.58 per case) due to time limit exemptions for lack of supportive services or for families with young children.

CalWORKs Short-Term Reform Efforts – County Exemptions and Flexibility

METHODOLOGY:

Good Cause Due to Lack of Supportive Services

- For cases that otherwise would have left aid after 60 months, the full grant is restored. Costs are calculated by multiplying the number of case months by the full grant (1,440 case months x $516 = $743,040).
- For cases that otherwise would have gone to the Safety Net, the adult portion of the grant is restored. Costs are calculated by multiplying the number of case months by the additional grant amount (3,456 case months x $122 = $421,632).

Young Children Exemption

- For cases that otherwise would have left aid after 60 months, the full grant is restored. Costs are calculated by multiplying the number of case months by the full grant (3,024 case months x $516 = $1,560,384).
- For cases that otherwise would have gone to the Safety Net, the adult portion of the grant is restored. Costs are calculated by multiplying the number of case months by the additional grant (7,344 case months x $122 = $895,968).

Sanctioned Cases

- Costs are calculated by multiplying the average monthly number of sanctioned cases by 12 months by the additional grant amount (6,420 x 12 months x 122 = $9,398,880).

Administrative Costs

- Administrative costs are held to the FY 2011-12 Appropriation.

FUNDING:

- Grant Costs: The funding is 90.3 percent Temporary Assistance for Needy Families (TANF), 7.2 percent General Fund (GF), and 2.50 percent county.
- Administrative Costs: The funding is 94.34 percent TANF and 5.66 percent GF.

CHANGE FROM PRIOR SUBVENTION:

The decrease in the overall CalWORKs caseload is offset by an increase in the number of families exempted to absorb the $215 million reduction in FY 2011-12. There is no change in FY 2012-13.

REASON FOR YEAR-TO-YEAR CHANGE:

It is assumed that the with the expiration of the exemptions the Single Allocation funding is restored in FY 2012-13, therefore no costs are assumed in FY 2012-13.

CalWORKs Short-Term Reform Efforts – County Exemptions and Flexibility

EXPENDITURES:

(in 000s)

Item 101 - CalWORKs Grants	FY 2011-12	FY 2012-13
Total	$13,020	$0
Federal	11,765	0
State	932	0
County	323	0
Reimbursement	0	0

Item 101 - CalWORKs Administration	FY 2011-12	FY 2012-13
Total	$142	$0
Federal	134	0
State	8	0
County	0	0
Reimbursements	0	0

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), CalFresh, 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 CalFresh 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 CalFresh 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. CalFresh recipients are only required to report address changes in mid-quarter. Certain Non-Assistance CalFresh (NACF) 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 and June 30, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: 7 CFR section 273.21(b), and Welfare and Institutions Code sections 11265.1-11265.3.
- The California Department of Social Services received a USDA-FNS waiver approval to implement QR/PB for the CalFresh 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 Fiscal Year (FY) 2011-12 costs and savings are based on 6,935,734 CalWORKs casemonths; 15,701,320 NACF casemonths; and 187,288 CFAP casemonths.
- The FY 2012-13 costs and savings are based on 6,836,044 CalWORKs casemonths; 18,127,705 NACF casemonths; and 209,173 CFAP casemonths.
- It is assumed that 10.4 percent of the total NACF/CFAP cases are currently subject to non-monthly/change reporting based on the CalFresh Characteristics Survey. The remaining cases, 14,068,382 NACF cases and 167,810 CFAP cases in FY 2011-12; and 16,242,423 NACF cases and 187,419 CFAP cases in FY 2012-13, 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 NACF savings.
- 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 NACF/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 NACF/CFAP mid-quarter case activities under QR/PB are estimated to cost $28.23 per case.
- Mid-quarter administrative activities for CalWORKs and NACF/CFAP cases include voluntary and mandatory mid-quarter reporting and county initiated contact.
- The 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, NACF, 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. 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.

Prospective Budgeting

KEY DATA/ASSUMPTIONS (CONTINUED):

- Under QR/PB some of these cases will experience a delay in being discontinued until their quarterly report month.
- The 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 45.85 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 Calendar Year 2010, fraud cases account for 1.88 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 $326.00 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 $112.
- The 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. Based on the CA 253, FY 2007-08, 0.84 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 receive two additional months of the full grant before being discontinued.

Prospective Budgeting

KEY DATA/ASSUMPTIONS (CONTINUED):

- 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 19 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 $475.81 based on the CA 800 CalWORKs expenditure reports for the period from June 2010 to June 2011.
- The average CFAP benefit per case is $295.34 based on the average coupon benefit per case for the period from July 2010 to June 2011.
- It is estimated that seven CFAP cases per month in FY 2011-12 and FY 2012-13 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 41 CFAP cases per month in FY 2011-12 and 45 CFAP cases per month in FY 2012-13 that would have otherwise had their benefits discontinued 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 NACF/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 NACF/CFAP caseload will be subject to a county initiated action during mid-quarter months.
- Effective October 1, 2008, Able-Bodied Adults Without Dependents (ABAWDs) are exempt from meeting the work requirements.

METHODOLOGY:

Administration

- The CalWORKs, NACF, 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 administrative savings associated with continuing case activities under monthly reporting are calculated by multiplying the monthly continuing case cost by the total casemonths. The CalWORKs FY 2012-13: ($42.75 x 6,836,044).

Prospective Budgeting

METHODOLOGY (CONTINUED):

- The CalWORKs 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. The CalWORKs FY 2012-13: ($24.95 x 6,836,044).
- The CalWORKs administrative costs to process mid-quarter changes are calculated by multiplying the casemonths by the cost per month. The CalWORKs FY 2012-13: ($8.63 x 6,836,044).
- The NACF 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. The NACF FY 2012-13: ($25.01 x 16,242,423).
- The NACF 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. The NACF FY 2012-13: ($39.33 x 16,242,423 x 33 percent).
- The NACF 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. The NACF FY 2012-13: (16,242,423 x 2.72 percent x $28.23).
- The NACF and CFAP administrative costs to process a change of address, change in household composition, or shelter costs during non-quarterly report months are calculated by multiplying the number of cases that would report the changes outside the quarterly reporting months by the cost per case. The NACF FY 2012-13: (16,242,423 x 4.47 percent x $28.23).
- The NACF 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. The NACF FY 2012-13: (16,242,423 x 0.69 percent x $28.23).
- The CalWORKs, NACF, and CFAP administrative cost to mail quarterly reports is calculated by multiplying the annual casemonths by one-third plus additional reports based on estimated number of casemonths reporting change of address and change in household composition 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. The NACF FY 2012-13: ([[16,242,423 x 33 percent] + 1,167,830] x $0.78), for CalWORKs FY 2012-13: (6,836,044 x 33 percent x $0.78).
- The CalWORKs, NACF, and CFAP administrative savings due to not mailing monthly reports is calculated by multiplying the number of cases reporting monthly by the mailing cost. The NACF FY 2012-13: (16,242,423 x $0.78), for CalWORKs FY 2012-13: (6,836,044 x $0.78).

Prospective Budgeting

METHODOLOGY (CONTINUED):

Grants/Benefits

- The 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. The CalWORKs FY 2012-13: ($326 x 1,069 x 50 percent) + ($326 x 1,069 x 50 percent x 2).
- The 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. The CalWORKs FY 2012-13: ($38 x 9,094 x 50 percent) + ($38 x 9,094 x 50 percent x 2).
- The 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 $112. The CalWORKs FY 2012-13: ($112 x 185,732 x 50 percent) + ($112 x 185,732 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. The CalWORKs in FY 2012-13: [($38 x 48 x 50 percent) x 50 percent] + ($38 x 48 x 50 percent) x 2 x 50 percent).
- The 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. The CalWORKs FY 2012-13: ($475.81 x 60,946 x 50 percent) + ($475.81 x 60,946 x 50 percent x 2).
- The 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. The CalWORKs FY 2012-13: ($475.81 x 32 x 50 percent) + ($475.81 x 32 x 50 percent x 2).
- Under QR/PB, 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. The CFAP FY 2012-13: (89 x 50 percent x $85.00) + (89 x 50 percent x $85.00 x 2 months).
- The 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. The CFAP FY 2012-13: (5,092 x 50 percent x $53.03) + (5,092 x 50 percent x $53.03 x 2 months).

Prospective Budgeting

FUNDING:

CalWORKs

- The funding for CalWORKs grants for FY 2011-12 and FY 2012-13 is 90.3 percent TANF, 7.2 percent General Fund (GF), and 2.50 percent county.
- The funding for CalWORKs administration for FY 2011-12 and FY 2012-13 is 93.9 percent TANF and 6.1 percent GF.

NACF and CFAP

- For FY 2011-12 and FY 2012-13, the CalFresh funding is 50 percent federal, 35 percent GF, and 15 percent county funds. The CFAP costs are 100 percent GF with 15.2 percent as Maintenance of Effort (MOE) eligible in FY 2011-12 and 13.0 percent MOE eligible in FY 2012-13.

CHANGE FROM PRIOR SUBVENTION:

CalWORKs

The FY 2011-12 is held to the 2011 November Subvention. The decrease in FY 2012-13 is due to a decrease in caseload.

NACF and CFAP

The FY 2011-12 is held to the 2011 November Subvention. The decrease in FY 2012-13 in NACF administrative savings is due to a decrease in caseload from the previously held level. The decrease in FY 2012-13 in CFAP administrative savings and grant costs is also due to a decrease in caseload from the previously held level.

REASON FOR YEAR-TO-YEAR CHANGE:

The CalWORKs grant costs and administrative savings reflect a slight decrease to the CalWORKs caseload.

The increase in NACF administrative savings and CFAP grant costs and administrative savings reflect an increase in projected caseload.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Grants		
Total	$76,872	$75,767
Federal	69,448	68,451
State	5,502	5,422
County	1,922	1,894
Reimbursements	0	0

Prospective Budgeting

EXPENDITURES (CONTINUED):

Item 101 – CalWORKs Administration

	FY 2011-12	FY 2012-13
Total	-$67,249	-$66,282
Federal	-63,132	-62,225
State	-4,117	-4,057
County	0	0
Reimbursements	0	0

Item 101 – CFAP Grants

	FY 2011-12	FY 2012-13
Total	$1,926	$2,151
Federal	0	0
State	1,926	2,151
County	0	0

Item 141 – CalFresh Administration

	FY 2011-12	FY 2012-13
Total	-$144,515	-$166,848
Federal	-72,258	-83,424
State	-50,579	-58,397
County	-21,678	-25,027
Reimbursements	0	0

Item 141- CFAP Administration

	FY 2011-12	FY 2012-13
Total	-$1,724	-$1,925
Federal	0	0
State	-1,724	-1,925
County	0	0
Reimbursements	0	0

Grant Reduction (8 Percent)

DESCRIPTION:

This premise reflects the impact of an eight percent Maximum Aid Payment (MAP) reduction to the California Work Opportunity and Responsibility to Kids (CalWORKs) program as a result of the passage of Senate Bill (SB) 72, (Chapter 8, Statutes of 2011).

Also reflected in this premise are the increased coupon costs in the California Food Assistance Program (CFAP) associated with those cases for which the CalWORKs grant is decreased by this policy.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11450.02(b).
- The MAP levels for non-exempt and exempt Assistance Units (AUs) are reduced by eight percent. The reduced MAP levels will be used to calculate the grant amount for CalWORKs recipients.
- Depending on the amount of grant each CalWORKs case currently receives, the actual percentage of reduction to their grant may be different than eight percent. Based on CalWORKs Characteristic Survey (Q5) Data, the average cost per case reduction is approximately nine percent.
- It is assumed the impacted caseload that will be subject to the grant reductions is 588,360 in the Fiscal Year (FY) 2011-12 and 580,409 in FY 2012-13.
- All cases received the grant reduction beginning July 1, 2011.
- This premise reflects a revised caseload methodology to account for concurrent (July 1, 2011) implementation of the MAP reduction and the change to the earned income disregard. The caseload was further isolated to separate the portion of caseload directly impacted by the MAP reduction. For FY 2011-12, there are 4,682 CalWORKs cases that will lose eligibility and become discontinued as a result of this MAP reduction. In FY 2012-13, there will be 4,616 cases discontinued.
- This estimate also assumes administrative savings for cases that will be discontinued. Administrative costs for mid-quarter activities are $8.63 per case per month, and $24.95 per case per month for quarterly activities, for a total of $33.58.
- For FY 2011-12, it is estimated that 2,061, (44.02 percent) of adult cases will be removed from the Employment Services caseload as a result of becoming discontinued due to this MAP reduction. In FY 2012-13, an estimated 2,032 cases will be removed.
- As a result of the grant reduction, public assistance CFAP cases will receive increased food benefits.

METHODOLOGY:

- The grant savings is calculated by multiplying the decrease in the average CalWORKs grant by the total CalWORKs caseload.

Grant Reduction (8 Percent)

METHODOLOGY (CONTINUED):

- The services savings is calculated by removing the impacted caseload from the Employment Services caseload.
- The administrative savings is calculated by multiplying the average monthly number of cases expected to lose eligibility by the average monthly cost per case.

FUNDING:

- The CalWORKs grants are funded 90.3 percent Temporary Assistance for Needy Families (TANF), 7.2 percent General Fund (GF) and 2.5 percent county funds.
- The CalWORKs services savings are funded 99 percent TANF and one percent GF.
- The CalWORKs administrative savings are funded 94.1 percent TANF funds and 5.9 percent GF.
- The CFAP benefits are funded 100 percent GF. The Public Assistance portion of the costs is eligible to be counted towards the Maintenance of Effort requirement.

CHANGE FROM PRIOR SUBVENTION:

The decrease in savings in grants for FY 2011-12 and FY 2012-13 is a result of a decline in caseload. Administration and Services savings were held to the Appropriation in FY 2011-12.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in grant savings from FY 2011-12 to FY 2012-13 is a result of a decline in caseload. Administration and Services savings increased to reflect the revised caseload impacts since the FY 2011-12 Appropriation.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs (TANF) Grant Savings		
Total	-$318,492	-$314,187
Federal	-287,644	-283,756
State	-22,794	-22,486
County	-8,054	-7,945
Reimbursements	0	0

Grant Reduction (8 Percent)

EXPENDITURES (CONTINUED):

(in 000s)

Item 101 – CalWORKs (TANF)
Services Savings

	FY 2011-12	FY 2012-13
Total	-$1,558	-$8,053
Federal	-1,543	-7,972
State	-15	-81
County	0	0
Reimbursements	0	0

Item 101 – CalWORKs (TANF)
Administrative Savings

	FY 2011-12	FY 2012-13
Total	-$280	-$1,860
Federal	-264	-1,751
State	-16	-109
County	0	0
Reimbursements	0	0

Item 101 – CFAP
CalWORKs Grant Reduction Impact

	FY 2011-12	FY 2012-13
Total	$813	$909
Federal	0	0
State	813	909
County	0	0
Reimbursements	0	0

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48-Month Time Limit

DESCRIPTION:

This premise reflects the impact of the 48-month time limit for aided adult recipients in the California Work Opportunity and Responsibility to Kids (CalWORKs) program as a result of the passage of Senate Bill (SB) 72 (Chapter 8, Statues of 2011). This time limit replaces the 60-month CalWORKs time clock. Effective July 1, 2011, adults will only be eligible to receive CalWORKs for a maximum of 48 countable months. All countable months of aid received since January 1, 1998, will be considered in determining the recipient's time-on-aid. Months of aid received prior to 1998, months that were previously exempted from the CalWORKs time clock, and months in which the adults were not aided due to a Welfare-to-Work sanction will continue to not count toward the 48-month time limit. When the adult reaches the new time limit, the adult will be removed from the Assistance Unit (AU), unless the adult meets time limit extension criteria, and the grant to the AU will be reduced accordingly.

IMPLEMENTATION DATE:

This premise implemented July 1, 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11454.
- Counties were instructed to provide a 30-day Notice of Action (NOA) to notify impacted recipients and it was previously assumed the savings associated with this new policy would be achieved beginning August 2011.
- For Fiscal Year (FY) 2011-12, all counties except for Los Angeles County, implemented the 48-Month Time Limit on July 1, 2011. Los Angeles County implemented the time limit on August 1, 2011.
- Los Angeles County accounts for 5.6 percent of the caseload over 48 months.
- Based on the Welfare Data Tracking Implementation Project (WDTIP) data, it is assumed that an estimated average of 19,997 adult cases in the FY 2011-12, and 19,714 in FY 2012-13, have been on CalWORKs for 48 months or longer and will have the adult removed from aid.
- The 19,997 adult cases in FY 2011-12 represent 20,901 all family and two-parent individuals while in FY 2012-13, the 19,714 adult cases represent approximately 21,810 all family and two-parent individuals.
- Of those adult cases, it is assumed that once the adult(s) is removed from the AU, 356 cases in FY 2011-12 and 351 cases in FY 2012-13 will exceed the income eligibility threshold and will be discontinued. The remaining 19,641 cases in FY 2011-12 and 19,363 in FY 2012-13 will have the adult portion of their grant removed, but will continue to receive benefits in the Safety Net for their children.
- The 19,997 aided adults in FY 2011-12 and 19,714 aided adults in FY 2012-13 will have their portion of the grant removed, which will result in a grant savings of approximately $122.00 per case.
- The grant savings are assumed to be $460.76 per month for cases with an adult that will be discontinued.

48-Month Time Limit

KEY DATA/ASSUMPTIONS (CONTINUED):

- The estimate assumes services savings for the 19,997 CalWORKs adult cases in FY 2011-12 and 19,363 in FY 2012-13, as well as from those cases discontinued. A portion of the adult cases are assumed to continue utilizing employment services after entering the Safety Net. See the Employment Services Basic premise for more information.
- The estimate assumes administrative savings for cases that will be discontinued. Administrative costs for mid-quarter activities are $8.63 per case per month and for quarterly activities is $24.95 per case per month for a total of $33.58.

METHODOLOGY:

Grants

- The monthly grant savings for FY 2011-12 and FY 2012-13 are calculated by multiplying the average monthly cases that are discontinued, by the cost per case, plus the adults removed from aid, multiplied by the adult grant savings.

Services

- The services savings are calculated by subtracting the CalWORKs cases that have reached the 48-month time limit from the caseload used to determine Employment Services Basic costs.

Administration

- The administration savings for FY 2011-12 and FY 2012-13 are calculated by multiplying the cases assumed to be discontinued by the on-going monthly administration costs.

FUNDING:

- The funding for the grant savings is 90.3 percent federal Temporary Assistance to Needy Families (TANF), 7.2 percent General Fund (GF) and 2.5 percent county.
- The funding for the services savings is 99 percent TANF and one percent GF.
- The funding for the administration savings is 94 percent TANF and six percent GF.

CHANGE FROM PRIOR SUBVENTION:

The decrease in savings in grants for FY 2011-12 and FY 2012-13 is a result of a decline in caseload. Administration and services savings were held to the Appropriation in FY 2011-12 and decreased in FY 2012-13 due to projected caseload decline.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in savings in grants from FY 2011-12 to FY 2012-13 is a result of a decline in caseload. Administration and services savings increased to reflect the updated caseload impacts since the FY 2011-12 Appropriation.

48-Month Time Limit

EXPENDITURES:

(in 000s)

Item 101 – CalWORKs Grants	FY 2011-12	FY 2012-13
Total	-$33,591	-$33,240
Federal	-30,341	-30,023
State	-2,407	-2,382
County	-843	-835
Reimbursements	0	0

Item 101 – CalWORKs Services	FY 2011-12	FY 2012-13
Total	-$73,776	-$78,127
Federal	-72,979	-76,743
State	-797	-1,384
County	0	0
Reimbursements	0	0

Item 101 – CalWORKs Administration	FY 2011-12	FY 2012-13
Total	-$24	-$139
Federal	-23	-130
State	-1	-9
County	0	0
Reimbursements	0	0

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Earned Income Disregard Reduction

DESCRIPTION:

This premise reflects the grant and administrative savings to the California Work Opportunity and Responsibility to Kids (CalWORKs) Program as a result of reducing the earned income disregard, pursuant to Senate Bill (SB) 72 (Chapter 8, Statutes of 2011).

Under previous rules, the Net Nonexempt Income is calculated by disregarding the first $225 of Disability-Based Unearned Income (DBI) and/or any earned income, and 50 percent of any remaining earned income. As a result of SB 72, the new income disregard structure retains the $225 disregard for DBI, but limits the earned income disregard to any unused remainder of the $225 disregard or $112, whichever is less. The disregards and exemptions for other categories of unearned income are unchanged.

Also reflected in this premise are the increased coupon costs in the California Food Assistance Program (CFAP) associated with those cases for which the CalWORKs grant is decreased by this policy.

IMPLEMENTATION DATE:

This premise implemented July 1, 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11451.5, as implemented by SB 72.
- The average amount of grant savings per month is $53.35.
- This premise reflects a revised caseload methodology to account for concurrent (July 1, 2011) implementation of the eight percent Maximum Aid Payment (MAP) reduction and the change to the earned income disregard. The caseload was further isolated to separate the portion of caseload directly impacted by the earned income disregard. Based on Federal Fiscal Year 2010 Research and Development Enterprise Project data, this policy will result in savings for all cases with earnings of $113 or more. There are 136,197 cases with earnings of $113 or more in Fiscal Year (FY) 2011-12 and 134,275 in FY 2012-13.
- The estimate assumes that recipients will not be impacted until their Quarterly Reporting month.
- In FY 2011-12, 5,253 cases will become ineligible for CalWORKs due to income ineligibility and these cases will be discontinued. In FY 2012-13, 5,650 cases will be discontinued.
- The estimate assumes administrative savings for cases that will be discontinued. Administrative costs for mid-quarter activities are $8.63 per case per month and for quarterly activities is $24.95 per case per month for a total of $33.58.
- Approximately 44.02 percent of the discontinued cases, or 2,313 cases in FY 2011-12, were assumed to receive CalWORKs services. In FY 2012-13, it is assumed 2,487 cases would receive CalWORKs services.
- The estimate accounts for an increase of approximately $213,000 in coupon benefits for cases in the CFAP program who have earned income of $113 or more for both FY 2011-12 and FY 2012-13.

Earned Income Disregard Reduction

METHODOLOGY:

- For CalWORKs grant savings, the number of cases with earnings over $113 is multiplied by the average savings per case (134,275 cases x -$53.35 x 12 months = $-85.9 million in FY 2012-13).
- For CalWORKs admin savings, the number of cases that will be discontinued is multiplied by the average savings per case (5,650 cases x -$33.58 x 12 months = $-2.3 million in FY 2012-13).
- For CalWORKs services savings, the number of cases assumed to receive services are subtracted from the caseload used to determine Employment Services Basic costs.

FUNDING:

- CalWORKs grant costs: The funding is 90.3 percent Temporary Assistance for Needy Families (TANF), 7.2 percent General Fund (GF), and 2.5 percent county.
- CalWORKs services costs: The funding is 99.0 percent TANF and 1.0 percent GF.
- CalWORKs administrative costs: The funding is 94.1 percent TANF and 5.9 percent GF.
- CFAP Costs: The funding is 100 percent GF. The Public Assistance portion of the costs is eligible to be counted towards the Maintenance of Effort requirement.

CHANGE FROM PRIOR SUBVENTION:

For FY 2011-12, the decrease in grant savings is due to a decline in caseload and administration and services savings were held to the appropriation. For FY 2012-13, the decrease in grant, administration, and services savings are due to a decline in caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in savings over FY 2011-12 is a result of a full year of implementation, despite a slight decline in caseload.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Grants		
Total	-$79,934	$-85,970
Federal	-72,215	-77,668
State	-5,721	-6,153
County	-1,998	-2,149
Reimbursements	0	0

Earned Income Disregard Reduction

EXPENDITURES (CONTINUED):

(in 000s)

Item 101 – CalWORKs Services	FY 2011-12	FY 2012-13
Total	-$3,928	-$9,858
Federal	-3,889	-9,759
State	-39	-99
County	0	0
Reimbursements	0	0

Item 101 – CalWORKs Admin	FY 2011-12	FY 2012-13
Total	-$704	-$2,276
Federal	-664	-2,143
State	-40	-133
County	0	0
Reimbursements	0	0

Item 101 – CalWORKs CFAP	FY 2011-12	FY 2012-13
Total	$213	$213
Federal	0	0
State	213	213
County	0	0
Reimbursements	0	0

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Reassessment Eligibility Relief - AB 1905*

DESCRIPTION:

This premise reflects the requirement that the California Department of Social Services allow foster family relative or non-relative extended family member to continue to receive Aid to Families with Dependent Children-Foster Care (AFDC-FC) payments during their annual home reassessment process pursuant to the provisions of Assembly Bill (AB) 1905 (Chapter 562, Statutes of 2010). As a result, this bill requires that payments to foster family relative or non-relative extended family member will not be delayed or terminated due to late completion in the annual home reassessment process. The existing approval shall remain in force. This bill eliminates the need for counties to enroll these foster families in the California Work Opportunity and Responsibility to Kids (CalWORKs) program, and then disenroll them once the home reassessment is complete and AFDC-FC payments are restored.

*Effective July 1, 2011, AB 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care (FC); Child Welfare Services (CWS); Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. The CalWORKs program will not be realigned. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2011.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 11402.4 through AB 1905.

Foster Care – 101

- This premise was implemented in January 2011.
- This estimate reflects costs for the 56 non-Title IV-E Waiver counties. Title IV-E Waiver costs are reflected in the Title IV-E Waiver premise. For more information please see the Title IV-E Waiver premise write-up.
- The AFDC-FC caseload presumed to be eligible is 7.5 percent of the CWS services-only cases based on a six month period ending December 2011.
- Federally eligible cases are projected to account for 100 percent of total CWS services-only placements.
- This estimate assumes that a total of 343 AFDC-FC relative cases per month will have a late home reassessment, of which 148 cases per month will impact the 56 non-Title IV-E Waiver counties. The remaining cases are reflected in Item 153 Title IV-E Waiver premise.

Reassessment Eligibility Relief - AB 1905*

KEY DATA/ASSUMPTIONS (CONTINUED):

- Federal average grant computations use caseload and expenditure data reported by the non-Title IV-E Waiver counties on the CA 237 FC during the most recent ten month period ending April 2011. The projected federal grant is $709.30.
- Based on actual FC expenditure data the projected administrative grant is $95.31 per case.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

CalWORKs – 101

- This bill eliminates the need for counties to enroll foster families in the CalWORKs program while processing an annual reassessment in FC. As a result, it will generate administrative and grant savings to CalWORKs.
- This premise was implemented in January 2011 and reflects a full year of savings in Fiscal Year (FY) 2011-12 and FY 2012-13.
- It is assumed that approximately 343 cases per month will not enter CalWORKs as a result of those cases staying in FC during their annual reassessment.
- It is assumed that the average CalWORKs grant savings is approximately $351 per case in FY 2011-12 and FY 2012-13.
- It is assumed that the monthly CalWORKs administrative savings is $33.58 per case.

METHODOLOGY:

Foster Care – 101

The FC assistance payments for this premise are the product of projected federal casemonths multiplied by the average grant, as identified above.

FY 2011-12: ($709.30 per case x 148 cases x 12 months = $1.3 million)
FY 2012-13: ($709.30 per case x 148 cases x 12 months = $1.3 million)

Foster Care – 141

The FC administrative cost for this premise is the product of projected federal casemonths multiplied by the average grant, as identified above.

FY 2011-12: ($95.31 per case x 148 cases x 12 months = $0.17 million)
FY 2012-13: ($95.31 per case x 148 cases x 12 months = $0.17 million)

CalWORKs – 101

The total CalWORKs grant savings as a result of AB 1905 is calculated by multiplying the average grant by projected cases impacted.

FY 2011-12 and FY 2012-13: ($351 per case x 343 cases x 12 months = $1.4 million)

Reassessment Eligibility Relief - AB 1905*

METHODOLOGY (CONTINUED):

The total CalWORKs administrative savings as a result of AB 1905 is calculated by multiplying the projected cases impacted by the average administrative cost.

FY 2011-12 and FY 2012-13: ($33.58 eligibility worker x 343 cases x 12 months = $0.14 million)

FUNDING:

Foster Care – 101

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 remaining federal and nonfederal program costs is 40 percent General Fund (GF) and 60 percent county.

Foster Care – 141

Costs for FC administrative activities are shared at 50 percent FFP with the remaining federal and nonfederal program costs at 70 percent GF and 30 percent county.

CalWORKs – 101

Funding for CalWORKs grants are 97.5 percent federal Temporary Assistance for Needy Families funds and 2.5 percent county share. Funding for CalWORKs administration is 93.9 percent federal funds and 6.1 percent state share.

* The state funds in this premise have been realigned to local governments. The CalWORKs program will not be realigned. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

For FC – The FY 2011-12 and FY 2012-13 grant change is due to a decrease caseload in the 56 non-Title IV-E Waiver counties. There is no change in the FY 2011-12 FC Administrative costs. The FY 2012-13 FC Administrative cost reflect a decreased caseload.

For CalWORKs – The change reflects a slight increase in projected AFDC-FC relative cases impacted by this policy.

REASON FOR YEAR-TO-YEAR CHANGE:

For FC – There is no change in the grant costs. The increase in the FC Administrative cost is due to an increased caseload.

For CalWORKs – There is no change.

Reassessment Eligibility Relief - AB 1905*

EXPENDITURES:

(in 000s)

Item 101 – FC Grants	FY 2011-12	FY 2012-13
Total	$1,256	$1,256
Federal	628	628
State	251	251
County	377	377
Reimbursements	0	0

Item 141 – FC Administration	FY 2011-12	FY 2012-13
Total	$167	$168
Federal	84	84
State	58	59
County	25	25
Reimbursements	0	0

Item 101 - CalWORKs Grants	FY 2011-12	FY 2012-13
Total	-$1,445	-$1,445
Federal	-1,409	-1,409
State	0	0
County	-36	-36
Reimbursements	0	0

Reassessment Eligibility Relief - AB 1905*

EXPENDITURES (CONTINUED):

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 - CalWORKs Administration		
Total	-$138	-$138
Federal	-130	-130
State	-8	-8
County	0	0
Reimbursements	0	0

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Eliminate Exempt MAP Grant Level

DESCRIPTION:

This premise reflects the proposal to eliminate the current exempt Maximum Aid Payment (MAP) level in the California Work Opportunity and Responsibility to Kids (CalWORKs) program. Currently, an Assistance Unit (AU) may qualify for a higher exempt MAP if the adult in the home is an unaided, non-parent caretaker relative, or if the aided caretaker receives at least one of the following:

- Supplemental Security Income/State Supplemental Payments;
- In-Home Supportive Services;
- State Disability Insurance;
- Temporary Worker's Compensation (Temporary Disability Indemnity).

The proposed change will establish a single tier grant structure by eliminating the exempt MAP grant levels. The current non-exempt MAP levels will now apply to all CalWORKs cases.

IMPLEMENTATION DATE:

This premise assumes an October 1, 2012, implementation date.

KEY DATA/ASSUMPTIONS:

- It is assumed that 17.76 percent of the CalWORKs caseload currently receives the exempt MAP grant level. Upon implementation, this proposal will affect 101,159 cases.
- The difference between the average exempt MAP grant and the average non-exempt MAP grant is $54.
- Administrative costs for mid-quarter activities are $8.63 per case per month, and $24.95 per case per month for quarterly activities, for a total of $33.58 per month.
- It is assumed that 805 cases in Fiscal Year (FY) 2012-13 will be discontinued as a result of eliminating the exempt MAP grant level.

METHODOLOGY:

- The grant savings is calculated by subtracting the difference between the average CalWORKs exempt grant from the CalWORKs non-exempt grant then multiplying by the total CalWORKs caseload assumed to be receiving the exempt MAP grant.
  (FY 2012-13 569,670 x 17.76 percent = 101,159 x $54 x 9 months = $49.2 million)
- The administrative savings is calculated by multiplying the average monthly number of cases expected to lose eligibility by the average monthly cost per case.
  (FY 2012-13 805 x $33.58 x 9 months = $243,000)

Eliminate Exempt MAP Grant Level

FUNDING:

- The CalWORKs grant savings are 90.3 percent Temporary Assistance for Needy Families (TANF), 7.2 percent General Fund (GF) and 2.5 percent county funds.
- The CalWORKs administrative savings are 94.1 percent TANF funds and 5.9 percent GF.

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2011-12. The decrease in savings in FY 2012-13 is due to a decrease in caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 - CalWORKs Grant Savings		
Total	$0	-$49,163
Federal	0	-44,394
State	0	-3,540
County	0	-1,229
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Administrative Savings		
Total	$0	-$243
Federal	0	-229
State	0	-14
County	0	0
Reimbursements	0	0

California Work Opportunity and Responsibility to Kids (CalWORKs) Employment Services

DESCRIPTION:

This premise reflects the cost of providing employment and training services to individuals in the California Work Opportunity and Responsibility to Kids (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.

This premise has been consolidated with other premises and will include employment services funding previously identified in the CalWORKs Basic Services, CalWORKs Reform Efforts, Safety Net, Effect of Employment and Development Department (EDD) Wagner-Peyser Reimbursement, Recent Noncitizen Entrants (RNE), and Base Veto premises.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 15204.3(a).
- The Employment Services funding for Fiscal Year (FY) 2011-12 is held to the FY 2011-12 Appropriation.
- The base funding for CalWORKs Basic Services is $981.2 million for FY 2010-11 based on the 2010 Budget Act and is estimated to be $1,045.8 million for FY 2011-12.
- The FY 2011-12 employment services caseload is projected to grow 6.58 percent above the FY 2010-11 budgeted caseload; the FY 2012-13 caseload is projected to grow 2.53 percent above the FY 2011-12 caseload.
- Staff development costs are $5.3 million, based on FY 2008-09 actual expenditures.
- The Wagner-Peyser reimbursement amount of $2.7 million is not available in FY 2012-13 and is therefore backfilled with Temporary Assistance to Needy Families (TANF)/ Maintenance of Effort (MOE) funds.
- Included in the Basic Services funding is a $90 million augmentation that was previously subtracted and reflected in the “Previous CalWORKs Reform Efforts” premise.
- Time limit savings are $161.1 million.
- The CalWORKs Basic Services expenditures for RNE are $17.8 million for FY 2012-13. Of this amount, $8.7 million reflects the General Fund (GF) costs for RNE recipients in mixed households (who are eligible to receive TANF funds) and $9.1 million reflects the cost of RNE state-only households (who are not eligible to receive TANF funds).
- Services for RNE teen parents (previously served in the Cal-Learn program) in FY 2012-13 are estimated to be $241,690.
- Hardship cases are estimated to be $1.4 million of the total Employment Services expenditures for FY 2012-13 based on county expenditure claims from January – December 2011. This amount is shifted from TANF to GF/MOE, as they are not federally eligible.

California Work Opportunity and Responsibility to Kids (CalWORKs) Employment Services

KEY DATA/ASSUMPTIONS (CONTINUED):

- Contract costs are projected to be $3.9 million.
- A Single Allocation adjustment amount of $191.9 million is included in this premise for FY 2012-13.
- The Safety Net services caseload is expected to be 7,295 cases in FY 2012-13, which includes an additional 2,234 newly created Safety Net cases from the new 48-Month Time Limit. This represents a growth of 31.1 percent over the FY 2008-09 caseload.
- The Safety Net expenditures from FY 2008-09 were $5,023,902.

METHODOLOGY:

Basic Services

- The expected caseload was computed based on actual caseload data from FY 2008-09 and projected for the expected growth in FY 2011-12 and FY 2012-13.
- The projected growth between the budgeted caseload from FY 2010-11 and the expected caseload for FY 2011-12 and FY 2012-13 is applied to the base funding from the prior year to arrive at a new base funding. (FY 2012-13: $1,045.8 million x 1.0253 = $1,072.2 million)
- The base funding is then increased for Staff Development expenditures, the Single Allocation adjustment, RNE services costs (from TANF eligible households), and contract costs. [FY 2012-13 (in millions): $1,072.2 + $5.3 + $191.9 + $8.7 + $3.9 = $1,282.0]
- The base funding was also decreased for Time Limit savings, Previous CalWORKs Reform Efforts, and the total amount of RNE services:
  [FY 2012-13 (in millions): $1,282.0 - $161.1 - $90.0 - $2.7 – $17.8 = $1,010.4]

Recent Noncitizen Entrants

- The total RNE services costs are calculated by multiplying the RNE services expenditure ratio by the projected CalWORKs Basic Services base expenditures. This amount is subtracted from Basic Services.
  (FY 2012-13: $1,072.2 million x 1.659 percent = $17.8 million)
- Of the total RNE services costs, a portion are federally eligible recipients that reside in mixed households. According to data from the County Assistance Claim (CA 800), 48.65 percent of RNE recipients are federally eligible. These costs are added back to the Basic Services amount; historically, the remaining 51.35 percent state-only RNE services costs were reflected in the “Recent Noncitizen Entrants” premise for RNE services.
  (FY 2012-13: $17.8 million x 51.35 percent = $9.1 million)

Safety Net Services

- Safety Net services are calculated by increasing prior expenditures by expected caseload growth. The additional 2,234 cases from the new 48-Month Time Limit equals approximately $2.0 million. (FY 2012-13: $5.02 million x 1.311 = $6.6 million)

California Work Opportunity and Responsibility to Kids (CalWORKs) Employment Services

METHODOLOGY (CONTINUED):

Other Shifts

- In FY 2012-13, $1.4 million of the total Employment Services Basic is shifted from TANF to GF for services for Hardship cases.

Total Employment Services

- The CalWORKs Employment Services total is computed by adding Basic Services, RNE, Safety Net, $90 million for Previous CalWORKs Reform Efforts, $2.8 million for EDD Wagner-Peyser Reimbursement, and subtracting the $60 million Base Veto.
  [FY 2012-13 (in millions): $1,010.4 + $9.1 + $6.6 + $90.0 + $2.8 - $60.0 = $1,059]

FUNDING:

- The costs for RNE families, Safety Net cases, and Hardship cases are 100 percent GF. All other costs are 100 percent TANF.
- The GF is countable toward the state's MOE requirement.
- In FY 2011-12, $2.7 million of the services funding is a reimbursement from EDD.

CHANGE FROM PRIOR SUBVENTION:

The funding for FY 2011-12 is held to the Appropriation.

The decrease in FY 2012-13 is due to a slightly lower growth in the Employment Services caseload than projected in the 2011 November Subvention.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase from FY 2011-12 to FY 2012-13 is primarily is due to caseload increase for Employment Services.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 - CalWORKs Employment Services		
Total	$1,030,956	$1,058,803
Federal	1,004,428	1,032,666
State	23,793	26,137
County	0	0
Reimbursements	2,735	0

California Work Opportunity and Responsibility to Kids (CalWORKs) Employment Services

FY 2011-12
APPROPRIATION
(in 000s)

	Total	Federal	State	County	Reimb.
CalWORKs Employment Services	**$1,030,956**	**$1,004,428**	**$23,793**	**$0**	**$2,735**
Basic Services	$984,192	$974,428	$9,764	$0	$0
Prev. CalWORKs Reform Efforts	$90,000	$90,000	$0	$0	$0
Safety Net Services	$5,268	$0	$5,268	$0	$0
EDD Wagner-Peyser Reimb.	$2,735	$0	$0	$0	$2,735
Recent Noncitizen Entrants	$8,761	$0	$8,761	$0	$0
Base Veto	-$60,000	-$60,000	$0	$0	$0

FY 2011-12
MAY REVISION
(in 000s)

	Total	Federal	State	County	Reimb.
CalWORKs Employment Services	**$1,030,956**	**$1,004,428**	**$23,793**	**$0**	**$2,735**
Basic Services	$984,192	$974,428	$9,764	$0	$0
Prev. CalWORKs Reform Efforts	$90,000	$90,000	$0	$0	$0
Safety Net Services	$5,268	$0	$5,268	$0	$0
EDD Wagner-Peyser Reimb.	$2,735	$0	$0	$0	$2,735
Recent Noncitizen Entrants	$8,761	$0	$8,761	$0	$0
Base Veto	-$60,000	-$60,000	$0	$0	$0

FY 2012-13
MAY REVISION
(in 000s)

	Total	Federal	State	County	Reimb.
CalWORKs Employment Services	**$1,058,803**	**$1,032,666**	**$26,137**	**$0**	**$0**
Basic Services	$1,013,081	$1,002,666	$10,415	$0	$0
Prev. CalWORKs Reform Efforts	$90,000	$90,000	$0	$0	$0
Safety Net Services	$6,586	$0	$6,586	$0	$0
EDD Wagner-Peyser Reimb.	$0	$0	$0	$0	$0
Recent Noncitizen Entrants	$9,136	$0	$9,136	$0	$0
Base Veto	-$60,000	-$60,000	$0	$0	$0

Reduction in Employment Services and Child Care

DESCRIPTION:

This premise reflects the reduction in the California Work Opportunity and Responsibility to Kids (CalWORKs) program funding for child care and employment services commensurate with the Budget Act of 2009 and the Budget Act of 2011. Due to the significant General Fund (GF) revenue decline in recent years, the county Single Allocation funding was reduced for the CalWORKs program by $376.9 million in Temporary Assistance for Needy Families (TANF) funds for Fiscal Year (FY) 2009-10, FY 2010-11, and FY 2011-12. The reduction to the county single allocation and increased caseload for CalWORKs will result in insufficient resources to provide the full range of welfare-to-work (WTW) services for the affected fiscal years. Therefore, statutory changes were enacted allowing counties the flexibility to redirect mental health and substance abuse funding, grant exemptions from WTW participation, and grant time limit exemptions to address funding constraints (see the CalWORKs County Exemptions and Flexibility premise). This premise also reflects increased grant costs in anticipation that counties will not be able to provide child care services and employment services to all WTW recipients as a result of the reduction discussed above.

IMPLEMENTATION DATE:

This premise implemented on August 1, 2009.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11329.5, as implemented by the Budget Act of 2009 and the Budget Act of 2011.
- The CalWORKs Budget Action includes a reduction of $376.9 million in TANF funds for FY 2011-12. The reduction is split $215.34 million to child care services and $161.51 million to employment services.
- Based on current average child care costs, it is assumed that approximately 14,848 cases/families will lose child care/employment services as a result of the reduction discussed above. Of the 14,848 cases/families, approximately 5,338 are families with young children.
- The estimate assumes that of those cases/families participating 30 hours or more, 100 percent will continue to work and receive child care services.
- The estimate assumes that of those cases/families participating at some level, the following will occur: those participating one to nine hours, 100 percent will lose child care/employment services and will discontinue their participation; those participating 10-19 hours, 50 percent will lose child care/employment services and will discontinue their participation while the remaining 50 percent will continue to voluntarily participate; those participating 20-29 hours, 25 percent will lose child care/employment services and will discontinue their participation while the remaining 75 percent will continue to voluntarily participate.
- Based on Federal Fiscal Year 2009 data, 64 percent of those who do not meet work participation requirements are in paid activities. The additional grant cost per month for a family that is participating 10-19 hours is $220.04, for a family participating 20-29 hours is $404.06 and for a family participating less than 10 hours is $36.01.

Reduction in Employment Services and Child Care

METHODOLOGY:

Approximately 14,617 cases/families will lose child care/employment services as a result of the reduction discussed above. Consequently fewer families will work resulting in increased grant costs of approximately $7.9 million as noted below.

Work Participation	Additional Grant Cost (per month)	Cases with Young Children	All Other Cases	Total Cases	Increased Grant Costs (12 months)
1-9 hours	$36.01	1,884	5,978	7,862	$3,397,569
10-19 hours	$220.04	1,017	0	1,017	$2,685,294
20-29 hours	$404.06	371	0	371	$1,797,398
30 hours or more		0	0	0	$0
Total cases that lose child care – paid activities		3,272	5,978	9,250	$7,880,262
Total cases that lose child care – non paid activities		2,066	3,301	5,367	$0
Total cases that lose child care		5,338	9,279	14,617	$7,880,262

FUNDING:

- Reduction – the funding is 100 percent TANF funds.
- Grant Costs – the funding is 90.7 percent TANF, 7.2 percent GF, and 2.5 percent county.

CHANGE FROM PRIOR SUBVENTION:

There is no change to the Employment Services and Child Care Reduction.

For the grant impact, the decrease in the overall CalWORKs caseload is offset by an increase in the number of families exempted to absorb the $215 million reduction in FY 2011-12. There is no change in FY 2012-13.

REASON FOR YEAR-TO-YEAR CHANGE:

It is assumed that the Single Allocation funding is restored for FY 2012-13 and the exemptions expire June 30, 2012. There are no costs assumed in FY 2012-13.

Reduction in Employment Services and Child Care

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101- CalWORKs Grants		
Total	$7,880	$0
Federal	7,121	0
State	564	0
County	195	0
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 101 - CalWORKs Services		
Total	-$161,507	$0
Federal	-161,507	0
State	0	0
County	0	0
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 101 - CalWORKs Child Care		
Total	-$215,343	$0
Federal	-215,343	0
State	0	0
County	0	0
Reimbursements	0	0

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Employment Services Ramp-Up

DESCRIPTION:

This premise reflects the employment services costs, including case management, for counties to prepare for the expiration of the short-term reform exemptions in the California Work Opportunity and Responsibility to Kids (CalWORKs) program and to engage previously exempt clients in preparation for the Fiscal Year (FY) 2012-13 Governor's Budget proposal to redesign the CalWORKs Basic program (see CalWORKs Refocusing premise for more detail).

The short-term exemptions were enacted with Assembly Bill (AB) x4 4 (Chapter 4, Statutes of the Fourth Extraordinary Session of 2009) and extended through FY 2011-12, in conjunction with the $376 million mandated reduction to CalWORKs program funding ($161 million from employment services and $215 million from child care services) in FY 2009-10, FY 2010-11, and FY 2011-12. The short-term reform exemptions provided counties the flexibility to exempt from CalWORKs participation cases with young children or cases for which the counties could not provide supportive services. This premise extends the exemptions through September 30, 2012, after which the clients who qualified for these exemptions will be required to participate in the CalWORKs program. Counties are mandated to implement re-engagement strategies for these clients to ensure that previously exempted clients begin participating after the expiration of the exemptions.

Additionally, with the proposed refocusing of CalWORKs, clients who have had other state Welfare-to-Work (WTW) exemptions will be allowed to access services in FY 2012-13. As part of the Governor's Budget, it is also proposed that a portion of the reduction in funding be restored to help counties meet the goal of engaging these clients.

IMPLEMENTATION DATE:

This funding will allow counties to re-engage clients in the months preceding the expiration of the short-term exemptions on September 30, 2012, and to engage other previously exempt clients in the new CalWORKs Basic program.

KEY DATA/ASSUMPTIONS:

- AB x4 4 mandated that counties begin the process of re-engaging clients in the months prior to the expiration of the temporary exemptions.
- It is assumed that half of those exempted for having a child under one year of age, and 15 percent of all other clients with state exemptions will utilize county services in the FY 2012-13 as a result of the new 24-month limit for services. The engagement of these cases will begin October 2012 and be phased in over a period of 12 months.
- By June 2013, counties will be re-engaging approximately 58,439 cases that were previously exempt from participating in work activities, either due to receipt of the short-term exemptions or to other state WTW exemptions.
- The cost per case per month for services in the new CalWORKs Basic program is $465.60.
- Historically, approximately 45 percent of employment services expenditures are for case management and staffing expenditures.
- Counties will be provided approximately one month of case management/staff funding to prepare to engage the new clients.

Employment Services Ramp-Up

METHODOLOGY:

The funding amount is equal to one month of case management/staff expenses for the population of recipients who have been exempted due to the short-term reforms.

(58,439 cases x $465.60 cost per case per month x 0.45 = $12.2 million)

FUNDING:

This proposal is funded with 100 percent with Temporary Assistance for Needy Families/Maintenance of Effort.

CHANGE FROM PRIOR SUBVENTION:

The funding that was previously budgeted for counties in FY 2011-12 has been shifted to FY 2012-13 due to the three month extension of the short-term reform exemptions. The decrease in funding is due to phasing in the re-engagement of clients over 12 months, which reduces the need for administrative funding from three months to one month.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a one-time funding increase in FY 2012-13.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 - CalWORKs Services		
Total	$0	$12,244
Federal	0	12,021
State	0	223
County	0	0
Reimbursements	0	0

Mental Health and Substance Abuse Services

DESCRIPTION:

This premise reflects the cost to provide necessary mental health and substance abuse services, including case management and treatment, to the 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 and for 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 on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 11322.6 and 11325.8.
- The Fiscal Year (FY) 2011-12 Mental Health and Substance Abuse expenditures will be held to the Appropriation amounts of $75.0 million and $49.4 million, respectively.
- The CalWORKs Employment Services caseload is expected to grow by 2.53 percent from FY 2011-12 to FY 2012-13.

METHODOLOGY:

- The funding needed for the FY 2012-13 Mental Health and Substance Abuse services allocation is calculated by multiplying the FY 2011-12 Allocation by the growth in the overall Employment Services caseload.
- The amount for FY 2012-13 is calculated by increasing the funding amount from FY 2011-12 by the expected caseload growth for CalWORKs Employment Services:
  - Mental Health: $75.0 million x 1.0253 = $76.9 million.
  - Substance Abuse: $49.4 million x 1.0253 = $50.7 million.
- The Mental Health and Substance Abuse totals are:
  - FY 2011-12: $75.0 million + $49.4 million = $124.4 million
  - FY 2012-13: $76.9 million + $50.7 million = $127.6 million

FUNDING:

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

Mental Health and Substance Abuse Services

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2011-12. The decrease in FY 2012-13 is due to a lower projected caseload growth for the overall Employment Services caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The change from FY 2011-12 to FY 2012-13 reflects an anticipated growth in expenditure levels that mirrors the employment services caseload.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 - CalWORKs Services		
Total	$124,417	$127,564
Federal	0	0
State	124,417	127,564
County	0	0
Reimbursements	0	0

Mental Health and Substance Abuse Services Reduction

DESCRIPTION:

This premise reflects the funding reduction in Fiscal Year (FY) 2011-12 to Mental Health and Substance Abuse supportive services for the California Work Opportunity and Responsibility to Kids (CalWORKs) program (see the Mental Health & Substance Abuse Services premise) as included in the Budget Act of 2011.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2011.

KEY DATA/ASSUMPTIONS:

The Budget Act of 2011 included a reduction of $5 million to the funding for Mental Health and Substance Abuse services.

METHODOLOGY:

The Mental Health and Substance Abuse services allocations are reduced by $5 million.

FUNDING:

The savings for this premise are 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a FY 2011-12 premise only. It is assumed the funding is restored for FY 2012-13.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 - CalWORKs Employment Services		
Total	-$5,000	$0
Federal	0	0
State	-5,000	0
County	0	0
Reimbursements	0	0

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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 appropriated $1.9 million for mental health and substance abuse services in 36 Indian health clinics.
- Each mental health and substance abuse services clinic receives approximately $53,950.
- There are 29 clinics operating in FY 2011-12.
- There are 36 clinics anticipated to operate in FY 2012-13.

METHODOLOGY:

The estimate is calculated by multiplying the cost per clinic by the number of clinics participating.

FUNDING:

This premise is funded with 100 percent General Fund, which is countable toward the TANF maintenance of effort requirement. These funds will remain with the California Department of Social Services for distribution.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

Mental Health/Substance Abuse Services for Indian Health Clinics

REASON FOR YEAR-TO-YEAR CHANGE:

It is anticipated that all 36 Indian Health Clinics will be participating in FY 2012-13.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Services		
Total	$1,565	$1,943
Federal	0	0
State	1,565	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 may be used for any allowable purpose in 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 Temporary Assistance for Needy Families (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 were last reappropriated as of June 30, 2007. The funds must be reappropriated every three years if not expended. If funds are not expended in FY 2011-12 the funds will be reappropriated in FY 2012-13.

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 the FY until all funds are expended. Based on the latest expenditure information reported by the counties, the unexpended performance incentive balance was $4.72 million.

METHODOLOGY:

It is anticipated that the balance available in FY 2011-12 will be $4.72 million. There will be no remaining funds available in FY 2012-13.

FUNDING:

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

CHANGE FROM PRIOR SUBVENTION:

The 2012 May Revision Estimate reflects the current balance based on updated expenditure information from the counties.

County Performance Incentives

REASON FOR YEAR-TO-YEAR CHANGE:

It is projected that there will be no remaining funds available in FY 2012-13.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Services		
Total	$4,724	$0
Federal	4,724	0
State	0	0
County	0	0
Reimbursements	0	0

TANF Pass-Through for State Agencies

DESCRIPTION:

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

These state agencies include the California Community Colleges (CCC) and the California Department of Education (CDE).

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.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1992. Beginning in 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 $8.39 million for the CCC and $9.98 million for the CDE.

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 TANF.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

TANF Pass-Through for State Agencies

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Services		
Total	$18,375	$18,375
Federal	18,375	18,375
State	0	0
County	0	0
Reimbursements	0	0

Welfare-to-Work Teen Parent Program

DESCRIPTION:

This premise, formerly known as Cal-Learn, reflects the cost of providing bonuses to participants who demonstrate satisfactory progress or completion of high school or equivalent.

The Cal-Learn program was suspended for Fiscal Year (FY) 2011-12 pursuant to Senate Bill 72 (Chapter 8, Statutes of 2011) except for bonuses paid for satisfactory progress and high school graduation. The FY 2012-13 Governor's Budget proposes to permanently eliminate Cal-Learn program costs, with the exception of the Welfare-to-Work Teen Parent Bonuses. Counties may choose to provide intensive case management to this population, but a separate allocation for these services and associated administrative costs will not be provided.

IMPLEMENTATION DATE:

The Cal-Learn program premise implemented on April 1, 1994. The Cal-Learn suspension implemented on July 1, 2011. Funding for the Cal-Learn program is proposed to be eliminated on July 1, 2012. The bonus program will remain under the name of Welfare-to-Work Teen Parent Program.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11331.7.
- The projected average monthly caseload for those who will be participating in the Welfare-to-Work Teen Parent Program is 9,535 in FY 2011-12 and 8,904 in FY 2012-13.
- Welfare-to-Work Teen Parent Program 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.
- Based on Calendar Year 2011 data reported on the Stat 45 Reports, it is assumed that 5.1 percent of the Welfare-to-Work Teen Parent Program participants receive the $100 bonus and 1.3 percent receive the $500 bonus.
- For Recent Noncitizen Entrants (RNE) cases, 1.56 percent of bonuses are removed and displayed in a separate premise.
- The Cal-Learn program is suspended in FY 2011-12 and will be eliminated in FY 2012-13. The bonuses will remain under the name of the Welfare-to-Work Teen Parent Program.

METHODOLOGY:

Multiply the percentage of participants assumed to receive both the $100 bonuses and $500 bonuses, by the total caseload, and then multiply by 12 to determine the annual costs. Finally, subtract 1.56 percent for RNE cases.

Welfare-to-Work Teen Parent Program

FUNDING:

Welfare-to-Work Teen Parent Program bonuses are funded 100 percent with Temporary Assistance for Needy Families funds.

CHANGE FROM PRIOR SUBVENTION:

The decrease in grant bonuses paid in FY 2011-12 and FY 2012-13 is due to the decrease in the Welfare-to-Work Teen Parent Program caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in bonuses in FY 2012-13 is due to a slight decrease in caseload.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
101 – CalWORKs Bonuses		
Total	$1,307	$1,220
Federal	1,307	1,220
State	0	0
County	0	0
Reimbursement	0	0

	FY 2011-12	FY 2012-13
101 – CalWORKs Sanctioned Grants		
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursement	0	0

Welfare-to-Work Teen Parent Program

EXPENDITURES (CONTINUED):

(in 000s)

	FY 2011-12	FY 2012-13
101 – CalWORKs Services & Administration		
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursement	0	0

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CalWORKs Administrative Costs

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 the staff performing activities related to eligibility determination, preparation of budgets, monitoring programs, 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, and rental 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.

This premise has been consolidated with other premises and will include administrative funding previously identified in the Restore CalWORKs Administrative costs, Safety Net Program, and Recertification for Non-Citizen Entrants premises.

IMPLEMENTATION DATE:

This premise was implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 14154.
- The amount for CalWORKs Administrative Costs in FY 2011-12 was held to the 2011-12 Appropriation.
- The CalWORKs caseload is projected to decrease by 1.44 percent in FY 2012-13 (from FY 2011-12), resulting in a decrease of approximately $11.5 million total funds (including $0.2 million reduced savings from the use of the Electronic Benefit Transfer [EBT] resulting in total EBT savings of approximately $10.5 million).
- The CalWORKs Administrative base funding is projected to be approximately $807.3 million total funds in FY 2012-13.
- For FY 2012-13, staff development costs are projected to be $13.6 million total funds based on actual expenditures in FY 2010-11.
- Statewide Automated Welfare System (SAWS) development and testing interface costs are approximately $129,000 total funds.
- Administrative costs related to the Merced Automated Global Information Control (MAGIC) automation system are approximately $272,000 total funds.
- For FY 2012-13, Homeless Assistance expenditures did not reflect an increase over the base year; therefore, no adjustment/additional administration funding is provided.
- Time limit savings are approximately $28.7 million total funds in FY 2012-13.

CalWORKs Administrative Costs

KEY DATA/ASSUMPTIONS (CONTINUED):

- Legacy Systems savings are approximately $12.1 million total funds in FY 2012-13.
- Contract costs are approximately $4.1 million total funds in both FY 2011-12 and FY 2012-13.
- For FY 2012-13, approximately $4.9 million total funds of the CalWORKs Administrative Basic expenditures are for Recent Noncitizen Entrants (RNE). Of the $4.9 million, $2.4 million reflects the federally eligible recipients in mixed households.

METHODOLOGY:

The basic funding for FY 2012-13 is adjusted to reflect the projected change in caseload, staff development expenditures, savings for EBT, time limits, Legacy Systems, the MAGIC system, the SAWS development and testing, and contract costs.

The funding for Safety Net administrative costs, RNE administrative costs, and the savings from Restore CalWORKs Administrative funding are included in this premise. The funding breakout for each of these items is displayed on the last page of this premise.

FUNDING:

- The funding ratios for CalWORKs Administrative Costs in FY 2011-12 were held to the 2011-12 Appropriation funding ratio levels.
- For FY 2012-13, the costs for Safety Net and RNE families are 100 percent General Fund (GF).
- For FY 2012-13, contract costs are 100 percent TANF.
- For FY 2012-13, all other costs are 93.88 percent TANF and 6.12 percent state Maintenance of Effort (MOE). Due to a federal audit exception, TANF hardship cases are funded with MOE instead of TANF funds effective September 1, 2009.
- The GF is countable toward the state MOE.

Note: The 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 PRIOR SUBVENTION:

The amount for CalWORKs Administrative Costs in FY 2011-12 was held to the 2011-12 Appropriation. The decrease in FY 2012-13 is due to a projected caseload decline.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease from FY 2011-12 to FY 2012-13 is due to a projected caseload decline.

CalWORKs Administrative Costs

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Administration		
Total	$958,379	$942,010
Federal	884,642	857,773
State	73,737	84,237
County	0	0
Reimbursements	0	0

CalWORKs Administrative Costs

FY 2011-12
APPROPRIATION
(in 000s)

CalWORKs Administration	Total $958,379	Federal $884,642	State $73,737	County $0	Reimb $0
TANF/CalWORKs Administrative Costs – Basic	792,475	744,642	47,833	0	0
Restore CalWORKs Administrative Costs	140,000	140,000	0	0	0
CalWORKs Safety Net Program	22,850	0	22,850	0	0
Recent Noncitizen Entrants	3,054	0	3,054	0	0

FY 2011-12
2012 MAY REVISION
(in 000s)

CalWORKs Administration	Total $958,379	Federal $884,642	State $73,737	County $0	Reimb $0
TANF/CalWORKs Administrative Costs – Basic	792,475	744,642	47,833	0	0
Restore CalWORKs Administrative Costs	140,000	140,000	0	0	0
CalWORKs Safety Net Program	22,850	0	22,850	0	0
Recent Noncitizen Entrants	3,054	0	3,054	0	0

FY 2012-13
2012 MAY REVISION
(in 000s)

CalWORKs Administration	Total $942,010	Federal $857,773	State $84,237	County $0	Reimb $0
TANF/CalWORKs Administrative Costs – Basic	764,384	717,773	46,610	0	0
Restore CalWORKs Administrative Costs	140,000	140,000	0	0	0
CalWORKs Safety Net Program	35,264	0	35,265	0	0
Recent Noncitizen Entrants	2,362	0	2,362	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 (TANF) program through the uniform and consistent collection of data. The DRA also requires improved verification and oversight of work participation. Each state is required to establish and 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 implemented on 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.
- Based on information from the County Welfare Directors Association of California, of the cases that are currently participating through work activities in Fiscal Year (FY) 2009-10, 80 percent of cases have pay stubs that fulfill work verification requirements (documented hours for which the individual was paid); 20 percent of 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.
- Per Q5 data, 58 percent of the total cases that are subject to work participation are participating at some level.

Work Verification

KEY DATA/ASSUMPTIONS (CONTINUED):

- Of the cases that participate at some level, 56 percent participate either partially or fully through work activities and 44 percent fully participate through non-work activities.
- Per Q5 survey data, 26 percent of the Safety Net caseload is projected to participate either partially or fully through work activities. Five percent are 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 ten 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:

- The FY 2011-12 funding has been held to the Appropriation.
- The cases that are subject to work participation requirements are multiplied by 58 percent to determine the number of cases that are participating at some level. The participants are multiplied by 56 percent to determine the number of cases that will participate through work activities and multiplied by 44 percent to determine the cases that will participate in non-work activities.
  - Of the cases that participate through work activities, 80 percent have pay stubs and do not require work verification, the remaining 20 percent will require work verification at a cost of $2.1 million FY 2012-13 (ten minutes per case).
  - The cases that participate in non work activities will require work verification at a cost of $12.2 million in FY 2012-13 (15 minutes per case).
- The Safety Net cases that will participate through work activities will require work verification at a cost of $1.6 million in FY 2012-13 (ten minutes per case).
- The Safety Net cases that participate in non-work activities will require work verification at a cost of $0.5 million in FY 2012-13 (15 minutes per case).

FUNDING:

This premise is 100 percent TANF for TANF eligible cases. Safety Net cases are 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 funding has been held to the Appropriation. The decreased funding in FY 2012-13 is due to a decrease in caseload from the 2011 November Subvention.

Work Verification

REASON FOR YEAR-TO-YEAR CHANGE:

The increase of approximately $4.0 million from FY 2011-12 to FY 2012-13 is due to an increase in CalWORKs caseload from the previously held level.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Administration		
Total	$12,240	$16,419
Federal	8,336	11,674
State	3,904	4,745
County	0	0
Reimbursements	0	0

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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 CalFresh Program (CFP) forms and joint CFP/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; the California Department of Social Services will translate CFP forms and forms jointly used with the CalWORKs program into Arabic, Armenian, Cambodian, Farsi, Hmong, Korean, Lao, and Tagalog. In compliance with *Be Vu v. Mitchell*, 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:

- Authorizing statute: Federal Supplemental Nutritional Assistance Program Regulations Title 7, Code of Federal Regulations sections 272.4 (b)(2)(i), (ii), and (iii).
- The amount for CalWORKs Administration and CFP Administration in Fiscal Year (FY) 2011-12 was held to the 2011 Appropriation.
- Automation reprogramming is not scheduled for the final eight languages; therefore, additional staff time is necessary for form translation.
- It is assumed the CalWORKs caseload will decrease by 1.44 percent in FY 2012-13.
- It is assumed the CFP caseload will increase by 14.67 percent in FY 2012-13.

METHODOLOGY:

The funding for CalWORKs Administration in FY 2011-12 has been held to the 2011 Appropriation.

Total costs associated with the manual completion of the translated forms are calculated by multiplying the base cost by the caseload increase and adding the growth to the base cost.

FY 2012-13

CalWORKs: (Base cost X caseload growth)

($71,001 X -1.44 percent) + $71,001 = $69,980

CalFresh: (Base cost X caseload growth)

($95,680 X 14.67 percent) + $95,680 = $109,718

Be Vu v. Mitchell

FUNDING:

The CalWORKs share is funded with 94 percent federal Temporary Assistance for Needy Families (TANF) and six percent General Fund (GF) Maintenance of Effort (MOE). The CFP share is funded 50 percent federal Food and Nutrition Services funds, 36 percent GF, and 14 percent county.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12 from the 2011 November Subvention. The decrease in CalWORKs administration costs in FY 2012-13 from the 2011 November Subvention is due to a decrease in the CalWORKs caseload. The increase in CalFresh administration costs in FY 2012-13 from the 2011 November Subvention is due to an increase in the CalFresh caseload.

REASON FOR YEAR-TO YEAR CHANGE:

The increase in CalFresh Administration in FY 2012-13 is due to projected caseload growth. The decrease in CalWORKs Administration in FY 2012-13 is due to projected caseload decline.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Administration		
Total	$73	$70
Federal	69	66
State	4	4
County	0	0
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 141 – CalFresh Administration		
Total	$97	$110
Federal	49	55
State	34	40
County	14	15
Reimbursements	0	0

Fraud Recovery Incentives

DESCRIPTION:

This premise reflects the incentive payments made annually to counties for the detection of fraud. Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) provided that each county shall receive 25 percent of the actual share of savings, including federal funds under the Temporary Assistance for Needy Families (TANF) block grant, that results 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 Reconciliation Act of 1996 (Public Law 104-193).

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11486(j).
- The Fraud Recovery Incentives funding is held to the 2011 November Estimate of $4,543,000 for Fiscal Year (FY) 2011-12.
- Based on the Food and Nutrition Service (FNS) 209 Status of Claims Against Households for January – December 2011, client-caused overpayments represent a statewide average of 58.4 percent of all collections. The statewide average is weighted by the amount of overpayment collections for each individual county.
- The total estimated CalWORKs overpayment collections for FY 2011-12 are $53.5 million.
- 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 (48.1 percent), and multiplied by the county incentive (12.5 percent).

$53.5 million x 97.5 percent x 58.4 percent x 12.5 percent = $3.8 million

FUNDING:

The costs are 100 percent TANF.

Fraud Recovery Incentives

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The change for FY 2012-13 from the Governor's Budget is primarily due to a decrease of over $10 million in the projected amount of overpayment collections.

REASON FOR YEAR-TO-YEAR CHANGE:

The change to FY 2012-13 from FY 2011-12 is primarily due to a decrease of over $10 million in the projected amount of overpayment collections.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 - CalWORKs Administration		
Total	$4,543	$3,809
Federal	4,543	3,809
State	0	0
County	0	0
Reimbursements	0	0

TANF and NACF Programs – PA to NA Fund Shift

DESCRIPTION:

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

The federal 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.

IMPLEMENTATION DATE:

This premise implemented in March of 1984.

KEY DATA/ASSUMPTIONS:

- The budgeted amount for Fiscal Year (FY) 2011-12 is held to the FY 2011-12 Appropriation.
- In FY 2010-11, the continuing administrative costs were approximately $148.7 million.
- The CalWORKs caseload is projected to decrease by 1.44 percent in FY 2012-13. Based on the ratios between caseload and expenditure change, the CalWORKs eligibility expenditures are projected to decrease by approximately 0.49 percent in FY 2012-13.
- It is assumed that continuing administrative costs increase at the same rate as total eligibility costs, and the estimated continuing administrative costs shall serve as base for determining the next year's projected continuing administrative costs.
- It is assumed that the common cost total will be approximately $68.3 million in FY 2011-12 and $67.0 million in FY 2012-13 (please refer to Medi-Cal Services Eligibility premise for more information).
- The eligibility worker common intake administrative costs are divided equally among CalWORKs, Public Assistance CalFresh and Medi-Cal.

METHODOLOGY:

- The budgeted amount for FY 2011-12 is held to the FY 2011-12 Appropriation.
- The Public Assistance (PA) to Non-Assistance (NA) fund shift is calculated as follows for FY 2012-13:
- The projected continuing activity cost is calculated by multiplying the base continuing activity cost by the projected expenditure increase.
- $160.4 million x -0.49 percent + $160.4 million = $159.6 million
- The total PA to NA fund shift is calculated by adding the anticipated continuing case activity costs and the common intake costs.

  $159.6 million + $67.0 million = $226.6 million total PA to NA fund shift

TANF and NACF Programs – PA to NA Fund Shift

FUNDING:

Non-Assistance CalFresh (NACF) costs are shared 50 percent Food and Nutrition Service fund, 35 percent General Fund, and 15 percent county funds. The CalWORKs costs shifted are 100 percent federal funds.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The FY 2011-12 is held to the FY 2011-12 Appropriation. The decrease in FY 2012-13 reflects updated caseload data.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in the FY 2012-13 is due to a projected caseload increase since the FY 2011-12 Appropriation, resulting in an increase in costs being shifted.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – TANF		
Total	-$214,940	-$226,631
Federal	-214,940	-226,631
State	0	0
County	0	0
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 141 – CalFresh Administration		
Total	$214,940	$226,631
Federal	107,470	113,315
State	75,229	79,321
County	32,241	33,995
Reimbursements	0	0

CalWORKs Refocusing and SAR – Mailing/Notifications

DESCRIPTION:

This premise reflects mailing costs to notify affected recipients of two important changes. The first mailing will notify California Work Opportunity and Responsibility to Kids (CalWORKs) recipients of a change in reporting requirements from quarterly to semiannual reporting (SAR), as required by Assembly Bill 6 (Chapter 501, Statutes of 2011). The second mailing will to notify CalWORKs recipients of the CalWORKs Refocusing proposal.

IMPLEMENTATION DATE:

This premise assumes a phased implementation of both changes beginning October 2012.

KEY DATA/ASSUMPTIONS:

- A general notification will be provided to all CalWORKs and CalFresh recipients in Fiscal Year (FY) 2012-13 to inform them of changes relating to SAR.
- A separate notification will be provided to all CalWORKs recipients in FY 2012-13 to inform them of changes relating to CalWORKs Refocusing.

METHODOLOGY:

- The total cost of the mailers is estimated to be $0.49 per recipient.
- CalWORKs recipients will receive two mailers, one relating to SAR and one relating to CalWORKs Refocusing.
- Non-assistance CalFresh recipients will receive one mailer relating to SAR.

FUNDING:

The funding for CalWORKs is 93.88 percent Temporary Assistance for Needy Families and 6.12 percent General Fund (GF). The funding for CalFresh is 50 percent federal and 50 percent GF.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a FY 2012-13 only item.

CalWORKs Refocusing and SAR – Mailing/Notifications

EXPENDITURES:
(in 000's)

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Administration		
Total	$0	$520
Federal	0	488
State	0	32
County	0	0
Reimbursement	0	0

	FY 2011-12	FY 2012-13
Item 141 – CalFresh Administration		
Total	$0	$798
Federal	0	399
State	0	399
County	0	0
Reimbursement	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 budgeted amount for Fiscal Year (FY) 2011-12 is held to the FY 2011-12 Appropriation.
- In FY 2010-11, the total CalWORKs eligibility expenditures were approximately $609.3 million.
- The CalWORKs caseload is projected to decrease by 1.44 percent in FY 2012-13. Based on the ratios between caseload and expenditure change, the CalWORKs eligibility expenditures are projected to decrease by approximately 0.49 percent in FY 2012-13.
- It is assumed that the total estimated CalWORKs eligibility expenditures in FY 2011-12 shall serve as base for determining the FY 2012-13 total eligibility expenditures.
- In FY 2010-11, the Medi-Cal common costs were approximately $67.7 million, which represents approximately 11.11 percent of the $609.3 million total CalWORKs eligibility expenditures. It is assumed that the Medi-Cal common costs will continue to represent the same proportion of total eligibility expenditures in FY 2012-13.

METHODOLOGY:

- The budgeted amount for FY 2011-12 is held to the FY 2011-12 Appropriation.
- For FY 2012-13, the Medi-Cal Services Eligibility/Common Costs are calculated as follows:
- Determine the total projected CalWORKs eligibility expenditures for FY 2012-13 by multiplying the FY 2011-12 expenditures by the percentage of projected expenditure increase for FY 2012-13.

  $606.2 million x -0.49 percent + $606.2 million = $603.3 million
- Assuming the Medi-Cal common costs represent 11.11 percent of the total CalWORKs eligibility expenditures, the FY 2012-13 Medi-Cal common cost expenditures are calculated by multiplying the total projected CalWORKs eligibility expenditures for FY 2012-13 by 11.11 percent.

  $603.3 million x 11.11 percent = $67.0 million

Medi-Cal Services Eligibility/Common Costs

FUNDING:

The funds are 100 percent TANF.

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2011-12. The FY 2012-13 decrease is due to a decrease in caseload projections.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in FY 2012-13 is due to a projected increase in expenditures, slightly offset by a projected decrease in caseload in CalWORKs.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 - CalWORKs Administration		
Total	-$63,732	-$67,028
Federal	-63,732	-67,028
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 on 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 the first three quarters of Federal Fiscal Year (FFY) 2011 were added to a projected final quarter and then compared to the net annual TANF grant and the required state MOE for FFY 2011.
- Administrative expenditures were adjusted between federal TANF (8.71 percent) and state MOE (8.71 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 General Fund (GF) or GF to federal funds, whichever is necessary to keep the percentages at the lowest common rate.

CHANGE FROM PRIOR SUBVENTION:

Administrative expenditures claimed by the counties in FFY 2011 have been recalculated using updated expenditure information.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

CalWORKs Administrative Cap Adjustment

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Administration		
Total	$0	$0
Federal	-224,600	-224,600
State	224,600	224,600
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), CalFresh, and Adoption Assistance Program (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 $414,077 is budgeted in Fiscal Year (FY) 2011-12 for attorney fees and settlement costs associated with court cases expected to be resolved in FY 2011-12.
- A total of $220,000 is budgeted in FY 2012-13 for attorney fees and settlement costs associated with court cases expected to be resolved in FY 2012-13.

Item 141 – FC and AAP Administration

- A total of $890,701 is budgeted in FY 2011-12 for attorney fees and settlement costs associated with court cases expected to be resolved in FY 2011-12.
- A total of $3,226,500 is budgeted in FY 2012-13 for attorney fees and settlement costs associated with court cases expected to be resolved in FY 2012-13.
- Federal financial participation (FFP) is based on the application Federal Medical Assistance Percentage (FMAP), 50 percent, to total federally eligible costs.

Item 141 – CalFresh Administration

- A total of $110,750 is budgeted in FY 2011-12 for attorney fees and settlement costs associated with court cases expected to be resolved in FY 2011-12.
- A total of $0 is budgeted in FY 2012-13 for attorney fees and settlement costs associated with court cases expected to be resolved in FY 2012-13.

METHODOLOGY:

Item 101 – TANF Administration

The estimate is based on actual and projected attorney fees, settlement costs, and miscellaneous writs to be paid in FY 2011-12 and FY 2012-13.

Item 141 – FC and AAP

The estimate is based on actual and projected attorney fees, settlement costs, and miscellaneous writs to be paid in FY 2011-12 and FY 2012-13.

Item 141 –CalFresh Administration

The estimate is based on actual and projected attorney fees, settlement costs, and miscellaneous writs to be paid in FY 2011-12 and FY 2012-13.

Court Cases

FUNDING:

Item 101 –TANF Administration

The funding is 100 percent TANF.

Item 141 – FC, AAP, and CalFresh Administration

Federal funding for Attorney fees 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 remaining federal and nonfederal program costs is 100 percent General Fund. Court settlement costs are shared at the same ratios as the respective programs (i.e. AAP and FC).

CHANGE FROM PRIOR SUBVENTION:

The change in FY 2011-12 and FY 2012-13 TANF administration is a result of increased court case costs.

The FY 2011-12 decrease in FC and AAP is due to decreased costs of cases that are expected to settle. The FY 2012-13 increase in FC and AAP is due to increased costs of cases that are expected to settle.

The change in FY 2011-12 CalFresh is a result of increased court case costs. There are no court cases expected to settle in FY 2012-13.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in FY 2012-13 TANF administration court case costs reflects a decreased cost of cases that are expected to settle in FY 2012-13.

The increase in FY 2012-13 FC and AAP court case costs reflects increased cost of cases that are expected to settle in FY 2012-13.

There are no court cases expected to settle in FY 2012-13.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Administration		
Total	$414	$220
Federal	414	220
State	0	0
County	0	0
Reimbursements	0	0

Court Cases

EXPENDITURES (CONTINUED):

(in 000s)

Item 141 – FC and AAP Administration	FY 2011-12	FY 2012-13
Total	$890	$3,226
Federal	445	1,613
State	445	1,613
County	0	0
Reimbursements	0	0

Item 141 – CalFresh Administration	FY 2011-12	FY 2012-13
Total	$111	$0
Federal	56	0
State	55	0
County	0	0
Reimbursements	0	0

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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. The 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 on July 1, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10533.
- Senate Bill 72 (Chapter 8, Statutes of 2011) suspended the program for FY 2011-12 and FY 2012-13.
- The program is scheduled to be implemented no later than July 1, 2014.

METHODOLOGY:

The program is suspended for FY 2011-12 and FY 2012-13.

FUNDING:

This premise is funded with 100 percent Temporary Assistance for Needy Families funds.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

State/County Peer Reviews

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Administration		
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Research and Evaluation

DESCRIPTION:

This premise reflects the costs for research and evaluation of the direct and indirect effects of the California Work Opportunity and Responsibility to Kids (CalWORKs) program as authorized by Welfare and Institutions Code (W&IC) 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, the statute specifies that the California Department of Social Services will ensure that county demonstration projects and other innovative county approaches to the CalWORKs program implementation are rigorously evaluated and that the findings are reported to the Legislature in a timely fashion. The evaluation of a county-specific program shall be developed in conjunction with the county and other appropriate agencies responsible for the local program.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

Authorizing statute: W&IC sections 11520 through 11521.7. Assembly Bill 1542 (Chapter 270, Statutes of 1997) mandated the evaluation of the CalWORKs program and county demonstration projects.

METHODOLOGY:

The funding in Fiscal Year (FY) 2011-12 and FY 2012-13 has been held to historical Research and Evaluation funding levels.

FUNDING:

This premise is funded with 100 percent Temporary Assistance for Needy Families funds.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Research and Evaluation

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 - CalWORKs Administration		
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 CalFresh food benefits. Welfare and Institutions Code (W&IC) section 15204.4 authorized the county Maintenance of Effort (MOE).

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 15204.4.
- The individual county requirement for spending 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 (CalWORKs) 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 (TANF); 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.
- It is assumed that counties will meet 100 percent of MOE with CalFresh Administration cost in FY 2011-12 and FY 2012-13. Therefore, the counties will not be required to spend any funds in the CalWORKs program.

FUNDING:

This is a shift from federal to county funds.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

County Maintenance of Effort Adjustment

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Administration		
Total	$0	$0
Federal	0	0
State	0	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 for the California Work Opportunity and Responsibility to Kids (CalWORKs) program families: who are working or participating in work activities while on aid; former CalWORKs recipients who are unable to transfer to Stage Two due to the shortage 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 is administered by the California Department of Education (CDE) and serves individuals determined to be in a more stable situation, either working or participating in work activities while on aid, as well as participants transitioning off aid. Stage Three is also administered by CDE and serves participants who have been off aid for two years or more.

CalWORKs child care for two-parent families cannot be funded with Temporary Assistance to Needy Families (TANF) funds, 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. Therefore, these expenditures are funded with Maintenance of Effort (MOE)/General Fund (GF).

This premise also includes Stage One Services and Administration funding previously identified in the Safety Net, Recent Noncitizen Entrants (RNEs), and State-Only Cal-Learn premises.

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.
- The Fiscal Year (FY) 2011-12 Stage One Child Care Services and Administration funding is held to the Budget Act of 2011 Appropriation.
- The following assumptions were used to determine the funding for Stage One Child Care Services and Administration for FY 2012-13:
- The projected monthly caseload (children) for FY 2012-13 is 61,747 based on a trend projection using actual caseload as reported on the Child Care Monthly Report – CalWORKs Families (CW 115) and Child Care Monthly Report – Two Parent Families (CW 115A). This includes approximately 1,613 Safety Net children.

CalWORKs Child Care - Stage One Services and Administration

KEY DATA/ASSUMPTIONS (CONTINUED):

- The base monthly cost per case (CPC) of CalWORKs child care services is $666.45 per child, based on actual expenditures and caseload from FY 2008-09. This base cost was adjusted to $720.67 for increased cost of doing business based on the Consumer Necessities Index (CNI), which is 1.53 percent for FY 2009-10, 1.57 percent for FY 2010-11, 1.92 percent for FY 2011-12, and 2.98 percent for FY 2012-13. This CPC is based on child care expenditures and caseload as reported on the County Expense Claims and on the CW 115 and CW 115A reports.
- The CalWORKs child care administrative ratio is 12.60 percent of the Services expenditures (11.19 percent of the total expenditures) and is based on the actual administrative expenditures compared to services expenditures in FY 2010-11.
- The child care cost for two-parent families and federally eligible RNE recipients in mixed households is 4.48 percent of the total Stage One basic costs, based on Stage One expenditures for those families in FY 2010-11.
- The child care cost for RNEs is 0.47 percent of the total Stage One Child Care cost, based on expenditures from FY 2008-09. Non-mixed RNE households (those with no federally eligible members) equal 51.35 percent of the RNE caseload.
- State-Only Cal-Learn Child Care costs are 0.013 percent of the total Stage One Child Care cost, based on expenditures from FY 2008-09.
- The CPC for Safety Net children is $134.55, based on actual caseload and expenditures from FY 2008-09. The expenditures for Safety Net Child Care are included in the base Stage One Child Care expenditures.
- It is assumed $174 million in the BY in TANF funds are transferred to Title XX and used to fund Stage One.

METHODOLOGY:

- The Stage One Child Care services costs are calculated by multiplying the caseload by the cost per child by 12 months (FY 2012-13: 61,747 cases x $720.67 x 12 = $534.0 million).
- The Stage One Child Care administrative costs are calculated by multiplying the services costs by the administrative ratio (FY 2012-13: $534.0 million x 12.60 percent = $67.3 million).
- Total Stage One Child Care costs equal the services costs plus the administrative costs (FY 2012-13: $534.0 million + $67.3 million = $601.3 million).
- The portion of Stage One Child Care costs attributed to RNE Child Care (for non-TANF eligible RNE recipients) is calculated by multiplying the total Stage One costs by the percent of RNE child care expenditures by the percent of RNE recipients who are not TANF eligible. (FY 2012-13: $601.3 million x 0.47 percent x 51.35 percent = $1.5 million)
- The portion of Stage One Child Care costs attributed to Safety Net Child Care expenditures is calculated by multiplying the number of Safety Net cases by the average Safety Net CPC. (FY 2012-13: 1,613 children x $134.55 CPC x 12 months = $2.6 million)

CalWORKs Child Care - Stage One Services and Administration

METHODOLOGY (CONTINUED):

- The portion of Stage One Child Care costs attributed to State-Only Cal-Learn Child Care expenditures is calculated by multiplying the total Stage One costs by the percent of State-Only Cal-Learn child care costs. (FY 2012-13: $601.3 million x 0.013 percent = $76,144)
- The state portion of Stage One Child Care basic costs are calculated by multiplying the basic Stage One Child Care costs (less RNE, Safety Net, and State-Only Cal-Learn) by the ratio of two-parent and mixed-household RNE families and adding the full value of the RNE, Safety Net, and State-Only Cal-Learn costs. (Calculation below shown for FY 2012-13)

  $601.3 million - $1.5 million – $2.6 million - $0.08 million = $597.1 million.
  $597.1 million x 4.48 percent = $26.8 million.
  $26.8 million + $1.5 million + $2.6 million + $0.1 million = $31.0 million state portion.
- The total Services and Administration costs (which include RNE, Safety Net, and State-Only Cal Learn Child Care) are split by dividing the total by their respective ratio of 88.8 percent or 11.2 percent.
  (FY 2012-13 Services: $601.3 million x 88.8 percent = $534.0 million total Services cost)

FUNDING:

Stage One Child Care for single parents is funded with 100 percent TANF. Child Care for two-parent families, RNEs, Safety Net, and State-Only Cal-Learn is funded with 100 percent GF, which is countable toward the state's TANF MOE requirement.

CHANGE FROM PRIOR SUBVENTION

The estimate for FY 2011-12 is held to the Appropriation.

The decrease in FY 2012-13 is due primarily to a lower caseload growth than projected in the 2011 November Subvention, as well as to a lower CPC.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in total Stage One costs from FY 2011-12 to FY 2012-13 is primarily due to a decline in the projected number of children receiving child care, as well as to a lower CPC.

CASELOAD:

(Average Monthly Children)	FY 2011-12	FY 2012-13
Stage One Basic	66,718	60,134
Safety Net	1,747	1,613
Total	**68,465**	**61,747**

CalWORKs Child Care -
Stage One Services and Administration

EXPENDITURES:
(in 000s)

Item 101 - CalWORKs Child Care Services	FY 2011-12	FY 2012-13
Total	$614,830	$533,994
Federal	586,730	506,559
State	28,100	27,435
County	0	0
Reimbursements	0	0

Item 101 - CalWORKs Child Care Admin	FY 2011-12	FY 2012-13
Total	$70,072	$67,290
Federal	66,870	63,832
State	3,202	3,458
County	0	0
Reimbursements	0	0

CalWORKs Child Care - Stage One Services and Administration

FY 2011-12 APPROPRIATION
(in 000s)

	Total	Federal	State	County	Reimb.
Stage One Child Care					
Services	**$614,830**	**$586,730**	**$28,100**	**$0**	**$0**
Administration	**$70,072**	**$66,870**	**$3,202**	**$0**	**$0**
Stage One Child Care – Services	$610,239	$586,730	$23,509	$0	$0
Stage One Child Care – Admin.	$69,549	$66,870	$2,679	$0	$0
Safety Net Child Care	$3,522	$0	$3,522	$0	$0
Recent Noncitizen Ents Svcs./Admin	$1,592	$0	$1,592	$0	$0
State-Only Cal-Learn Child Care	$0	$0	$0	$0	$0

FY 2011-12 MAY REVISION
(in 000s)

	Total	Federal	State	County	Reimb.
Stage One Child Care					
Services	**$614,830**	**$586,730**	**$28,100**	**$0**	**$0**
Administration	**$70,072**	**$66,870**	**$3,202**	**$0**	**$0**
Stage One Child Care – Services	$610,239	$586,730	$23,509	$0	$0
Stage One Child Care – Admin.	$69,549	$66,870	$2,679	$0	$0
Safety Net Child Care	$3,522	$0	$3,522	$0	$0
Recent Noncitizen Ents Svcs./Admin	$1,592	$0	$1,592	$0	$0
State-Only Cal-Learn Child Care	$0	$0	$0	$0	$0

FY 2012-13 MAY REVISION
(in 000s)

	Total	Federal	State	County	Reimb.
Stage One Child Care					
Services	**$533,994**	**$506,559**	**$27,435**	**$0**	**$0**
Administration	**$67,290**	**$63,832**	**$3,458**	**$0**	**$0**
Stage One Child Care - Services	$530,315	$506,559	$23,756	$0	$0
Stage One Child Care – Admin.	$66,826	$63,832	$2,994	$0	$0
Safety Net Child Care	$2,605	$0	$2,605	$0	$0
Recent Noncitizen Ents Svcs./Admin	$1,462	$0	$1,462	$0	$0
State-Only Cal-Learn Child Care	$76	$0	$76	$0	$0

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Regional Market Reimbursement Rate Reductions

DESCRIPTION:

This premise reflects the impact of reducing the rate at which child care providers are reimbursed. Regional Market Rate (RMR) ceilings set the maximum state reimbursement to child care providers for subsidized child care.

Legislation associated with the Budget Act of 2010 lowered the licensed-exempt provider reimbursement rate ceilings from 90 percent to 80 percent of the 85th percentile of the RMR established by the 2005 RMR survey (Education Code section 8357) for a Family Child Care Home (FCCH). Legislation associated with the Budget Act of 2011 further lowered the licensed-exempt provider reimbursement rate ceilings from 80 percent to 60 percent of the 85th percentile of the 2005 RMR survey.

It is proposed that, beginning in Fiscal Year (FY) 2012-13, the reimbursement rate for licensed providers be changed from the 85th percentile to the 40th percentile of the 2005 RMR survey, and that the ceiling for licensed-exempt providers be changed from 60 percent to 71 percent of the FCCH rate. Current and prior California Work Opportunity and Responsibility to Kids (CalWORKs) participants that are receiving CalWORKs Stage One Child Care, as well as recipients of Stage Two, Stage Three, and Alternate Payment Program (APP) child care, will be affected by this update.

IMPLEMENTATION DATE:

The reduction in the ceiling for licensed-exempt providers to 80 percent implemented November 1, 2010. The reduction in the ceiling for licensed-exempt providers to 60 percent implemented July 1, 2011. The proposed rate change to the 40th percentile (with exempts at 71 percent) will require legislative action and is assumed to implement August 15, 2012.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Education Code sections 8357 and 8447, as implemented by the Budget Act of 2010 and the Budget Act of 2011.
- The reimbursement rate ceilings for licensed-exempt providers were reduced to 80 percent of the current law RMR ceiling for FCCH beginning in FY 2010-11, and to 60 percent of the current law RMR ceiling for FCCH beginning in FY 2011-12.
- Under the proposed RMR rate reduction, licensed providers would be reimbursed at the 40th percentile of the 2005 RMR survey and licensed-exempt providers would be reimbursed at 71 percent of the FCCH rate.
- The newly established provider rates will impact the Stage One, Stage Two, Stage Three, and APP child care programs.
- For Stage One Child Care, it is estimated that 57.4 percent of the expenditures are dedicated to licensed-exempt providers and 42.6 percent are dedicated to licensed providers, based on June 2010 data from the Child Care Monthly Report – CalWORKs Families (CW 115) and Child Care Monthly Report – Two Parent Families (CW 115A).
- The impact of the 90 to 80 percent ceiling reduction for licensed-exempt providers will result in a savings of 3.99 percent of the licensed-exempt expenditures based on the Results Group 1999 Child Care Survey data.

Regional Market Reimbursement Rate Reductions

KEY DATA/ASSUMPTIONS (CONTINUED):

- The impact of the 80 to 60 percent ceiling reduction for licensed-exempt providers will result in a savings of 11.491 percent of the licensed-exempt expenditures based on the Results Group 1999 Child Care Survey data.
- The impact of the proposed rate change to the 40th percentile for licensed providers will result in a savings of 12.791 percent of the licensed provider expenditures based on the Results Group 1999 Child Care Survey data.
- The impact of the proposed rate change to 71 percent of the 40th percentile for licensed-exempt providers will result in a savings of 10.688 percent of the total budgeted expenditures for licensed-exempt providers based on the Results Group 1999 Child Care Survey data.
- The proposed rate change will implement August 15, 2012. The annual savings/cost of the proposal reflects the 45 days reduction (or 12.5 percent) and is determined by multiplying the annual savings/cost by 87.5 percent.
- The savings values for the licensed-exempt rate reductions are held to the Budget Act of 2011 for FY 2011-12. For FY 2012-13, the base Stage One Child Care program funding impacted by this proposal is $601.3 million.

METHODOLOGY:

- Savings for the licensed-exempt reductions are calculated by multiplying the base funding by the percent of licensed-exempt expenditures by the percent of savings from licensed-exempt expenditures.

  (90 to 80 Percent): $601.3 million x 57.4 percent x 3.994 percent = $13.8 million savings

  (80 to 60 Percent): $601.3 million x 57.4 percent x 11.491 percent = $39.7 million savings

- Savings for the proposed RMR rate change from the 85th to the 40th percentile are calculated by multiplying the base funding by the percent of expenditures by the percent of savings for both licensed and licensed-exempt expenditures

  Licensed to 40th of 2005: $601.3 million x 42.6 percent x 12.791 percent x 87.5 percent = $28.7 million savings

  Licensed-Exempt to 71 Percent: $601.3 million x 57.4 percent x 10.688 percent x 87.5 percent = $32.3 million savings

- The total savings for the proposed RMR change is the savings from the licensed provider rate change and the savings from the Licensed-Exempt provider rate change.

  (**RMR to 40th of 2005:** $28.7 million + $32.3 million = $61 million)

FUNDING:

This proposal will result in Temporary Assistance for Needy Families and General Fund savings. The state portion of savings is based on the 4.48 percent state funding ratio for Stage One Child Care.

Regional Market Reimbursement Rate Reductions

CHANGE FROM PRIOR SUBVENTION:

The savings for FY 2011-12 is held to the Budget Act of 2011 Appropriation.

The increased savings for FY 2012-13 is due to a lower proposed rate reduction.

REASON FOR YEAR-TO-YEAR CHANGE:

The increased savings for the Exempt Care premises are primarily due to increased Stage One Child Care base funding from the restoration of the Single Allocation Reduction. The rate reduction to the 40th percentile implements in FY 2012-13.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 - CalWORKs Child Care Exempt Care to 80 Percent		
Total	-$10,644	-$13,794
Federal	-10,234	-13,127
State	-410	-667
County	0	0
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 101 - CalWORKs Child Care Exempt Care to 60 Percent		
Total	-$30,624	-$39,687
Federal	-29,444	-37,767
State	-1,180	-1,920
County	0	0
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 101 - CalWORKs Child Care RMR to 40th of 2005 Survey		
Total	$0	-$60,945
Federal	0	-57,996
State	0	-2,949
County	0	0
Reimbursements	0	0

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Child Care Ramp-Up

DESCRIPTION:

This premise reflects the cost of building county welfare departments' administrative capacity in preparation for transitioning the oversight and budget authority for subsidized child care programs for the working poor, currently administered by the California Department of Education (CDE) to the California Department of Social Services. Under the Governor's proposed long-range plan, the subsidized child care programs that currently serve the working poor (CalWORKs Stage Two, CalWORKs Stage Three, Alternative Payment Provider program, and General Child Care) will be administered by county welfare departments beginning in Fiscal Year (FY) 2013-14. It is proposed that the FY 2012-13 Governor's Budget include funding for counties to build administrative capacity in preparation for that transition.

IMPLEMENTATION DATE:

This funding will allow counties to build administrative capacity in the months prior to the transition of subsidized child care programs on July 1, 2013.

KEY DATA/ASSUMPTIONS:

- County welfare departments will assume responsibility for subsidized child care contracts as of July 1, 2013, and will need ramp-up funds in the preceding months to build administrative capacity.
- In FY 2013-14, counties will be responsible for the eligibility determination and ongoing administration of subsidized child care programs for approximately 176,758 children. These services are currently under the administration of CDE.
- County welfare departments will assume responsibility for subsidized child care contracts as of July 1, 2013, and will need ramp-up funds in the preceding months to build administrative capacity. These administrative activities include training, hiring new staff, redesigning workflow, and sending notices to families regarding this transition.
- Prior to FY 2013-14, counties will be required to develop a county plan that outlines how they will adhere to the Child Care Development Fund (CCDF) requirements, as well as establish systems to collect family fees and collect/provide the required CCDF data for case level financial reporting, quality reporting, payment rates, and improper payments.
- The estimated administrative cost per child for voucher-based subsidized child care programs is $75.
- Counties will be provided a one-time funding augmentation equivalent to approximately two months of administrative funding in FY 2012-13 to prepare for the transition of administrative responsibilities.

METHODOLOGY:

The estimated funding augmentation is equal to two months of child care administration expenses for the population of recipients who will be transitioning from CDE child care programs.

(176,758 children x $75 x 2 months = $26.5 million)

Child Care Ramp-Up

FUNDING:

This proposal is funded 100 percent with Temporary Assistance to Needy Families/ Maintenance-of-Effort.

CHANGE FROM PRIOR SUBVENTION:

This premise implements in FY 2012-13. The decrease in funding from the 2012-13 Governor's Budget reflects the provision of two months of administrative funding rather than the three months provided in the 2012-13 Governor's Budget.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise implements in FY 2012-13.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 - CalWORKs Child Care		
Total	$0	$26,514
Federal	0	25,231
State	0	1,283
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 1993), 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.

The 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 California Department of Social Services (CDSS) Community Care Licensing Division (CCLD) is responsible for processing the applications pursuant to AB 753 (Chapter 843, Statutes of 1997). The CCLD contracts with the Department of Justice (DOJ) and the California Child Care Resource and Referral Network (CCCRRN) to process the fingerprint and index search file activities. Additionally, CCLD contracts with L-1 Enrollment Services Division, 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 implemented on September 1, 1995. The implementation for the FBI clearance was January 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statutes: Health and Safety Code sections 1596.60 through 1596.68 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.
- The funding for Trustline for Fiscal Year (FY) 2011-12 is held to the 2011 November Subvention estimate.
- Voluntary applicants pay fees to cover all costs associated with their Trustline registration.
- For voluntary applicants using Live Scan, this premise includes only the CCCRRN costs. These applicants pay a fee directly to L-1 Enrollment Services Division to cover Live Scan and DOJ charges.
- The CCCRRN application fee is $35.
- Included in the L-1 Enrollment Services Division contract is a $35,000 maintenance fee for the Live Scan machines.

Child Care – Trustline

KEY DATA/ASSUMPTIONS (CONTINUED):

- The CCCRRN contract includes a $35 fee for all ancillary applications per SB 702 (Chapter 199, Statutes of 2009), which implemented January 2011. These fees are reimbursed by applicants to the General Fund (GF) outside of the CDSS budget. It is assumed that there are 1,724 ancillary applications for FY 2012-13, based on data from July – December 2011.
- The CDSS Trustline application caseload and expenditures were adjusted for FY 2012-13 to reflect the restoration of the young children exemptions (with more families requiring child care providers, many of whom would be required to self-certify). The projected number of Trustline applications for CDSS, CDE, and voluntary is 23,734 cases for FY 2012-13. The number of CDSS and voluntary applications is based on a projection using actual data from FY 2010-11. The number of CDE applications is held to the actual number of applications for FY 2010-11.
- This estimate assumes that 100 percent of cases use Live Scan.
- The county administration cost per case is $123 based on actual county administration expenditures divided by the number of CDSS applications for FY 2008-09.
- The Trustline Automated Registration Process (TARP) pilot implemented in October 2006, with statewide implementation completed in 26 counties as of July 1, 2011. The projected number of TARP applications for FY 2012-13 is 20,253. The TARP costs ($5 per application) are reflected in the L-1 Enrollment Services Division contract. The contract service fees are as follows:

	FY 2012-13
DOJ Fingerprinting/Criminal History File	$32
DOJ California Child Abuse Central Index	$15
DOJ FBI Fingerprints	$17
CCCRRN Application Fee	$35
CCCRRN Incomplete Application Fee	$15
L-1 Enrollment Services Division Live Scan	$16
TARP	$5

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.

Child Care – Trustline

METHODOLOGY (CONTINUED):

The breakout of funding is as follows:

	FY 2012-13
DOJ	$1,356,544
CCCRRN	$921,173
L-1 Enrollment Services Division	$475,399
County Administrative Costs	$1,838,792

FUNDING:

The state's share reflects the percentage of Trustline 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 (TANF) 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 and ancillary applicants are paid from the GF.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12.

The Trustline funding for FY 2012-13 decrease from the 2011 November Subvention is primarily due to a decrease in the projected number of Ancillary applications, as well as a decrease in the fees associated with FBI fingerprinting.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2012-13 is primarily due to the increase in applications from the re-engagement of CalWORKs adults who had previously received the young children exemptions.

CASELOAD:

(average monthly)	FY 2011-12	FY 2012-13
CDSS Trustline Caseload	1,086	1,245
CDE Trustline Caseload	522	522
Voluntary Trustline Caseload	175	211

Child Care – Trustline

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101- CalWORKs Child Care		
Total	$4,382	$4,592
Federal	3,076	3,472
State	538	361
County	0	0
Reimbursements	768	759

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 1993), 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 and Welfare and Institutions Code section 11324.
- The funding for Self-Certification for Fiscal Year (FY) 2011-12 is held to the 2011 November Subvention estimate.
- The CDSS Trustline application caseload and expenditures were adjusted for FY 2012-13 to reflect the restoration of the young children exemptions (with more families requiring child care providers, many of whom would be required to self-certify). The projected number of CDSS Trustline applications is 14,937 in FY 2012-13, based on actual data from FY 2008-09.
- The statewide cost of Self-Certification ($213) is based on actual county expenditures and caseload from FY 2008-09.
- The state sharing ratio for Trustline and Self-Certification is 5.66 percent, based on actual county expenditures from January – December 2011.

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. (FY 2012-13: $213 x 14,937= $3.18 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 (TANF) program share reflects the cost for all other families.

Self-Certification

CHANGE FROM PRIOR SUBVENTION:

The change in the federal and state share of self-certification for FY 2011-12 and FY 2012-13 is due to an increase in the number of non-TANF eligibles in the CalWORKs program.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2012-13 is due to increased caseload as a result of restoring the young children exemptions.

CASELOAD:

	FY 2011-12	FY 2012-13
Average Annual Caseload	13,030	14,937

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 - CalWORKs Child Care		
Total	$2,773	$3,179
Federal	2,616	2,999
State	157	180
County	0	0
Reimbursements	0	0

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 (MOU) with the following: 1) California Tribal TANF Partnership (CTTP), representing the tribal members in Amador, Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Modoc, Napa, Plumas, Solano, San Joaquin, Sutter, Trinity, and Yuba counties; 2) The Federated Indians of Graton Rancheria, representing Marin and Sonoma counties; 3) Hoopa, representing tribal members in Humboldt County; 4) Hopland Tribe representing Mendocino County; 5) Karuk Tribe representing Siskiyou and Humboldt counties; 6) Morongo, representing tribal members in Riverside County; 7) North Fork Rancheria (NFR), representing the tribal members in Fresno, Madera, Mariposa, and Merced counties; 8) Owens Valley Career Development Center (OVCDC), representing the tribal members in Fresno, Inyo, Kern, Kings, and Tulare counties; 9) Round Valley Indian Tribe representing Mendocino County; 10) Tule Reservation Scott’s Valley, representing the tribal members in Contra Costa, Lake, Mendocino and Sonoma counties; 11) Southern California Tribal Chairman Association (SCTCA), representing tribal members in Santa Barbara and San Diego counties; 12) Shingle Springs, representing El Dorado, Placer, and Sacramento counties; 13) Soboba, representing tribal members in Riverside County; 14) Torres-Martinez Tribal TANF (TMTT), representing tribal members in Los Angeles and Riverside counties; 15) Washoe Tribe of Nevada and California, representing tribal members in Alpine, Alameda, Nevada, San Francisco, San Joaquin, San Mateo, Santa Clara, and Santa Cruz counties; and 16) Yurok, representing tribal members in Del Norte and Humboldt counties. Additional tribes and expansions are pending.

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 is 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. The CTTP Phase II consisting of tribes in Amador, Butte, Colusa, Del Norte, Humboldt, Lake, Modoc, and Trinity counties implemented in July 2004. One tribe in Butte County withdrew in August 2006 and another withdrew in October 2006. One tribe in Humboldt County and another in Lake County withdrew in May 2007. In July 2008, CTTP closed their program in Napa County and no longer serves tribes. One tribe in Amador County withdrew and transferred to another program in October 2008. The CTTP Phase III-A in San Joaquin County implemented in June 2006. Some cases from Lake County withdrew in December 2011. The CTTP Phase III-B in Calaveras, Tehama, and Yolo counties are pending approval of a MOU for their April 2012 implementation date.
- The Graton tribe that represents tribal members from Marin and Sonoma counties implemented in May 2008. Some cases from Graton withdrew in December 2011.
- The original Hoopa tribe in Humboldt County implemented in October 2004.
- The Hopland Band of Pomo Indians is seeking approval of an MOU for an April 2012 implementation in Mendocino County.
- The Karuk tribe that represents tribal members from Siskiyou and Humboldt counties implemented in December 2008. The Karuk expansion of Siskiyou County is seeking approval of an MOU for their September 2011 implementation.
- The Manchester Point Arena Reservation Tribe is seeing approval of an MOU for an April 2012 implementation in Mendocino County. The Morongo Band of Mission Indians in Riverside County implemented in March 2006.
- The original tribes in NFR implemented in August 2003. The NFR-Phase II in Fresno County implemented in July 2007.
- The original OVCDC tribes in Inyo and Kern counties 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 with a portion of Fresno County cases withdrawing in July 2007. Mono County is seeking approval of an MOU for their March 2012 implementation. Ventura County is seeing approval for an MOU for their April 2012 implementation.
- The Pechanga tribe that represents tribal members from Riverside County implemented in May 2011.
- The Pinoleville Band of Indians that represents tribal members from Sonoma, Lake, Mendocino and Napa counties is seeking approval of an MOU for their April 2012 implementation.
- The Pit River tribe represents tribal members from Modoc and Shasta counties and is seeking approval of an MOU for their April 2012 implementation.
- The Redding Rancheria Band of Indians that represents tribal members from Shasta and Trinity counties is seeking approval of an MOU for their April 2012 implementation.
- The Round Valley Band of Indians that represents tribal members from Mendocino County implemented in January 2009.

Tribal TANF

IMPLEMENTATION DATE (CONTINUED):

- The Shingle Springs tribe represents tribal members from El Dorado, Placer, and Sacramento counties implemented in June 2010.
- The Smith River tribe represents tribal members from Del Norte and Humboldt counties and is seeking approval of an MOU for their April 2012 implementation.
- The Tule Reservation Scott's Valley Band of Pomo Indians that represents tribal members from Contra Costa County implemented in January 2008. Tribes from Lake, Mendocino, and Sonoma counties added in December 2011.
- 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 Shingle Springs Tribe of Miwok Indians that represents tribal members from El Dorado, Placer and Sacramento counties is seeking approval of an MOU for their June 2010 implementation. These counties withdrew from Washoe.
- 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 County implemented in April 2002. One tribe in Riverside County withdrew in April 2002 and implemented their own program in October 2005. Two additional Riverside County tribes withdrew in May 2004 and one began their own program in March 2006. Pechanga withdrew in May 2011. Additional TMTT tribes in Imperial, Orange, and San Bernardino counties are seeking approval of an MOU for their April 2012 implementation.
- The original Washoe tribe 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 implemented Amador County in October 2008. Additionally, they are seeking approval of an MOU for their April 2012 implementation for Monterey, San Benito, San Luis Obispo, and Sierra counties. El Dorado, Placer and Sacramento counties have been withdrawn from Washoe and shifted to Shingle Springs as of June 2010.
- The Yurok tribe in Del Norte and Humboldt counties implemented on August 1, 2006.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10553.25.
- The 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 19,314 in Fiscal Year (FY) 2011-12 and 22,986 in FY 2012-13.

Tribal TANF

KEY DATA/ASSUMPTIONS (CONTINUED):

- The average number of persons per case is 2.9.
- The average monthly number of cases receiving WTW services is 1,846 in FY 2011-12 and 2,128 in FY 2012-13.
- The average monthly WTW services cost per person is $206.36.
- The average monthly administrative cost per case is $50.73.

METHODOLOGY:

The 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.
- The state funded grants, county admin and WTW services for Tribal TANF are as follows:

FY 2011-12			FY 2012-13		
Grants	WTW Services	County Administration	Grants	WTW Services	County Administration
$67,549	$1,752	$4,442	$80,390	$2,019	$5,295

FUNDING:

The GF amount will be counted toward the state's 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 of 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 PRIOR SUBVENTION:

The FY 2011-12 costs were updated to reflect revised implementation dates and updated caseload figures. The FY 2012-13 represents a full year of implementation.

Tribal TANF

REASON FOR YEAR-TO-YEAR CHANGE:

The increase from FY 2011-12 to FY 2012-13 is due to a full year of implementation of new or expanding tribes.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Child Care		
Total	$73,743	$87,703
Federal[1]	0	0
State	73,743	87,703
County	0	0
Reimbursements	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 $79.2 million in FY 2011-12 and $94.2 million in FY 2012-13.

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TANF Transfer for Student Aid Commission

DESCRIPTION:

This premise reflects a shift of federal Temporary Assistance for Needy Families (TANF) program funds from the California Work Opportunity and Responsibility to Kids (CalWORKs) program to the California Student Aid Commission (CSAC) to fund Cal Grants.

Cal Grants are awarded through CSAC to assist students with paying for college expenses. The Cal Grants awards are paid with state-funded grants for students attending public or private colleges and universities. 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 meet their 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.

IMPLEMENTATION DATE:

This premise will implement on July 1, 2012.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Title 45, Code of Federal Regulations, sections 260.20 and 260.31.
- The following criteria is applied to the Cal Grant expenditures:
    - Exclude federally funded expenditures
    - Exclude state expenditures used as federal match
    - Exclude TANF ineligible expenditures (namely Cal Grant B Access grant and Cal Grant C)
    - Include expenditures that meet TANF criteria (unmarried students age 25 or younger and with annual parental/student income at or below $50,000 threshold).

METHODOLOGY:

For Fiscal Year (FY) 2012-13, the estimate reflects the amount of TANF-eligible expenditures that will be funded by TANF in order to achieve General Fund savings.

FUNDING:

This program is 100 percent federally funded.

CHANGE FROM PRIOR SUBVENTION:

This premise implements in FY 2012-13. The increase in the TANF transfer is due to an increase in projected qualifying expenditures for Cal Grants.

TANF Transfer for Student Aid Commission

REASON FOR YEAR-TO-YEAR CHANGE:

This premise implements in FY 2012-13.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs		
Total	$0	$803,754
Federal	0	803,754
State	0	0
County	0	0
Reimbursements	0	0

CalWORKs Refocusing

DESCRIPTION:

This premise reflects the savings to the current California Work Opportunity and Responsibility to Kids (CalWORKs) budget that result from refocusing the program as proposed in the Fiscal Year (FY) 2012-13 Governor's Budget. The new Refocusing Proposal redesigns the CalWORKs program by prioritizing employment as well as services for those families most likely to be employed. This new strategy creates two subprograms within CalWORKs, each with differing grant structures, services arrays, reporting requirements, and time limits:

The CalWORKs Plus program would serve those recipients working sufficient hours to meet federal work participation requirements (WPR) in unsubsidized employment, and would include a higher earned income disregard for eligibility and grant determination.

The CalWORKs Basic program would assist families in their efforts to move toward self-sufficiency by providing up to 24 months of job search, barrier removal, employment training, and child care services. Eligibility for CalWORKs Basic is extended from 24 months up to 48 months for recipients who are meeting WPR through any combination of federally allowable activities. Due to these new requirements, counties will need to "re-engage" clients who have previously received a Welfare-to-Work (WTW) state exemption, including those who received the "young children" exemption allowed under the Short-Term Reforms (Assembly Bill X4 4, Chapter 4, Statutes of 2009 Fourth Extraordinary Session), which includes activities like developing a WTW activity plan, assessing the client for barriers to employment, and providing the client with supportive services. Counties may begin to re-engage clients as of October 1, 2012, and are required to have all clients engaged by September 30, 2013.

The Refocusing Proposal would also align state required hours of participation with federal rules, with the exception that the state would extend the time that educational activities may count for core hours from one to two years. The CalWORKs assistance time limit for eligible adults remains at 48 months, and sanctioned months would count toward the assistance time limit.

All remaining cases would be served in the Child Maintenance program outside of CalWORKs, and would be provided a basic level of income maintenance while eligible. All work-eligible adults whose children receive assistance in the Child Maintenance program are granted 30 days of child care per every six months to use for job search activities. This program would include a new requirement to participate in an annual well-child exam.

IMPLEMENTATION DATE:

This premise will implement October 1, 2012. The enhanced disregard for the CalWORKs Plus program will implement on April 1, 2013.

KEY DATA/ASSUMPTIONS:

- Unless otherwise specified, all caseload characteristics (including participation) data is based on Federal Fiscal Year 2010 Research and Development Enterprise Project (RADEP) data.

<u>CalWORKs Plus</u>

- Beginning July 1, 2012, 29,680 CalWORKs recipients are projected to meet federal WPR through unsubsidized employment.
- The current average cash aid grant is $316 per month for recipients who are meeting the federal work WPR.

CalWORKs Refocusing

KEY DATA/ASSUMPTIONS (CONTINUED):

- The $87.32 average monthly administrative cost per case for these recipients is based on the budgeted funding for CalWORKs in FY 2012-13.
- The $97.86 average monthly cost per case for services for these recipients includes transportation and ancillary services (based on WTW 25 data), as well as 15 minutes of case management time per month.
- The $577 average monthly cost per case for child care for these recipients is based on the average payment and administrative costs for all of the voucher subsidized child care programs in FY 2012-13. The cost for child care also reflects the 18.8 percent average utilization rate for child care and 1.77 average children per family, based on actual data from FY 2008-09. The utilization rate includes families receiving cash aid who are currently using Stage One child care.
- Effective October 1, 2012, these recipients will be eligible to receive benefits and services in CalWORKs Plus.
- Effective April 1, 2013 CalWORKs Plus recipients will be eligible for an increased earned income disregard (disregarding the first $200 of income as well as 50 percent of all additional income), which equates to an approximate grant increase of $44 per case. This will increase the average monthly grant for these recipients to $360.
- The average cost per case for administration, services, and child care remain the same for these recipients in CalWORKs Plus.
- By June 2013, approximately 13,115 cases from CalWORKs Basic and Child Maintenance will have increased their work participation and become eligible for CalWORKs Plus.
- The average monthly caseload for CalWORKs Plus in FY 2012-13 is 34,332.

<u>CalWORKs Basic</u>

- Beginning July 1, 2012, approximately 241,270 cases have adult recipients who have not yet exceeded their 48-month cash aid time limit and are not meeting federal WPR through unsubsidized employment. This includes cases that have been sanctioned for three months or less, as well as cases with a state exemption from work participation (i.e., disability, caring for an ill or incapacitated child or relative, etc.).
- The average monthly cash aid grant for these recipients is $524.
- The $87.32 average monthly administration cost per case for these recipients is based on the budgeted funding for CalWORKs in FY 2012-13.
- The $465.60 average monthly cost per case for services for participating recipients is based on the budgeted funding for CalWORKs in FY 2012-13.
- The $577 average monthly cost per case for child care for participating recipients is based on average payment and administrative costs for all of the voucher subsidized child care programs in FY 2012-13. The cost for child care also reflects 1.77 average children per family, based on actual data from FY 2008-09. The utilization rate is 18.8 percent for CalWORKs families who are already using Stage One child care and 24.2 percent for CalWORKs families who are newly engaged or re-engaged in activities, based on actual data from FY 2008-09.

CalWORKs Refocusing

KEY DATA/ASSUMPTIONS (CONTINUED):

- Effective October 1, 2012, eligible cases will receive benefits and services in the CalWORKs Basic program.
- Beginning October 1, 2012, months in sanction will count against the adult recipient's time limit. However, these cases will be allowed to stay in CalWORKs Basic for up to three months in sanction within a consecutive 12-month period and will be offered services and child care during this time. Of the 241,270 cases, 10,516 cases have been sanctioned three months or less. It is assumed that half of those cases will use the available services and one third will use the available child care services.
- With the Refocusing Proposal, the state exemptions from work requirements will be maintained, but will count toward the adult's time limit beginning October 1, 2012. Of the 241,270 CalWORKs Basic cases, 72,424 have received state exemptions from the WTW program for a variety of reasons (i.e., disability, caring for an ill or incapacitated child or relative, etc.). It is assumed that 18,139 of these exempt cases will begin to participate and use services and child care.
- Beginning October 1, 2012, counties will begin to re-engage adults who received a "young children" exemption, as well as the 18,139 adults who received other exemptions. The engagement of these cases will be phased in over the course of one year, from October 2012 through September 2013.
- Beginning the month that they receive services, cases that have been aided for 24 months or longer will have an additional six months of eligibility to receive assistance and services in CalWORKs Basic. If at the end of the six months, they are not meeting WPR through any federally allowable combination of activities, they will become ineligible for CalWORKs Basic and move to the Child Maintenance program (approximately 46,782 cases), where the adult will no longer be aided, regardless of time remaining in his/her 48-month time limit. The 24 months of aid does not include any previously exempted months or months in which the adult was in sanction status prior to October 1, 2012.
- Based on the implementation of grant reduction policies in other states, it is assumed that 60 percent of the cases with more than 24 months of aid, who are not already meeting WPR, would increase their participation to avoid a grant reduction that would result from moving to Child Maintenance. Of this 60 percent, the following behavioral assumptions are applied:
  - 100 percent of those who are within nine hours of their WPR requirement would successfully begin meeting WPR. Of these, approximately 70 percent would do so through unsubsidized employment and 30 percent through a combination of other federally allowable activities.
  - 50 percent of those who are within 19 hours of their WPR requirement would successfully begin meeting WPR through a combination of other federally allowable activities.
  - 25 percent of those who are currently not participating to any extent and are required to participate 20 hours would successfully begin meeting WPR through a combination of other federally allowable activities.
  - 15 percent of those who are currently not participating to any extent and are required to participate 30 hours would successfully begin meeting WPR through a combination of other federally allowable activities.

CalWORKs Refocusing

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on the above assumptions, of the 46,782 cases who would otherwise be ineligible to stay in CalWORKs Basic based on their time on aid, approximately 14 percent (6,569 cases) will begin meeting WPR in order to maintain their CalWORKs Basic eligibility and an additional 6.8 percent (3,172 cases) will begin meeting WPR through unsubsidized employment and thus qualify for the CalWORKs Plus program. Therefore, 37,041 cases will leave CalWORKs Basic over the course of a year, beginning six months after October 1, 2012 (from April 2013 through March 2014).
- After accounting for the gradual phasing in of newly and re-engaged recipients from October 2012 through September 2013 and the increased participation of cases with over 24 months of aid, the average monthly caseload for CalWORKs Basic in the FY 2012-13 is 238,476.
- The average monthly caseload utilizing services in CalWORKs Basic in FY 2012-13 is 139,451.
- The average monthly child care caseload in CalWORKs Basic in FY 2012-13 is 111,512 currently participating cases and 26,709 newly or re-engaged cases.

<u>Child Maintenance program</u>

- There are an estimated 308,985 cases in the CalWORKs caseload that do not meet the eligibility requirements for either CalWORKs Plus or CalWORKs Basic when the restructured program is implemented on October 1, 2012. This includes cases sanctioned for more than three months, Safety Net cases not meeting WPR, and all other child-only cases (e.g., recipients of Supplemental Security Income, non-needy caretaker relatives, citizen children of undocumented parents, drug/fleeing felon parents, etc.).
- The average monthly CalWORKs cash aid grant for these child-only cases is $427 for July through September 2012.
- Similar to all other cases in CalWORKs, the average monthly administration cost per case is $87.32 for July through September 2012.
- Beginning October 1, 2012, approximately 283,766 of these cases will be served in the Child Maintenance program. The remaining 25,219 cases will be discontinued due to income over the eligibility threshold for the Child Maintenance program.
- The following percentages of work-eligible cases that increase their participation are based on the same behavioral assumptions used for increased participation in the CalWORKs Basic program above.
- Of the sanctioned cases in Child Maintenance, there are approximately 313 that are currently meeting WPR. It is assumed that these cases cure their sanction and become eligible for CalWORKs Basic.
- It is assumed that 60 percent of the approximately 3,212 sanctioned cases in Child Maintenance that have less than 24 months of aid will increase their participation as a result of the reduced grant level. Of the 60 percent, 70 cases (2.2 percent of the 3,212) begin meeting WPR through unsubsidized employment and move to CalWORKs Plus, 372 cases (11.6 percent of the 3,212) begin meeting WPR through means other than unsubsidized employment and move to CalWORKs Basic, and 1,485 cases (or 46.2 percent of the 3,212) increase their participation enough to cure their sanction and go to CalWORKs Basic.

CalWORKs Refocusing

KEY DATA/ASSUMPTIONS (CONTINUED):

- It is assumed that 60 percent of the approximately 18,860 sanctioned cases in Child Maintenance that have more than 24 months of aid will increase their participation as a result of the reduced grant level. Of the 60 percent, 147 cases (0.8 percent of the 18,860) begin meeting WPR through unsubsidized employment and move to CalWORKs Plus, 2,149 cases (11.4 percent of the 18,860) begin meeting WPR through means other than unsubsidized employment and move to CalWORKs Basic, and 47.8 percent will not increase their participation enough to become eligible for either CalWORKs Basic or CalWORKs Plus.
- It is assumed that 60 percent of the approximately 54,680 Safety Net cases in Child Maintenance will increase their participation as a result of the reduced grant level. Of the 60 percent, 11,071 cases (20.2 percent of the 54,680) will begin meeting WPR through unsubsidized employment and move to CalWORKs Plus and 39.8 percent will not increase their participation enough to become eligible for CalWORKs Plus.
- Families in Child Maintenance are generally not eligible to receive child care and services. However, work eligible adults will be allowed 30 days of child care per every six months to use for job search activities.
- Beginning October 2012, all work eligible adults who have children aided in Child Maintenance (76,752 cases) will be given 30 days of subsidized child care per every six months for job search activities. It is assumed that 75 percent of these cases (54,461 cases) would qualify for this child care by engaging in job search activities, and that the work eligible cases listed above that move out of Child Maintenance will do so beginning in December 2012. The average monthly caseload for this group in FY 2012-13 is 39,000. The standard Stage One cost per case of $577, utilization rate of 24.2 percent for newly participating families, and average children per case factor of 1.77 are applied to this group.
- The Maximum Aid Payment (MAP) is $375 per month for an assistance unit of two in Child Maintenance.
- The income disregard is 50 percent of all earned income; the disregard for disability payments remains $225. All existing income exclusions allowed under CalWORKs will also be allowed in the Child Maintenance program; however, the $50 child support pass-through is eliminated for Child Maintenance cases.
- Reporting requirements for families in Child Maintenance will be reduced from quarterly reporting to annual reporting; however, mandatory mid-period reporting and voluntary report changes will continue to apply. The $53.22 average monthly administration cost per case for Child Maintenance cases includes administrative time of 15 minutes per child for verification of annual well-child exams.
- Of the 37,041 cases that will leave the CalWORKs Basic program from April 2013 through March 2014, it is projected that 35,539 cases will become recipients in Child Maintenance. The remaining 1,502 cases will be discontinued from aid due to income over Child Maintenance eligibility requirements.
- The average monthly caseload for Child Maintenance in FY 2012-13 is 288,015.

CalWORKs Refocusing

KEY DATA/ASSUMPTIONS (CONTINUED):

Basic Assumptions for Refocused Programs

	Avg Monthly Caseload	Avg Monthly Grant	Avg Benefit Increase	Admin Cost per Case	Services Cost Per Case	Child Care Cost Per Case
CalWORKs Plus	34,332	$ 316	$ 44.00	$ 87.32	$ 97.86	$ 577.00
CalWORKs Basic	238,476	$ 524	-	$ 87.32	$ 465.60	$ 577.00
Child Maintenance	288,015	$ 338	-	$ 53.22	-	$ 577.00

METHODOLOGY:

Grants

The average monthly caseload is multiplied by the average monthly cash aid grant. (CalWORKs Basic: 238,476 x $524 x 12 months = $1.5 billion)

Administration

The average monthly caseload is multiplied by the average monthly administration cost per case. (CalWORKs Basic: 238,476 x $87.32 x 12 = $249.9 million)

Services

The average monthly services caseload is multiplied by the average monthly services cost per case. (CalWORKs Basic: 139,451 x $465.60 x 12 = $779.0 million)

Child Care

The average monthly child care caseload is multiplied by the average monthly child care cost per child, by the utilization rate, and by the average number of children per family. (CalWORKs Basic Current Participants: 111,512 x $577 x 0.188 x 1.77 x 12 = $ 256.9 million)

(Child Maintenance: 39,000 x $577 x 0.242 x 1.77 x 12 x 1/6 = $ 19.3 million)

Savings

- The savings to the CalWORKs program was computed by adding the costs of the three new restructured programs and comparing the sum to the May Revision baseline budget for the existing CalWORKs program (Grants, Administration, Services, Child Care) less adjustments for one-time costs or non-allocated funds (e.g., Employment and Child Care Ramp Up funding, Mental Health & Substance Abuse Services for Indian Health Clinics, Trustline, or the Mailing Notification costs for CalWORKs Refocusing and Semiannual Reporting). Savings from the proposed Exempt MAP elimination are excluded to avoid duplicating savings.

  Total Funding: $4,559.7 million - $5,414.4 million = $854.6 million savings

- The savings are displayed by their respective categories of Grants, Administration, Services, and Child Care.
- As CalWORKs programs will now include only work-focused programs, the Child Maintenance program funding is moved out of the CalWORKs budget and into “Other Assistance Payments” Program 16.65 of the California Department of Social Services budget.

CalWORKs Refocusing

FUNDING:

- CalWORKs Plus and CalWORKs Basic grants are funded 97.5 percent Temporary Assistance to Needy Families (TANF)/Maintenance of Effort (MOE) and 2.5 percent county funds.
- CalWORKs Plus and CalWORKs Basic administration, services, and child care are funded 100 percent TANF/MOE.
- Child Maintenance grants for TANF-eligible cases are funded 97.5 percent TANF/MOE and 2.5 percent county funds. Child Maintenance grants for non-TANF eligible cases are funded 94.7 percent TANF/MOE, 2.8 percent General Fund, and 2.5 percent county funds.
- Child Maintenance administration for TANF eligible cases are funded 100 percent TANF/MOE. Admin for non-TANF eligible cases is 97.3 percent TANF/MOE and 2.8 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

The May Revision policy changes and behavioral assumptions result in a total CalWORKs Refocused program cost that is $86 million less than the total cost in the Governor’s Budget estimate. This is primarily due to the three month extension of the young children exemptions and the gradual phase-in of client re-engagement. The decrease in overall savings of the Refocusing proposal is primarily due to a lower current law CalWORKs baseline budget in the May Revision, which resulted from a declining caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise will implement in FY 2012-13.

EXPENDITURES

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Total Refocusing Savings		
Total	$0	-$854,648
Federal	0	-682,614
State	0	-162,575
County	0	-9,459
Reimbursements	0	0

CalWORKs Refocusing

EXPENDITURES (CONTINUED):

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Grants		
Total	$0	-$378,360
Federal	0	-298,353
State	0	-70,548
County	0	-9,459
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Administration		
Total	$0	-$93,103
Federal	0	-44,666
State	0	-48,437
County	0	0
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 101 – CalWORKs Employment Services		
Total	$0	-$270,682
Federal	0	-232,906
State	0	-37,776
County	0	0
Reimbursements	0	0

CalWORKs Refocusing

EXPENDITURES (CONTINUED):

(in 000s)

Item 101 – CalWORKs Child Care

	FY 2011-12	FY 2012-13
Total	$0	-$112,503
Federal	0	-106,689
State	0	-5,814
County	0	0
Reimbursements	0	0

Item 101 – CalWORKs Child Maintenance Move Out

	FY 2011-12	FY 2012-13
Total	$0	-$908,356
Federal	0	-624,391
State	0	-264,621
County	0	-19,344
Reimbursements	0	0

Item 101 – Other Assistance Payments (Program 16.65) Child Maintenance Program

	FY 2011-12	FY 2012-13
Total	$0	$908,356
Federal	0	624,391
State	0	264,621
County	0	19,344
Reimbursements	0	0

CalWORKs Refocusing

EXPENDITURES (CONTINUED):

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 – Automation		
Total	$0	$8,506
Federal	0	8,506
State	0	0
County	0	0
Reimbursements	0	0

Kinship Guardianship Assistance Payment Program

DESCRIPTION:

This premise reflects the costs associated with the Kinship Guardianship Assistance Payment (Kin-GAP) program. 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 12 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. The Kin-GAP program is authorized by Senate Bill 1901 (Chapter 1055, Statutes of 1998) and modified by Assembly Bill (AB) 1111 (Chapter 147, Statutes of 1999).

The Kin-GAP rates are equal to 100 percent of the basic Foster Care (FC) rate for children placed in a licensed or approved home as specified in Welfare and Institutions Code (W&IC) section 11461, subdivisions (a) through (d). 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 for the Kin-GAP program became effective October 1, 2006. Provisions of AB 1808 increased the basic Kin-GAP rate to include all clothing allowances and specialized care increments (SCI) the child would have been eligible for while in FC.

Pursuant to AB 12 (Chapter 351, Statutes of 2010), cases that are federal Title IV-E eligible will convert to the Federal Kin-GAP (Fed-GAP) program upon annual redetermination, effective January 1, 2011. Prospective federally eligible cases that would have entered the Kin-GAP program on or after January 1, 2011, will now enter the Fed-GAP program.

IMPLEMENTATION DATE:

The Kin-GAP program implemented on January 1, 2000.

The Kin-GAP enhancements 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 FC rate for children placed in a licensed or approved Foster Family Home (FFH), including all clothing allowances and SCIs received while in FC, as specified in statute.
- Federal and nonfederal caseloads are based on actual cases reported on the CA 800 KG, Summary Report of Expenditures for the Kin-GAP program, from January 2011 through December 2011.
- A State-Only Kin-GAP program is available for those cases that are not eligible for the Fed-GAP program but are eligible for the Kin-GAP program. This would include cases that transferred from the California Work Opportunity and Responsibility to Kids program, Permanent Residence under Color of Law and cases that are determined non-federally eligible upon annual review.

Kinship Guardianship Assistance Payment Program

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on county data, non-federally eligible cases represent approximately 45 percent of the total Kin-GAP caseload. Federally eligible cases have been transferred to the Fed-GAP program. Non-Federally eligible cases will remain in the Kin-GAP program.
- In Fiscal Year (FY) 2011-12, approximately 7,197 federally eligible Kin-GAP cases converted to the Fed-GAP program. Cases have been phased in on the date of the annual redetermination. Based on a one year conversion timeline, 510 cases transferred from Kin-GAP to Fed-GAP each month for 12 months.
- The average Kin-GAP basic grant payments are based on a 12 month period of actual expenditures and cases reported on the CA 800 KG from May 2010 through April 2011, before implementation of the May 1, 2011, FFH rate increase. The average Kin-GAP basic grant payment is $620.57.
- The impact of the *California Foster Parent Association v. William Lightbourne, et al.* court decision that increased the FFH basic rate is displayed in the FFH Rate Increase – Kin-GAP Impact premise.
- Based on actual expenditures through December 2011, the cost of ongoing county Kin-GAP administrative functions is $42.07 per case per month.
- State and county expenditures associated with all cases are considered to be eligible for the State's Temporary Assistance for Needy Families 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 also receive an annual supplemental clothing allowance of $100.

METHODOLOGY:

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

FUNDING:

- For assistance cost, funding is provided by 79 percent General Fund (GF) and 21 percent county funds.
- For administrative cost, funding is provided by 50 percent GF and 50 percent county funds.

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 decrease in assistance cost reflects a slight decrease in the Kin-GAP caseload and grant. There is no change in the administrative cost. The FY 2012-13 increase in assistance and administrative costs reflect a higher caseload than was projected in the FY 2012-13 Governor's Budget.

Kinship Guardianship Assistance Payment Program

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to less non-federal cases staying in the Kin-GAP program. The increase in administrative costs reflects a higher caseload than was projected in the FY 2012-13 Governor's Budget.

CASELOAD:

	FY 2011-12	FY 2012-13
Average Monthly Caseload	7,300	5,986

EXPENDITURES:

(in 000s)

Item 101 – Kin-GAP Basic Costs	FY 2011-12	FY 2012-13
Total	$54,363	$44,577
Federal	0	0
State	42,947	35,216
County	11,416	9,361
Reimbursements	0	0

Item 101 – Kin-GAP Administration	FY 2011-12	FY 2012-13
Total	$968	$3,022
Federal	0	0
State	961	1,511
County	7	1,511
Reimbursements	0	0

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Extend Foster Care, Kin-GAP, and AAP Benefits (AB 12)*

DESCRIPTION:

The premise required the California Department of Social Services (CDSS) to amend its current Title IV-E state plan to extend benefits up to age 21 for youth in the Foster Care (FC), Kinship Guardianship Assistance Payment (Kin-GAP) program, Federal Kinship Guardianship Assistance Payment (Fed-GAP) program, and Adoption Assistance Program (AAP) who meet one of the five specified criteria. This premise implements the provisions of Assembly Bill (AB) 12 (Chapter 559, Statutes of 2010), which exercises the federal option of extending FC benefits detailed in the Fostering Connections to Success and Increasing Adoptions Act of 2008, Public Law (PL) 110-351. This premise creates a new population of dependent youth, referred to as Non-Minor Dependents (NMDs). This premise extends the age limit for youths to receive benefits so that these youths receive support in learning to be self-sufficient while still in the security of supervised living placements, with the goal of improving outcomes for this population when they transition to self-sufficiency.

Eligibility for extended benefits up to age 21 is available to NMDs who meet at least one of the five following criteria. The youth:

- Is completing secondary education or a program leading to an equivalent credential
- Is enrolled in an institution that provides postsecondary or vocational education
- Is participating in a program or activity designed to promote, or remove barriers to employment
- Is employed for at least 80 hours a month
- Is incapable of doing any of the above due to a medical condition that is documented regularly in the NMD’s case plan

In addition to the above criteria, for the AAP, Kin-GAP, and Fed-GAP programs, the NMD had to have entered one of these programs at age 16 or older.

AB 12 also authorizes Kin-GAP cases that are determined to have a disability to receive extended benefits up to age 21 regardless of the age these cases were upon entering Kin-GAP Extending benefits for disabled cases implemented on January 1, 2011.

The extension of benefits up to age 19 implemented on January 1, 2012. On January 1, 2013, the extension of benefits will increase to age 20. On January 1, 2014, if the Legislature determines that there are sufficient funds available, benefits may be extended up to age 21.

*Effective July 1, 2011, AB 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: AAP; Adoptions Program; FC; Child Welfare Services (CWS); Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. The Kin-GAP, California Work Opportunity and Responsibility to Kids (CalWORKs) and the California Food Assistance Program (CFAP) programs are not realigned. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

Extend Foster Care, Kin-GAP, and AAP Benefits (AB 12)*

IMPLEMENTATION DATE:

The extending benefits for disabled Kin-GAP cases beyond age 18 implemented on January 1, 2011. The extension of benefits beyond age 18 for all other qualified cases implemented on January 1, 2012.

KEY DATA/ASSUMPTIONS:

Authorizing statute: AB 12 and PL 110-351.

Kin-GAP Caseload

- Assumes two Kin-GAP cases will extend beyond age 18 due to a disability. This is based on point-in-time Kin-GAP Dual Agency cases, by age, as of March 31, 2010.
- Data from the Urban Institute Report was used to determine how many cases will continue to receive Kin-GAP benefits beyond age 18. Assumptions were made for those youth who emancipate and receive extended benefits up to age 19. See "Foster Care Caseload" for more information.
- The Fiscal Year (FY) 2011-12 assumes a total of 13 cases and FY 2012-13 assumes a total of 85 cases will enter the Kin-GAP program at the age of 16 or older. This is based on entrances into the Kin-GAP program as of April 1, 2010. It is assumed that 45 percent of these entrances will either enter or remain in the Kin-GAP program, and 55 percent will either enter or transfer to the Fed-GAP program. This includes the impact of Kin-GAP Interstate Compact for the Placement of Children (ICPC) cases residing outside of California.
- Effective January 1, 2012, it is projected that one Kin-GAP case per month will receive extended benefits beyond age 18, resulting in an average monthly caseload of two cases in FY 2011-12 and an average monthly caseload of seven cases in FY 2012-13.

Foster Care Caseload

- The FC estimate reflects costs and caseload data for the 56 non-Title IV-E Waiver counties and the Title IV-E Waiver counties.
- Based on county data, it is assumed that 80 percent of foster youth that would normally emancipate at age 17 will continue to receive FC benefits until age 19 as a result of AB 12. Data from the Urban Institute Report on extending FC benefits to 21 years of age indicated that 39.5 percent of foster youth that would normally emancipate at age 17 will continue to receive FC benefits until age 20 as a result of AB 12. This data assumes a four percent re-entry rate.
- The NMDs who are FC "Services Only" cases or CalWORKs "Child Only" cases will be eligible to receive FC benefits as a result of AB 12 and elect to stay in the program at the same rate as the FC caseload. Further assumptions and data are listed under "CalWORKs Child Only" caseload.

Extend Foster Care, Kin-GAP, and AAP Benefits (AB 12)*

KEY DATA/ASSUMPTIONS (CONTINUED):

- Starting January 1, 2012, it is projected that an additional 137 FC NMDs 18 years of age will be phased into the program each month. As a result of this phase in, FY 2011-12 will reflect an average monthly caseload of 502 FC NMDs 18 years of age receiving extended benefits.
- Starting January 1, 2013, it is projected that an additional 146 FC NMDs (dependants and wards) 19 years of age will be phased into the program each month. As a result of this phase in, FY 2012-13 will have an average monthly caseload of 1,714 FC NMDs 19 years of age receiving extended benefits.

Foster Care Placement Options

- The FC Placement options reflect data used in the California Fostering Connections Webinar. Adjustments were made to the Group Home (GH) and the Transitional Housing Program – Plus (THP-Plus) placements options.
- Of the additional FC NMDs served, it is assumed that:
  - Relative placements will account for 22 percent of the total FC placements in AB 12.
  - Relative placements assume an average of 111 monthly cases for FY 2011-12 and an average of 377 monthly cases for FY 2012-13.
  - Federal cases are projected to account for 100 percent of total Relative placements.
- Assumes that of the additional FC NMDs served, Non-Dependant Non Related Legal Guardians (NDNRLG) placements will account for 15 percent of the total FC placements in AB 12. The NDNRLG placements assume an average of 75 monthly cases for FY 2011-12 and an average of 257 monthly cases for FY 2012-13. Nonfederal cases are projected to account for 100 percent of total NDNRLG placements.
- Assumes that of the additional FC NMDs served, Foster Family Home (FFH) placements will account for eight percent of the total FC placements in AB 12. The FFH placements assume an average of 40 monthly cases for FY 2011-12 and an average of 137 monthly cases for FY 2012-13. Federal cases are projected to account for 64.82 percent of total FFH placements.
- Assumes that of the additional FC NMDs served, Supervised Independent Living Program (SILP) placements will account for 15 percent of the total FC placements in AB 12. The SILP placements assume an average of 75 monthly cases for FY 2011-12 and an average of 257 monthly cases for FY 2012-13. Federal cases are projected to account for 64.82 percent of total SILP placements.
- Assumes that of the additional FC NMDs served, Foster Family Agency (FFA) placements will account for 15 percent of the total FC placements in AB 12. The FFA placements assume an average of 75 monthly cases for FY 2011-12 and an average of 257 monthly cases for FY 2012-13. Federal cases are projected to account for 81.17 percent of total FFA placements.

Extend Foster Care, Kin-GAP, and AAP Benefits (AB 12)*

KEY DATA/ASSUMPTIONS (CONTINUED):

- Assumes that of the additional FC NMDs served, GH placements will account for five percent of the total FC placements in AB 12. The GH placements assume an average of 25 monthly cases for FY 2011-12 and an average of 86 monthly cases for FY 2012-13. Federal cases are projected to account for 52.24 percent of total GH placements.
- Assumes that of the additional FC NMDs served, THP-Plus FC placements will account for 20 percent of the total FC placements in AB 12. The THP-Plus FC placements assume an average of 101 monthly cases for FY 2011-12 and an average of 343 monthly cases for FY 2012-13. Based on information from the John Burton Foundation, the federal cases are projected to account for 63.60 percent of total THP-Plus FC placements. The estimate assumes that the total cost for the additional FC NMDs served in the THP-Plus FC will be absorbed through the existing THP-Plus program by way of a funding shift.

<u>CalWORKs "Child Only" Caseload</u>

- The FC "services only" cases that are ineligible to receive Title IV-E FC payments instead receive a cash-aid grant at the "exempt" maximum aid payment (MAP) level from the CalWORKs program, but case management services from CWS. They are referred to in CalWORKs as a "Child Only" case.
- The CalWORKs program rules currently allow any child to continue receiving a CalWORKs grant after turning 18 if the child is attending high school and is anticipated to graduate before or by their 19th birthday. The CalWORKs program is currently serving 64.3 percent of all Child Only cases living with a non-needy caretaker relative that turn 18 years old. These cases are eligible to be funded by Temporary Assistance for Needy Families (TANF)/Maintenance of Effort (MOE) and thus are excluded from this estimate.
- The NMDs who choose to remain with their non-needy caretaker relatives and continue receiving a CalWORKs grant will not be subject to the Welfare-to-Work requirements and thus will not receive any supportive services.
- This additional CalWORKs population is not eligible to be funded with TANF/MOE; grant costs and administrative funds are funded solely through a state-only program.
- Assumes that 405 FC cases (including probation cases) will turn 18 each month in FY 2011-12 and can qualify for extended benefits if otherwise eligible as of January 1, 2012.
- Assumes that 3.6 percent of FC cases on probation are in relative homes and could qualify for a CalWORKs Child Only grant, resulting in a total of 363 FC cases per month that could possibly qualify for a CalWORKs Child Only grant.
- Based on a point-in-time caseload distribution from April 2010, it is assumed that 3.82 percent of the FC caseload is a CalWORKs Child Only case, and that 35.7 percent of those cases are 18 year olds that are not already currently receiving a CalWORKs grant under current policy.
- As with the FC caseload, this estimate assumes that 80 percent of FC cases with a CalWORKs Child Only grant that would normally emancipate will instead have extended benefits through AB 12.

Extend Foster Care, Kin-GAP, and AAP Benefits (AB 12)*

KEY DATA/ASSUMPTIONS (CONTINUED):

- Assumes that 32 percent of Child Only cases will choose to leave their non-needy caretaker relative, upon turning 18. This action will make them eligible for Title IV-E FC benefits and they will receive their benefit payments under the FC program. The remaining 68 percent of the Child Only cases will continue to remain with their non-needy caretaker relative and receive a CalWORKs Child-Only grant.
- The extension of benefits past age 18, starting January 1, 2012, results in an additional two cases per month for the CalWORKs program.

Fed-GAP Caseload

- Data from the Urban Institute Report was used to determine how many cases will continue to receive Fed-GAP benefits beyond age 18. Assumptions were made for those youth who emancipate and receive extended benefits up to age 19. See "Foster Care Caseload" for more information.
- The FY 2011-12 assumes a total of 204 cases and FY 2012-13 assumes a total of 1,348 cases will enter the Fed-GAP program at the age of 16 or older. This is based on point-in-time entrances into the Kin-GAP program, by age, as of April 1, 2010.
- Assumes 55 percent of these entrances will either enter or convert to the Fed-GAP program, and 45 percent will either enter or remain in the Kin-GAP program. This includes the impact of Fed-GAP ICPC cases residing outside of California.
- Effective January 1, 2012, it is projected that ten Fed-GAP cases per month will receive extended benefits beyond age 18, resulting in an average monthly caseload of 34 cases in FY 2011-12.
- Effective January 1, 2013, it is projected that four Fed-GAP cases per month will receive extended benefits beyond age 19, resulting in an average monthly caseload of 112 cases in FY 2012-13.

AAP Caseload

- The FY 2011-12 assumes a total of 211 cases and FY 2012-13 assumes a total of 1,507 cases will enter AAP annually at age 16 or older. This is based on entrances into AAP, by age, during FY 2009-10.
- Assumes that 80 percent of cases that enter AAP at age 16 or older will continue to receive benefits beyond age 18.
- Effective January 1, 2012, it is projected that ten AAP cases per month will receive extended benefits beyond age 18, resulting in an average monthly caseload of 35 cases in FY 2011-12.
- Effective January 1, 2013, it is projected that ten AAP cases per month will receive extended benefits beyond age 19, resulting in an average monthly caseload of 126 cases in FY 2012-13.

Extend Foster Care, Kin-GAP, and AAP Benefits (AB 12)*

KEY DATA/ASSUMPTIONS (CONTINUED):

CalWORKs Cost Avoidance Caseload

- Assumes that a portion of FC youth whose benefits are extended by AB 12 would have otherwise enrolled in the CalWORKs program after emancipating. This estimate includes cost avoidance to CalWORKs because these cases will instead receive extended FC benefits.
- Based on the CDSS Foster Care Emancipation Exit Outcomes Report (SOC 405 E) from January - December 2009, it is assumed that 5.4 percent of emancipated FC youth enroll in the CalWORKs program. This percentage is expected to continue receiving FC benefits as a result of AB 12 (364 cases per month) and will not enroll in CalWORKs.
- Assumes that 33 percent of FC NMDs in a GH who emancipate at age 18 will elect to enroll in the CalWORKs program rather than extend their FC benefits, resulting in CalWORKs cost avoidance for 67 percent of the caseload.
- The extension of benefits through AB 12 thus results in cost avoidance to the CalWORKs program for an average of 14 cases per month in FY 2011-12 (beginning January 1, 2012) and 51 cases per month in FY 2012-13.

CalFresh (CF) Caseload

- It is assumed that 18 percent of the youth who age out of FC receive CF. An estimated 18 cases per month will be calculated as cost avoidance to CalFresh due to AB 12 FC extension for the period of January 2012 through December 2012.
- Beginning January 1, 2013, it is assumed that cases that stay in FC that would otherwise have been eligible for CF under AB 719 (Chapter 371, Statutes of 2009). These cases will be reflected as cost avoidance to the Transitional CF for Foster Youth Program.
- Based on an average of 146 cases per month (up to age 20) and 99 cases per month (up to age 19) beginning January 2013 will receive extended FC benefits under AB 12, it is assumed that 10 percent would not have been eligible for CF benefits because they will receive Social Security Income (SSI) benefits. Additionally, approximately 16 percent of the cases would not have been eligible for CF benefits due to having a student status. This results in CF and administrative and grant savings for approximately 77 new cases per month (up to age 19) beginning in January 2013.

Kin-GAP Grants

- The projected Kin-GAP grant is $688.74 for FY 2011-12 and FY 2012-13. This reflects a combination of the basic grant for ages 15-19, based on the FC FFH rate of $627, in addition to estimated additional Kin-GAP benefits of $61.74.
- The impact of the *California Foster Parent Association v. William Lightbourne, et al.* court decision that increased the FFH basic rate is displayed in the FFH Rate Increase – Kin-GAP Impact premise.

Extend Foster Care, Kin-GAP, and AAP Benefits (AB 12)*

KEY DATA/ASSUMPTIONS (CONTINUED):

Foster Care Grants

- The grants for the FC placement options of relatives, NDNRLG, and FFH were calculated by adding estimated additional FC benefits of $275.50 to the basic grant for ages 15-19 of $627. The projected federal and/or nonfederal grant for the relatives, NDNRLG, and FFH placements is $902.50 for FY 2011-12 and FY 2012-13.
- The impact of the *California Foster Parent Association v. William Lightbourne, et al.* court decision that increased the FFH basic rate is displayed in the FFH Rate Increase – FFH Impact premise.
- The federal and nonfederal grants used for the SILP placement were calculated by adding estimated additional FC clothing allowance benefits of $14.80 to the basic grant for ages 15-19 of $627. The projected federal and nonfederal grant for SILP placements is $641.80 for FY 2011-12 and FY 2012-13.
- The FFA grant is established through the normal budgeting process. The projected federal grant is $1,542.30 and the projected nonfederal grant is $2,223.21 for FFA placements in FY 2011-12 and FY 2012-13.
- The GH grants are established through the normal budgeting process. The projected federal grant is $7,555.28 and the projected nonfederal grant is $7,467.44 for GH placements in FY 2011-12. The projected federal grant is $7,780.43 and the projected nonfederal grant is $7,689.97 for GH placements in FY 2012-13.
- The THP-Plus grant is established through the normal budgeting process. The projected federal and nonfederal grant is $2,906.89 for THP-Plus placements in FY 2011-12. The projected federal and nonfederal grant is $2,993.52 for THP-Plus placements in FY 2012-13.
- The GH and THP-Plus grants have been adjusted to include a 32 percent rate increase and California Necessities Index (CNI) increases starting in FY 2010-11. The CNI projections are 1.92 percent for FY 2011-12 and 2.98 percent FY 2012-13.

CalWORKs “Child Only” Grants

- The projected Child Only grant will be $317 (the MAP for an assistance unit of one in CalWORKs) for FY 2011-12.

Fed-GAP Grants

- The projected Fed-GAP grant is $755.73 for FY 2011-12 and FY 2012-13. This is a combination of the basic grant for ages 15-19, based on the FC FFH basic rate of $627, in addition to estimated additional Fed-GAP benefits of $128.73.
- The impact of the *California Foster Parent Association v. William Lightbourne, et al.* court decision that increased the FFH basic rate is displayed in the FFH Rate Increase – Fed-GAP Impact premise.

Extend Foster Care, Kin-GAP, and AAP Benefits (AB 12)*

KEY DATA/ASSUMPTIONS (CONTINUED):

AAP Grants

- The projected AAP grant is $951.27 for FY 2011-12 and FY 2012-13. This is a combination of the basic grant for ages 15-19, based on the FC FFH schedule of basic rate, at $627, in addition to estimated additional AAP benefits of $324.27.
- The impact of the *California Foster Parent Association v. William Lightbourne, et al.* court decision that increased the FFH basic rate is displayed in the FFH Rate Increase – AAP Impact premise.

CalWORKs Cost Avoidance Grants

- The projected grant cost avoidance for FC youth who would have otherwise enrolled in CalWORKs is $516, which is the MAP for an assistance unit of two.

CalFresh Grants

- It is assumed that foster youth receiving Transitional CalFresh benefits will receive $147.68 per month. Based on historic CFAP and CalFresh caseloads, the CFAP caseload/benefits are approximately one percent of the CalFresh caseload/benefits.

Kin-GAP Administration

- Based on actual Kin-GAP expenditure data, the projected average monthly administrative cost is $42.07 per case for FY 2011-12 and FY 2012-13.

Foster Care Administration

- Based on actual FC expenditure data from calendar year 2010, the projected average monthly administrative cost is $95.31 per case for FY 2011-12 and FY 2012-13. The total FC administrative cost is $207,000 for FY 2011-12 and $2.0 million for FY 2012-13.
- Assumes that ICPC cases residing outside of California will create a savings to FC administration. The total FC administrative savings as a result of ICPC cases is $519,000 for FY 2011-12 and $586,000 for FY 2012-13.

CalWORKs "Child Only" Administration

- The monthly CalWORKs administration cost is $33.58 per case.

Fed-GAP Administration

- Based on actual Kin-GAP expenditure data, the projected average monthly administrative cost is $42.07 per case for FY 2011-12 and FY 2012-13.

AAP Administration

- Based on actual AAP expenditure data from calendar year 2010, the projected administrative cost is $16.85 per case for FY 2011-12 and FY 2012-13.

Extend Foster Care, Kin-GAP, and AAP Benefits (AB 12)*

KEY DATA/ASSUMPTIONS (CONTINUED):

CWS Administration

- It is estimated that 312 NMDs and 60 wards will receive extended benefits up to age 19 in FY 2011-12 and 1,278 NMDs and 226 wards will receive extended benefits up to age 20 in FY 2012-13.
- Assumes a workload standard of 31 cases per social worker (SW) at a cost of $129,074 per social worker.
- Assumes additional SW costs for the increased caseloads for the following premises: Group Home Monthly Visits, Caregiver Court Filing, Health Oversight and Coordination, Criminal Background Checks, Personalized Transition Plans (included in the CWS Consolidated premise), Child Relationships, Increase Funding for Case Worker Visits, and Foster Youth Identity Theft.

CalWORKs Cost Avoidance Administration and Services

- The projected cost avoidance for administration costs associated with FC youth who would have otherwise enrolled in CalWORKs is a one-time $197.75 fee per new case for intake costs and $33.58 per case per month for ongoing administration costs.
- The projected employment services cost avoidance is $26,848 in FY 2011-12 and $201,849 in FY 2012-13 which represents a reduction of 0.003 percent and 0.019 percent of the employment services caseload, respectively. The projected child care cost avoidance is $733.91 per child per month in FY 2011-12 and $734.78 per child per month in FY 2012-13. The estimate assumes the normal child care utilization rate for CalWORKs, which is 24.23 percent, based on actual data from the WTW 25/25 A and CW 115/115 A reports.

METHODOLOGY:

CalFresh Administration

- It is assumed that the intake cost is $51 per case.
- The monthly administrative costs associated with processing the mid-quarter changes are calculated by multiplying the ongoing cases by 7.2 percent and by $28.23.
- The quarterly administrative costs associated with processing the quarterly reports are calculated by multiplying the ongoing cases by $39.33 on a quarterly basis.
- It is assumed that quarterly reporting requirements do not apply in the first 12 months under Transitional CalFresh AB 719.
- The impact to CFAP is assumed to be one percent of the corresponding Non-Assistance CF costs.

Automation

- It is assumed that the costs for automation are $4.0 million in FY 2011-12 and $3.5 million in FY 2012-13. The costs will be split among the programs that are impacted by AB 12.

Extend Foster Care, Kin-GAP, and AAP Benefits (AB 12)*

METHODOLOGY (CONTINUED):

Kin-GAP

- To estimate the cost of extending Kin-GAP benefits, the total number of casemonths is multiplied by the average Kin-GAP grant. The Kin-GAP administrative costs are calculated by multiplying the projected casemonths by the monthly administrative cost per case.

Foster Care

- The basic costs for relative, NDNRLG, FFH, SILP, FFA, GH, and THP-Plus placements are the product of federal and/or nonfederal monthly caseloads multiplied by the average grants, as identified above.

CalWORKs “Child Only”

- The grant and administration costs are calculated by multiplying the caseload by the average grant cost per case per month and average administration cost per case per month, respectively.

Fed-GAP

- To estimate the cost of extending Fed-GAP benefits, the total number of casemonths is multiplied by the average Fed-GAP grant. The Fed-GAP administrative costs are calculated by multiplying the projected casemonths by the monthly administrative cost per case.

AAP

- To estimate the cost of extending AAP benefits, the total number of casemonths is multiplied by the average AAP grant. The AAP administrative costs are calculated by multiplying the projected casemonths by the monthly administrative cost per case.

Foster Care Administration

- The FC administrative costs for this premise are the product of projected monthly caseloads multiplied by the average grant, as identified above.

CalWORKs Cost Avoidance

- Grant cost avoidance is calculated by multiplying the MAP for an assistance unit of two by the number of months that a case would have been on aid.
- Administrative cost avoidance is calculated by multiplying the intake costs by the number of new cases and added to the ongoing monthly administrative cost multiplied by the number of case months.
- Services cost avoidance is calculated by removing the cost avoidance caseload from the Employment Services Basic estimate and calculating the difference in estimated expenditures.
- Child Care cost avoidance is calculated by multiplying case months by the cost per case for child care and by the utilization rate.

Extend Foster Care, Kin-GAP, and AAP Benefits (AB 12)*

METHODOLOGY (CONTINUED):

CWS Administration

- Basic costs are calculated by dividing the increased caseload by the workload standard, then multiplying by the annual SW cost.
- The SW costs for additional premises are also included, based on increased caseload.

CalFresh

- The CF administrative savings are calculated by multiplying the number of CalFresh eligible cases remaining in FC per month by the administrative costs. The CFAP benefit savings are calculated by multiplying the cumulative number of new CF eligible cases remaining in FC per month by the average CF benefit, then by one percent.

FUNDING:

AB 12 costs/savings are shared at the same ratios as in their respective programs. Extended benefits through CalWORKs for FC Services Only cases are 100 percent state-funded and are not MOE countable. Cost avoidance for CalWORKs grants are 97.5 percent TANF and 2.5 percent county funded. Administration, services, and child care cost avoidance are 100 percent TANF.

Funding for automation for FC is split 70 percent General Fund (GF) and 30 percent county. The Kin-GAP, AAP, and CalWORKs state-only program costs are 100 percent GF.

* The state funds in this premise have been realigned to local governments. The Kin-GAP, CalWORKs, and CFAP programs are not realigned. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

The decrease in savings for CalWORKs Cost Avoidance in FY 2011-12 and FY 2012-13 is due to a lower child care cost-per-case.

There is no change to CalWORKs Child Only.

For Kin-GAP, Foster Care, Fed-GAP, and AAP, the FY 2011-12 and FY 2012-13 increases reflect 80 percent of the emancipated children receiving extended benefits up to age 19.

For CalFresh, the increased savings in FY 2011-12 is due to including the cost avoidance of cases that would have applied for CalFresh benefits through the normal application process; the prior estimate only accounted for the cost avoidance associated with cases that apply for Transitional CalFresh through AB 719. The decrease in FY 2012-13 is primarily due to delay in implementation of AB 719, from July 2012 to January 2013, resulting in a reduction of the cost avoidance.

Revised automation costs were reported from the Consortia of Statewide Automated Welfare Systems for FY 2011-12 and FY 2012-13.

For CWS, there is no change for FY 2011-12. The FY 2012-13 increase reflects 80 percent of the emancipated children receiving extended benefits up to age 19, and the inclusion of the Foster Youth Identity Theft costs which are offset by excluding the NDNRLG population.

Extend Foster Care, Kin-GAP, and AAP Benefits (AB 12)*

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2012-13 increase reflects 80 percent of the emancipated children receiving extended benefits up to age 19.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Summary – Total Funds		
CalWORKs Cost Avoidance	-$91	-$660
Kin-Gap	$25	$77
Foster Care	$3,982	$36,407
Fed-Gap	$160	$1,074
AAP	$204	$1,460
CFAP	-$1	-$6
CalWORKs Child Only	$14	$109
CalFresh	-$9	-$64
THP-Plus	-$876	-$8,446
Automation	$4,034	$3,510
CWS Administration	$938	$7,869

	FY 2011-12	FY 2012-13
Item 101 - CalWORKs Grant Cost Avoidance		
Total	-$42	-$316
Federal	-41	-308
State	0	0
County	-1	-8
Reimbursements	0	0

Extend Foster Care, Kin-GAP, and AAP Benefits (AB 12)*

EXPENDITURES (CONTINUED):
(in 000s)

Item 101 - CalWORKs Services Cost Avoidance	FY 2011-12	FY 2012-13
Total	-$27	-$202
Federal	-27	-202
State	0	0
County	0	0
Reimbursements	0	0

Item 101 - CalWORKs Administration Cost Avoidance	FY 2011-12	FY 2012-13
Total	-$7	-$31
Federal	-7	-31
State	0	0
County	0	0
Reimbursements	0	0

Item 101 - CalWORKs Child Care Cost Avoidance	FY 2011-12	FY 2012-13
Total	-$15	-$111
Federal	-15	-111
State	0	0
County	0	0
Reimbursements	0	0

Extend Foster Care, Kin-GAP, and AAP Benefits (AB 12)*

EXPENDITURES (CONTINUED):

(in 000s)

Item 101 - Kin-GAP Grant

	FY 2011-12	FY 2012-13
Total	$24	$73
Federal	0	0
State	19	58
County	5	15
Reimbursements	0	0

Item 101 - Kin-GAP Administration

	FY 2011-12	FY 2012-13
Total	$1	$4
Federal	0	0
State	1	2
County	0	2
Reimbursements	0	0

Item 101 – FC Grant

	FY 2011-12	FY 2012-13
Total	$4,294	$35,017
Federal	1,129	10,437
State	1,266	9,832
County	1,899	14,748
Reimbursements	0	0

Extend Foster Care, Kin-GAP, and AAP Benefits (AB 12)*

EXPENDITURES (CONTINUED):
(in 000s)

Item 101 – Fed-GAP Grant	FY 2011-12	FY 2012-13
Total	$154	$1,018
Federal	77	509
State	61	402
County	16	107
Reimbursements	0	0

Item 101 - AAP Grant	FY 2011-12	FY 2012-13
Total	$200	$1,434
Federal	100	717
State	75	538
County	25	179
Reimbursements	0	0

Item 101 - CFAP Grant Impact	FY 2011-12	FY 2012-13
Total	-$1	-$6
Federal	0	0
State	-1	-6
County	0	0
Reimbursements	0	0

Extend Foster Care, Kin-GAP, and AAP Benefits (AB 12)*

EXPENDITURES (CONTINUED):
(in 000s)

Item 101 - CalWORKs Grant Impact	FY 2011-12	FY 2012-13
Total	$13	$98
Federal	0	0
State	13	96
County	0	2
Reimbursements	0	0

Item 101 - CalWORKs Administration Impact	FY 2011-12	FY 2012-13
Total	$1	$11
Federal	0	0
State	1	11
County	0	0
Reimbursements	0	0

Item 141 – FC Administration	FY 2011-12	FY 2012-13
Total	-$312	$1,390
Federal	-92	765
State	-154	435
County	-66	190
Reimbursements	0	0

Extend Foster Care, Kin-GAP, and AAP Benefits (AB 12)*

EXPENDITURES (CONTINUED):
(in 000s)

Item 141 - AAP Administration	FY 2011-12	FY 2012-13
Total	$4	$26
Federal	2	13
State	1	9
County	1	4
Reimbursements	0	0

Item 141 - Fed-GAP Administration	FY 2011-12	FY 2012-13
Total	$6	$56
Federal	3	28
State	3	28
County	0	0
Reimbursements	0	0

Item 141 - CalFresh Administration Impact	FY 2011-12	FY 2012-13
Total	-$9	-$64
Federal	-4	-32
State	-5	-32
County	0	0
Reimbursements	0	0

Extend Foster Care, Kin-GAP, and AAP Benefits (AB 12)*

EXPENDITURES (CONTINUED):

(in 000s)

Item 141 - Automation	FY 2011-12	FY 2012-13
Total	$4,034	$3,510
Federal	0	0
State	3,845	3,300
County	189	210
Reimbursements	0	0

Item 151 - THP-Plus FC Shift to FC	FY 2011-12	FY 2012-13
Total	-$876	-$8,446
Federal	0	0
State	-876	-8,446
County	0	0
Reimbursements	0	0

Item 151 - CWS Administration	FY 2011-12	FY 2012-13
Total	$938	$7,869
Federal	301	2,556
State	461	3,816
County	176	1,497
Reimbursements	0	0

FFH Rate Increase*

DESCRIPTION:

This premise is a result of the court decision *California Foster Parent Association v. William Lightbourne, et al*. This lawsuit challenged the adequacy of California's Foster Family Home (FFH) rates. The summary judgment in the court case required that California develop a systematic method for meeting its federal obligations in regards to Foster Care (FC) maintenance payments. The court ordered the state to take the enumerated cost factors contained in the Child Welfare Act into consideration when determining a new FFH rate structure. The court order provides authority to change the rate-setting methodology in statute. The California Department of Social Services contracted with the Center for Public Policy Research (CPPR) at University of California, Davis to conduct a study to develop alternative methodologies for setting the FFH rate in California.

Starting May 1, 2011, the new FFH rate structure developed by the CPPR impacted current FFH cases excluding Non-Related Legal Guardians (NRLG). It also impacted prospective Kinship Guardianship Assistance Payment (Kin-GAP) cases, prospective NRLG cases, prospective Federal Kinship Guardianship Assistance Payment (Fed-GAP) program cases and prospective Adoption Assistance Program (AAP) cases. This rate structure will be increased annually based on the California Necessities Index (CNI) cost-of-living adjustment (COLA).

Effective July 1, 2011, an annual increase based on the CNI was given to those existing Kin-GAP, Fed-GAP, NRLG and AAP cases, that did not qualify for the new FFH rate structure.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: AAP; Adoptions Program; FC; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. The Kin-GAP and Tribal programs was not realigned. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

The new FFH rate structure for current FFH cases, prospective Kin-GAP, Fed-GAP, NRLG, and AAP cases implemented on May 1, 2011.

Annual CNI increases for existing Kin-GAP, Fed-GAP, NRLG and AAP cases implemented on July 1, 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11461.
- This estimate reflects costs for the 56 non-Title IV-E Waiver counties and the Title IV-E Waiver counties.
- The new statewide FFH rate structure is based on the enumerated cost factors, such as food, shelter, school supplies, daily supervision, clothing, personal incidentals, liabilities insurance, home/court transportation, and the 50 percent of the cost-of-providing factor. The cost-of-providing factor is based on transportation cost to and from extracurricular activities, childcare, recreational, and cultural activities.

FFH Rate Increase*

KEY DATA/ASSUMPTIONS (CONTINUED):

- The new FFH rate structure by age range are as follows:

  - Current basic rate for age range 0-4 years is $446; new basic rate $609

  - Current basic rate for age range 5-8 years is $485; new basic rate $660

  - Current basic rate for age range 9-11years is $519; new basic rate $695

  - Current basic rate for age range 12-14 years is $573; new basic rate $727

  - Current basic rate for age range 15-19 years is $627; new basic rate $761

- The new rate structure includes a COLA of 1.92 percent for Fiscal Year (FY) 2011-12 and 2.98 percent for FY 2012-13. The COLA is based on the CNI.
- The new rate structure contains additional monies for clothing; as a result, the State Supplemental Clothing Allowance Program will be discontinued for all FFH cases, beginning July 1, 2011. The clothing allowance provided by counties will continue and will not be impacted by this new rate. The State Supplemental Clothing Allowance applies to the 56 non-Title IV-E Waiver counties and the Title IV-E Waiver counties. For more information, please see the Supplemental Clothing Allowance premise description.

<u>FFH</u>

- The FY 2011-12 estimates assume that an average monthly caseload of 20,050 current FFH cases (excluding NRLGs) and 163 current FFH AB 12 (Chapter 559, Statutes of 2010) cases are impacted.
- The FY 2012-13 estimates assume that an average monthly caseload of 17,680 current FFH cases (excluding NRLGs) and 612 current FFH AB 12 cases will be impacted.
- All current and AB 12 FFH cases receive the new FFH rate structure, effective May 1, 2011, as well as the annual CNI increase effective July 1, 2011.
- It is estimated that 78.3 percent of FFH cases (excluding NRLGs) are federally eligible.

<u>Tribal State-Title IV-E</u>

- The FY 2011-12 estimate assumes that an average monthly caseload of five current Tribal State-Title IV-E FFH cases are impacted.
- The FY 2012-13 estimate assumes that an average monthly caseload of 17 current Tribal State-Title IV-E FFH cases will be impacted.
- All current Tribal State-Title IV-E FFH cases receive the new FFH rate structure, effective May 1, 2011, as well as the annual CNI increase effective July 1, 2011.
- It is estimated that 100 percent of the Tribal State-Title IV-E FFH cases are federally eligible.

<u>NRLG</u>

- The FY 2011-12 estimates assume that an average monthly caseload of 68 prospective NRLG cases, one prospective NRLG AB 12 case, and 5,350 existing NRLG cases are impacted.

FFH Rate Increase*

KEY DATA/ASSUMPTIONS (CONTINUED):

- The FY 2012-13 estimates assume that an average monthly caseload of 165 prospective NRLG cases, four prospective NRLG AB 12 cases, and 4,704 existing NRLG cases will be impacted.
- All current FFH and AB 12 NRLG cases received the new FFH rate structure, effective May 1, 2011, as well as the annual CNI increase effective July 1, 2011. Existing NRLG cases only receive the annual CNI increases effective July 1, 2011.
- It is estimated that 100 percent of NRLG cases are state and county-only funded.

<u>AAP</u>

- The FY 2011-12 estimates assume that an average monthly caseload of 3,499 prospective AAP cases, 16 prospective AAP AB 12 cases, and 78,493 existing AAP cases are impacted.
- The FY 2012-13 estimates assume that an average monthly caseload of 8,521 prospective AAP cases, 61 prospective AAP AB 12 cases, and 69,587 existing AAP cases will be impacted.
- All current FFH and AB 12 AAP cases received the new FFH rate structure, effective May 1, 2011, as well as the annual CNI increase effective July 1, 2011. Existing AAP cases only receive the annual CNI increases effective July 1, 2011.
- It is estimated that 83.6 percent of AAP cases are federally eligible.

<u>Kin-GAP</u>

- The FY 2011-12 estimates assume that an average monthly caseload of 137 prospective Kin-GAP cases, two prospective Kin-GAP AB 12 cases, and 7,081 existing Kin-GAP cases are impacted.
- The FY 2012-13 estimates assume that an average monthly caseload of 336 prospective Kin-GAP cases, five prospective Kin-GAP AB 12 cases and, 5,665 existing Kin-GAP cases will be impacted.
- All current FFH and AB 12 Kin-GAP cases received the new FFH rate structure, effective May 1, 2011, as well as the annual CNI increase effective July 1, 2011. Existing Kin-GAP cases only receive the annual CNI increase effective July 1, 2011.
- It is estimated that 100 percent of Kin-GAP cases are state and county only.

<u>Fed-GAP</u>

- The FY 2011-12 estimates assume that an average monthly caseload of 848 prospective Fed-GAP cases, 25 prospective Fed-GAP AB 12 cases and 4,524 existing Fed-GAP cases are impacted.
- The FY 2012-13 estimates assume that an average monthly caseload of 2,085 prospective Fed-GAP cases, 82 prospective Fed-GAP AB 12 cases, and 5,448 existing Fed-GAP cases will be impacted.

FFH Rate Increase*

KEY DATA/ASSUMPTIONS (CONTINUED):

Fed-GAP (continued)

- All current FFH and AB 12 Fed-GAP cases received the new FFH rate structure, effective May 1, 2011, as well as the annual CNI increase effective July 1, 2011. Existing Fed-GAP cases only receive the annual CNI increase effective July 1, 2011.
- It is estimated that 100 percent of Fed-GAP cases are federally eligible.

METHODOLOGY:

The costs associated with the FFH Rate Increase are the product of average monthly caseloads within the categorized ages multiplied by the difference between the current basic rate and the increased basic rate, as identified above.

FUNDING:

The FFH Rate Increase costs are shared at the same ratios as their respective programs.

* The state funds in this premise have been realigned to local governments. The Kin-GAP and Tribal programs will not be realigned. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

Item 101 – Kin-GAP Impact – The FY 2011-12 and FY 2012-13 decreases reflect a decrease in prospective cases entering the program.

Item 101 – Tribal Impact – The FY 2011-12 and FY 2012-13 decreases reflect a delay in implementation of the Yurok Tribe.

Item 101 – FFH Impact – The FY 2011-12 and FY 2012-13 increases reflect a higher caseload than was projected in the FY 2012-13 Governor's Budget.

Item 101 – Fed-GAP Impact – The FY 2011-12 and FY 2012-13 increases reflect an increase of prospective cases entering the program.

Item 101 – AAP Impact – The FY 2011-12 and FY 2012-13 decreases reflect a decrease of prospective cases entering the program.

REASON FOR YEAR-TO-YEAR CHANGE:

This change reflects additional caseloads that will qualify for the new FFH rate structure as well as the FY 2012-13 CNI.

FFH Rate Increase*

EXPENDITURES (CONTINUED):

(in 000s)

FFH Rate Increase – Total Impact

	FY 2011-12	FY 2012-13
Total	$59,691	$91,964
Federal	23,436	36,200
State	17,750	32,020
County	18,505	23,744
Reimbursements	0	0

Item 101 – Kin-GAP Grant Impact

	FY 2011-12	FY 2012-13
Total	$283	$786
Federal	0	0
State	224	621
County	59	165
Reimbursements	0	0

Item 101 – Kin-GAP COLA Impact

	FY 2011-12	FY 2012-13
Total	$834	$1,725
Federal	0	0
State	659	1,363
County	175	362
Reimbursements	0	0

FFH Rate Increase*

EXPENDITURES (CONTINUED):

(in 000s)

Item 101 – FC
Supplemental Clothing
Allowance Impact

	FY 2011-12	FY 2012-13
Total	-$2,492	-$2,256
Federal	-838	-759
State	-1,654	-1,497
County	0	0
Reimbursements	0	0

Item 101 – FC
Tribal Grant Impact

	FY 2011-12	FY 2012-13
Total	$11	$34
Federal	5	17
State	3	7
County	3	10
Reimbursements	0	0

Item 101 – FC
FFH Grant Impact

	FY 2011-12	FY 2012-13
Total	$41,447	$42,129
Federal	16,227	16,494
State	10,088	10,254
County	15,132	15,381
Reimbursements	0	0

FFH Rate Increase*

EXPENDITURES (CONTINUED):

(in 000s)

Item 101 – FC
NLRG Grant Impact

	FY 2011-12	FY 2012-13
Total	$137	$383
Federal	0	0
State	55	153
County	82	230
Reimbursements	0	0

Item 101 – FC
Fed-GAP Grant Impact

	FY 2011-12	FY 2012-13
Total	$1,772	$4,992
Federal	886	2,496
State	700	1,972
County	186	524
Reimbursements	0	0

Item 101 – FC
Existing Fed-GAP and NRLG Cases COLA Impact

	FY 2011-12	FY 2012-13
Total	$1,227	$3,231
Federal	267	829
State	488	1,284
County	472	1,118
Reimbursements	0	0

FFH Rate Increase*

EXPENDITURES (CONTINUED):

(in 000s)

Item 101 – AAP
AAP Grant Impact

	FY 2011-12	FY 2012-13
Total	$7,219	$19,763
Federal	3,019	8,266
State	3,150	8,623
County	1,050	2,874
Reimbursements	0	0

Item 101 – AAP
Existing AAP Cases COLA Impact

	FY 2011-12	FY 2012-13
Total	$9,253	$21,177
Federal	3,870	8,857
State	4,037	9,240
County	1,346	3,080
Reimbursements	0	0

Kin-GAP, FFH and AAP Dual Agency COLA Impact*

DESCRIPTION:

This premise reflects the increase in costs associated with the July 1, 2011, implementation of the annual California Necessities Index (CNI) cost-of-living Adjustment (COLA) to the Dual Agency rates for the Kinship Guardianship Assistance Program (Kin-GAP), Adoption Assistance Program (AAP), and Foster Family Home (FFH) Dual Agency program cases. This premise is the result of the *California Foster Parent Association v. William Lightbourne, et al*. court decision that triggered the FFH rate increase (please see the FFH Rate Increase premise description for more information).

The base Dual Agency rate is $898 per month for those children eligible for California Department of Developmental Services California Early Start Intervention services. The base Dual Agency rate for those children meeting the Lanterman Act requirements is $2,006 per month. Both of these groups are known as Dual Agency children.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: AAP; Adoptions Program; Foster Care; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment Program. The Kin-GAP program was not realigned. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2011.

KEY DATA/ASSUMPTIONS:

- This estimate reflects costs for all 58 counties.
- The Dual Agency caseload is based on a March 2012 data run.
- The Fiscal Year (FY) 2011-12 and FY 2012-13 estimates for Kin-GAP cases assume that an average of three monthly cases will receive the Dual Agency rate of $898 per month, and an average of 13 cases will receive the Dual Agency rate of $2,006 per month.
- The FY 2011-12 and FY 2012-13 estimates for FFH cases assume that an average of 713 cases per month will receive the Dual Agency rate of $898 per month, and an average of 983 cases will receive the Dual Agency rate of $2,006 per month.
- The FY 2011-12 and FY 2012-13 estimates for AAP cases assume that an average of 323 AAP cases per month will receive the Dual Agency rate of $898 per month, and an average of 2,873 cases will receive the Dual Agency rate of $2,006 per month.
- The Dual Agency rates are adjusted to include a COLA of 1.92 percent for FY 2011-12 and an additional COLA of 2.98 percent for FY 2012-13. The COLA is based on the CNI.

Kin-GAP, FFH and AAP Dual Agency COLA Impact*

METHODOLOGY:

The FY 2011-12 increase in costs is calculated by applying the increase in the Dual Agency rates as a result of the CNI COLA to the respective caseloads. The FY 2012-13 increase in cost is the product of the increase in the Dual Agency rate resulting from the FY 2012-13 CNI COLA and the respective caseloads.

FUNDING:

The Dual Agency CNI increased costs are shared at the same funding ratios in their respective programs.

* The state funds in this premise have been realigned to local governments. The Kin-GAP program was not realigned. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 and FY 2012-13 decrease in FFH and Kin-GAP reflects a slight decrease in Dual Agency cases. The FY 2011-12 and FY 2012-13 increase in AAP reflects an increase in Dual Agency cases.

REASON FOR YEAR-TO-YEAR CHANGE:

The increased cost reflects the application of the FY 2012-13 CNI COLA to the Dual Agency caseloads in the specified programs.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – Kin-GAP Grant		
Total	$6	$10
Federal	0	0
State	5	8
County	1	2
Reimbursements	0	0

Kin-GAP, FFH and AAP Dual Agency COLA Impact*

EXPENDITURES (CONTINUED):

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – FC Grant		
Total	$602	$952
Federal	202	319
State	160	253
County	240	380
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 101 – AAP Grant		
Total	$1,395	$2,207
Federal	586	927
State	607	960
County	202	320
Reimbursements	0	0

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Nonrecurring Costs (AB 212)*

DESCRIPTION:

This premise provides funding to reimburse the nonrecurring expenses of relatives who obtain legal guardianship of related foster children. The Fostering Connections to Success and Increasing Adoptions Act of 2008 (Public Law 110-351) created a Title IV-E option that allows states to provide Kinship Guardianship Assistance Payments (Kin-GAP) to relatives who assume legal guardianship of related foster children. The Act requires a written, binding Kin-GAP agreement that specifies, among other things, that the Title IV-E agency reimburse the legal guardian for the nonrecurring expenses associated with obtaining legal guardianship of the child, not to exceed $2,000.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; Child Welfare Services (CWS); Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. The state funds in this premise for federal Kin-GAP (Fed-GAP) have been realigned to local governments. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment. The state-only Kin-GAP program was not realigned.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2012.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11364.6 and AB 212 (Chapter 459, Statutes of 2011).
- This estimate reflects costs for 58 counties.
- The maximum reimbursement per case is $2,000.
- Based on actual caseload and expenditure data, an average of 38.01 percent of relative foster parents will submit claims in Fiscal Year (FY) 2011-12 and FY 2012-13.
- Based on the caseload reported on the CA 237 KG Caseload Movement Report, approximately 13.9 percent of California Work Opportunity and Responsibility to Kids participants transfer to Kin-GAP. As a result, an average of 115 monthly cases will be eligible for the state-only Kin-GAP program in FY 2011-12 and FY 2012-13.
- Based on the caseload reported on the CA 237 KG Caseload Movement Report, approximately 86.1 percent of the federal Aid to Families with Dependent Children-Foster Care participants transfer to Kin-GAP. As a result, an average of 716 cases per month will be eligible for the Fed-GAP program in FY 2011-12 and FY 2012-13.
- The CWS administrative cost assumes 30 minutes of social worker (SW) time per case.
- The hourly SW cost is $72.60.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent for the Fed-GAP and CWS cases.

Nonrecurring Costs (AB 212)*

METHODOLOGY:

To calculate the Kin-GAP and Fed-GAP program costs, the average monthly caseload is multiplied by the $2,000 maximum reimbursement per case. The CWS administrative cost is the product of the average monthly caseload, 30 minutes per case, and the hourly SW cost per case.

FUNDING:

- The Kin-GAP program costs are funded with 100 percent General Fund (GF).
- The Fed-GAP 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 remaining federal costs are 100 percent GF.
- The CWS 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 remaining federal costs are 100 percent GF.

* The state funds in this premise for Fed-GAP have been realigned to local governments. The state-only Kin-GAP program was not realigned. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 and FY 2012-13 changes for Kin-GAP reflects an increased caseload based on more relative foster parents submitting claims. The FY 2011-12 and FY 2012-13 changes for Fed-GAP reflect a decreased caseload based on less relative foster parents submitting claims. There is no change in FY 2011-12 for CWS. The FY 2012-13 CWS change reflects an updated percent of relative foster parents submitting claims.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change for Kin-GAP and Fed-GAP. The CWS change reflects a full year of administration costs.

Nonrecurring Costs (AB 212)*

EXPENDITURES:

(in 000s)

Item 101- Kin-GAP Grant	FY 2011-12	FY 2012-13
Total	$231	$231
Federal	0	0
State	231	231
County	0	0
Reimbursements	0	0

Item 101- Fed-GAP Grant	FY 2011-12	FY 2012-13
Total	$1,432	$1,432
Federal	716	716
State	716	716
County	0	0
Reimbursements	0	0

Item 151 – CWS Administration	FY 2011-12	FY 2012-13
Total	$16	$30
Federal	8	15
State	8	15
County	0	0
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 is assumed to be 50 percent based on the Federal Medical Assistance Percentage.

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 PRIOR SUBVENTION:

The Fiscal Year (FY) 2011-12 and FY 2012-13 decrease in collections reflects updated actual FC collections.

REASON FOR YEAR-TO-YEAR CHANGE:

This increase in collections reflects updated actual FC collections.

Title IV-E Child Support Collections/Recovery Fund

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – FC Offset Collections		
Total	-$9,772	-$9,846
Federal	-9,772	-9,846
State	0	0
County	0	0
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 101 – FC Recovery Fund		
Total	$9,772	$9,846
Federal	9,772	9,846
State	0	0
County	0	0
Reimbursements	0	0

Foster Family Home – Basic Costs*

DESCRIPTION:

This premise reflects funding provided to the 56 non-Title IV-E Waiver counties for expenditures associated with those children who are eligible for foster care (FC) payments and are placed in Foster Family Homes (FFHs). Funds for the Title IV-E 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 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 eligible children who were relinquished for the purposes of adoption, including those who are residing with a nonrelated legal guardian, or placed pursuant to the Indian Child Welfare Act.

The FFHs provide 24-hour care and supervision in a family environment for children who cannot live in their own homes. The FFHs have a capacity of six or less, and are either homes licensed by the state or county community care licensing agencies or are approved homes of relatives or nonrelated legal guardians.

The FFH reimbursement rates are based on the age of the child in placement and range from $446 to $627 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.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; FC; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11461.
- This estimate reflects costs for the 56 non-Title IV-E Waiver counties.
- The caseload presumed to be eligible for federal and nonfederal FC program benefits is based on the 12-month period ending December 2011, as reported by the counties on the FC Caseload Movement and Expenditures Report (CA 237 FC). Federal cases are projected to account for 64.82 percent of total FFH placements.
- Federal and nonfederal average grant computations utilize caseload and expenditure data reported by the non-Title IV-E Waiver counties on the CA 237 FC during the most recent ten month period ending April 2011, before implementation of the on May 1, 2011 FFH rate increase. The projected federal grant is $709.30 and the nonfederal grant is $846.21.

Foster Family Home – Basic Costs*

KEY DATA/ASSUMPTIONS (CONTINUED):

- The impact of the *California Foster Parent Association v. William Lightbourne, et al.* court decision that increases the FFH basic rate is displayed separately in the FFH Rate Increase – FFH Impact premise.
- 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 FFH basic costs are the product of projected federal and nonfederal casemonths and average monthly grant, as identified above.

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 remaining federal and nonfederal program costs is 40 percent General Fund and 60 percent county.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

The Fiscal Year (FY) 2011-12 increase reflects the projected caseload increase of 1.2 percent. The FY 2012-13 increase reflects a higher caseload than was projected in the 2012-13 Governor's Budget.

REASON FOR YEAR-TO-YEAR CHANGE:

This decrease reflects a projected caseload decline of 9.6 percent.

CASELOAD:

	FY 2011-12	FY 2012-13
Average Monthly Caseload	16,274	14,713
Federal Caseload	10,549	9,537
Nonfederal Caseload	5,725	5,176

Foster Family Home – Basic Costs*

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – FC		
FFH Basic Costs		
Total	$147,923	$133,731
Federal	40,218	36,359
State	43,082	38,949
County	64,623	58,423
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 101 – FC		
FFH Federal		
Total	$89,787	$81,173
Federal	40,218	36,359
State	19,828	17,926
County	29,741	26,888
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 101 – FC		
FFH Nonfederal		
Total	$58,136	$52,558
Federal	0	0
State	23,254	21,023
County	34,882	31,535
Reimbursements	0	0

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Group Home – Basic Costs*

DESCRIPTION:

This premise reflects the costs associated with children eligible for Foster Care (FC) payments who are placed in Group Homes (GH) for the 56 non-Title IV-E 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. These children are 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.

The GHs are private, nonprofit, non-detention facilities that provide services in a group setting to children in need of care and supervision. The GHs are the most restrictive out-of-home placement alternative for children in FC, providing an option for children with significant emotional or behavioral problems who would otherwise require more restrictive environments. The 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 $2,159 to $9,146 per month.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoptions Assistance Program; Adoptions Program; FC; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11462.
- This estimate reflects costs for 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 12 month period, ending December 2011, as reported by the counties on the FC Caseload Movement and Expenditures Report (CA 237 FC). Federal cases are projected to account for 52.24 percent of total GH placements.
- The federal and nonfederal average grant computations utilized caseload and expenditure data reported on the CA 237 during a 12 month period from July 2010 to June 2011. The projected federal grant is $7,412.95 and the nonfederal grant is $7,326.76. The projected federal and nonfederal grants were held to the 2012-13 Governor's Budget amounts to reflect GH expenditure data before the Fiscal Year (FY) 2011-12 cost-of-living-Adjustment (COLA) was implemented.
- The impact of the *California Alliance of Child and Family Services v. William Lightbourne, et al.* court decision is displayed in the GH Basic Cost. The GH COLA increases for FY 2011-12 and FY 2012-13 are displayed separately in the GH COLA Increase premise.
- The percentage of federally-eligible expenditures is based on actual county expenditure data.

Group Home – Basic Costs*

KEY DATA/ASSUMPTIONS (CONTINUED):

- 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.

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 remaining federal and nonfederal program costs is 40 percent General Fund and 60 percent county.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 decrease is the result of a projected caseload decrease of 1.1 percent. The FY 2012-13 increase is the result of a higher caseload than was projected in the 2012-13 Governor's Budget.

REASON FOR YEAR-TO-YEAR CHANGE:

This decrease reflects a further projected caseload decline of 6.2 percent.

CASELOAD:

	FY 2011-12	FY 2012-13
Average Monthly Caseload	4,879	4,578
Federal Caseload	2,549	2,391
Nonfederal Caseload	2,330	2,187

Group Home – Basic Costs*

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – FC GH Basic Costs		
Total	$431,625	$405,014
Federal	101,562	95,297
State	132,025	123,887
County	198,038	185,830
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 101 – FC GH Federal		
Total	$226,740	$212,752
Federal	101,562	95,297
State	50,071	46,982
County	75,107	70,473
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 101 – FC GH Nonfederal		
Total	$204,885	$192,262
Federal	0	0
State	81,954	76,905
County	122,931	115,357
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 (FC) payments who are placed with Foster Family Agencies (FFAs) for the 56 non-Title IV-E 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.

The FFAs are nonprofit agencies licensed to recruit, certify, train and support foster parents for children needing placement. The FFAs primarily serve children who would otherwise require Group Home care. The 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 $1,430 to $1,679 per month. Reimbursement rates for FFAs participating in the Intensive Treatment Foster Care (ITFC) Program are based on the level of services provided to the child and range from $2,985 to $4,476. An interim rate increase for the ITFC program increases the rates to range from $4,034 to $5,581, starting July 1, 2012. A clothing allowance may also be paid in addition to the FFA rate for an AFDC-FC eligible child.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; FC; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 11463 and 18358.3.
- This estimate reflects costs for 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 12 month period ending December 2011, as reported by the counties on the FC Caseload Movement and Expenditures Report (CA 237 FC). Federal cases are projected to account for 81.17 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 18 month period ending December 2011. The projected federal grant is $1,542.30 and the nonfederal grant is $2,223.21
- 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.

Foster Family Agency – Basic Costs*

METHODOLOGY:

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

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 remaining federal and nonfederal costs are shared 40 percent General Fund and 60 percent county.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

The Fiscal Year (FY) 2011-12 decrease is an overall impact of a projected caseload decrease of 2.6 percent and offset by a slight increase in the non-federal grant and federal grant based on actual expenditures. The FY 2012-13 decrease reflects a lower caseload than was projected in the FY 2012-13 Governor's Budget.

REASON FOR YEAR-TO-YEAR CHANGE:

This decrease reflects a projected caseload decline of 7.7 percent.

CASELOAD:

	FY 2011-12	FY 2012-13
Average Monthly Caseload	9,621	8,883
Federal Caseload	7,809	7,210
Nonfederal Caseload	1,812	1,673

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – FC		
FFA Basic Costs		
Total	$192,853	$178,055
Federal	64,736	59,768
State	51,247	47,315
County	76,870	70,972
Reimbursements	0	0

Foster Family Agency – Basic Costs*

EXPENDITURES (CONTINUED):
(in 000s)

Item 101 – FC FFA Federal	FY 2011-12	FY 2012-13
Total	$144,524	$133,433
Federal	64,736	59,768
State	31,915	29,466
County	47,873	44,199
Reimbursements	0	0

Item 101 – FC FFA Nonfederal	FY 2011-12	FY 2012-13
Total	$48,329	$44,622
Federal	0	0
State	19,332	17,849
County	28,997	26,773
Reimbursements	0	0

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Group Home COLA Increase*

DESCRIPTION:

This premise reflects the costs associated with the annual California Necessities Index (CNI) cost-of-living adjustment (COLA) for Group Home (GH) cases. This premise is the result of the *California Alliance of Child and Family Services v. William Lightbourne, et al.* court decision.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care (FC); Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11462.
- This estimate reflects costs for 56 non-Title IV-E Waiver counties.
- The caseload presumed to be eligible for federal and nonfederal FC program benefits is based on a 12 month period, ending December 2011, as reported by the counties on the FC Caseload Movement and Expenditures Report (CA 237 FC). Federal cases are projected to account for 52.24 percent of total GH placements.
- The federal and nonfederal average grant computations use caseload and expenditure data reported on the CA 237 during a 12 month period from July 2010 to June 2011. The projected federal and nonfederal grants were held to the Fiscal Year (FY) 2012-13 Governor's Budget amounts to reflect GH expenditure data before the FY 2011-12 COLA was implemented. Before the COLA is applied, the projected federal grant is $7,412.95 and the nonfederal grant is $7,326.76 for GH cases.
- Federal and nonfederal average grants are adjusted to include a COLA increase of 1.92 percent for FY 2011-12 and an additional COLA increase of 2.98 percent for FY 2012-13. The COLA is based on the CNI.
- The federal financial participation (FFP) is based on the application Federal Medical Assistance Percentage (FMAP), 50 percent, to total federally eligible costs.

METHODOLOGY:

The GH COLA costs for the 56 non-Title IV-E waiver counties is calculated by increasing the average grants by the FY 2011-12 COLA of 1.92 percent beginning July 1, 2011. The FY 2012-13 GH COLA costs for the 56 non-Title IV-E waiver counties is calculated by further increasing the average grants by the FY 2012-13 COLA of 2.98 percent beginning July 1, 2012.

Group Home COLA Increase*

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 remaining federal and nonfederal program costs is 40 percent General Fund and 60 percent county.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 decrease reflects a projected caseload decrease of 1.1 percent. The FY 2012-13 increase reflects a higher caseload than was projected in the FY 2012-13 Governor's Budget offset by updating the CNI.

REASON FOR YEAR-TO-YEAR CHANGE:

This net increase reflects a further projected caseload decline of 6.2 percent offset by updating the CNI for FY 2012-13.

CASELOAD:

	FY 2011-12	FY 2012-13
Average Monthly Caseload	4,879	4,578
Federal Caseload	2,549	2,391
Nonfederal Caseload	2,330	2,187

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – FC GH COLA Cost		
Total	$8,287	$20,077
Federal	1,950	4,724
State	2,535	6,141
County	3,802	9,212
Reimbursements	0	0

Supplemental Clothing Allowance*

DESCRIPTION:

This premise reflects expenditures associated with an augmentation of $100 per child to the existing clothing allowance program for children placed in certified family homes of Foster Family Agencies (FFAs) for the 56 non-Title IV-E Waiver counties. Funds for the Waiver counties are included in Item 153, Title IV-E Waiver. The state supplemental clothing allowance program has been discontinued for all Foster Family Home (FFH) cases in all 58 counties, beginning July 1, 2011, as a result of the FFH rate increase. The FFH cost for the state supplemental clothing allowance program is still shown in this premise. For more information regarding the savings associated with discontinuing the state supplemental clothing allowance program for all FFH cases, please see the FFH Rate Increase premise description.

Currently, counties have the authority to provide a clothing allowance, in addition to the basic Foster Care (FC) 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.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; FC; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

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 the 56 non-Title IV-E Waiver counties.
- The statewide annual supplemental clothing allowance is $100 per child.
- All FFH and FFA placements are eligible for the clothing allowance. The average monthly projected caseload is 25,894 for Fiscal Year (FY) 2011-12, and 23,595 for FY 2012-13.
- All cases shifting to the Kinship Guardianship Assistance Payment program are presumed to receive the clothing allowance prior to exiting FC.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

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

Supplemental Clothing Allowance*

FUNDING:

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

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 net decrease reflects an increase in the FFH caseload offset by a decrease in the FFA caseload. The FY 2012-13 net increase reflects an increase in the FFH caseload offset by a decrease in the FFA caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

This decrease reflects a decline in projected caseloads in both FFH and FFA placements.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – FC Grant		
Total	$2,590	$2,359
Federal	918	837
State	1,672	1,522
County	0	0
Reimbursements	0	0

Title XX Funding

DESCRIPTION:

This premise reflects the Title XX Social Services Block Grant awarded to the state as well as the Temporary Assistance for Needy Families (TANF) funds that are transferred to Title XX. This funding is provided under Title XX of the federal Social Security Act as amended by the federal Omnibus Budget Reconciliation Act of 1981. Federal funding for social services has been given to states under Title XX since October 1981. In order to qualify for these funds, a state must prepare an expenditure plan prior to the start of the state Fiscal Year (FY) 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.
5. Securing referral or admission for institutional care when other forms of care are not appropriate or providing services to individuals in institutions.

Through FY 1992-93, Title XX funds were used exclusively to fund the In-Home Supportive Services program. With the implementation of the Title XIX Personal Care Services Program in 1993, a portion of the Title XX funds were shifted to other eligible programs. Those funds now support the following programs:

- Deaf Access Program (goals 1 and 2);
- Foster Care (FC) services (goal 3); and
- Child Welfare Services (CWS) (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 FC to supplant the state share without affecting county funds.
- The Title XX funding awarded to California is $150.9 million for Federal Fiscal Year (FFY) 2010 and FFY 2011. The amount of TANF grant dollars to be transferred to Title XX is $365.5 million in FY 2011-12 and is $364.0 million in FY 2012-13.
- The FFY awards are adjusted to conform to FY funding needs.

METHODOLOGY:

- In FY 2011-12 $30.3 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 decrease to $21.9 million in FY 2012-13 for the non-Title IV-E Waiver counties.

Title XX Funding

METHODOLOGY (CONTINUED):

- In FY 2011-12, $21.5 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. The funds decrease to $20.4 million in FY 2012-13 for the Title IV-E Waiver counties. The estimated available Title XX to transfer to TANF grant dollars assumes the impact of the Group Home Rate Increase.
- In FY 2011-12 and FY 2012-13, $147.9 million in Title XX funds are being shifted to the Department of Developmental Services (DDS).
- The TANF funds of $39.2 million in FY 2011-12 and $36.2 million in FY 2012-13 for non-Title IV-E Waiver counties, and $24.2 million in FY 2011-12 and FY 2012-13 for the Title IV-E Waiver counties are transferred to Title XX to supplant a portion of the state share of CWS eligible expenditures in the California Department of Social Services (CDSS), and $77.2 million in FY 2011-12 and FY 2012-13 are added to the Title XX funds shifted to DDS.
- In the Deaf Access Program, $3.0 million in Title XX block grant funds for both FY 2011-12 and FY 2012-13 will reduce the General Fund (GF) share in an otherwise 100 percent GF program.
- In FY 2011-12 and FY 2012-13, $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 child care programs, in order to broaden access to Child and Adult Care Food Program benefits for low-income children in proprietary child care centers. The FY 2011-12 and FY 2012-13 reflect an additional TANF Title XX amount of $153.2 million and $164.1 million, respectively, to fund Stage One Child Care.

FUNDING:

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

CHANGE FROM PRIOR SUBVENTION:

The Title XX transfer from TANF for FC in FY 2011-12 has been held to Appropriation. The Title XX transfer from TANF for FC in FY 2012-13 has decreased to reflect actual expenditures and estimated premise impacts. The Title XX transfer from TANF to Stage One Child Care has increased for FY 2011-12 due to a decrease in needed Tribal TANF funds, which in turn, increases the amount of TANF available to transfer to Title XX; there is no change to the transfer amount for FY 2012-13. There is no change in FY 2011-12 for the Title XX CWS transfer from TANF. The Title XX transfer from TANF for CWS has decreased in FY 2012-13 to reflect updated actual expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

This Title XX transfer from TANF for FC has decreased to reflect actual expenditures and estimated premise impacts. The overall decrease in TANF funds transferred to Title XX is due to increased Tribal TANF costs in FY 2012-13. The overall increase in the amount of TANF transferred to Stage One Child Care through Title XX is due to a decrease in Title XX-eligible costs for CWS in FY 2012-13.

Title XX Funding

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Total Title XX	**$516,360**	**$514,861**
Title XX Grant	150,899	150,899
TANF Transfer In	365,461	363,962

Item 101 – FC
TANF Transfer

	FY 2011-12	FY 2012-13
Total	$0	$0
Federal	30,303	21,912
State	-30,303	-21,912
County	0	0
Reimbursements	0	0

Item 153 – Waiver
TANF Transfer

	FY 2011-12	FY 2012-13
Total	$0	$0
Federal	21,473	20,385
State	-21,473	-20,385
County	0	0
Reimbursements	0	0

Item 151 – CWS
Grant Transfer to DDS

	FY 2011-12	FY 2012-13
Total	$147,903	$147,903
Federal	147,903	147,903
State	0	0
County	0	0
Reimbursements	0	0

Title XX Funding

EXPENDITURES (CONTINUED):

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CWS TANF Transfer to DDS		
Total	$77,157	$77,157
Federal	77,157	77,157
State	0	0
County	0	0
Reimbursements	0	0
Item 151 - CWS TANF Transfer		
Total	$0	$0
Federal	39,160	36,229
State	-39,160	-36,229
County	0	0
Reimbursements	0	0
Item 153 – Waiver TANF Transfer		
Total	$0	$0
Federal	24,150	24,150
State	-24,150	-24,150
County	0	0
Reimbursements	0	0

Title XX Funding

EXPENDITURES (CONTINUED):

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – Deaf Access Grant		
Total	$0	$0
Federal	2,996	2,996
State	-2,996	-2,996
County	0	0
Reimbursements	0	0
TANF Reconciliation – CalWORKs Child Care		
Total	-$163,218	-$174,129
Federal	-163,218	-174,129
State	0	0
County	0	0
Reimbursements	0	0

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Tribal-State Title IV-E Agreements

DESCRIPTION:

This premise reflects the costs to provide three years of start-up funding when a tribe seeks to implement 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 and 10553.2 allow states to enter into agreements to pass through federal Title IV-E funds for Foster Care (FC) maintenance and administration to tribes. Tribal-State Agreements are essential to allow the pass-through of Title IV-E funds to the tribes to provide FC services to tribal children.

IMPLEMENTATION DATE:

The Karuk tribe implemented its child welfare services program on July 1, 2010, and the Yurok tribe will implement its program on September 1, 2012.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: federal Social Security Act, ICWA, and W&IC sections 10553.1 and 10553.2.
- The average monthly statewide Foster Family Home (FFH) federal grant is $709.30 for both Fiscal Year (FY) 2011-12 and FY 2012-13. The Group Home (GH) federal grant is $7,555.28 for FY 2011-12 and $7,799.32 for FY 2012-13. The GH federal grant includes a 32 percent rate increase and a California Necessities Index adjustment of 1.92 percent for FY 2011-12 and 2.98 percent for FY 2012-13. The Adoption Assistance Program (AAP) federal grant is $845.41 for FY 2011-12 and $866.21 FY 2012-13. The grants are based on statewide actual expenditures through December 2011.
- The impact of the *California Foster Parent Association v. William Lightbourne et al.* court decision that increases the FFH basic rate is displayed in the FFH Rate Increase – FFH Impact premise.
- Based on information from the Karuk Tribe, the FY 2011-12 and FY 2012-13 average monthly FFH caseload is projected at five cases, the average monthly GH caseload is projected at zero cases, and the average monthly AAP caseload is projected at one case.
- Based on information from the Yurok Tribe, the FY 2011-12 average monthly FFH, GH, and AAP caseloads are projected to be zero cases. FY 2012-13 average monthly FFH caseload is projected to be 12 cases, the average monthly GH and AAP caseloads are projected to be zero cases.
- The administration of FC eligibility requires one eligibility worker annually for the Karuk Tribe and two eligibility workers for the Yurok Tribe.
- Based on information from the Karuk Tribe, the annual cost of an eligibility worker is estimated at $70,000. Based on information from the Yurok Tribe, the annual cost of an eligibility worker is estimated at $50,000.

Tribal-State Title IV-E Agreements

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on costs and caseload information from the Karuk and Yurok Tribes, Child Welfare Services (CWS) Administration requires a total of $134,000 General Fund (GF) for FY 2011-12 and $76,000 GF for FY 2012-13.
- Based on costs and caseload information from the Karuk and Yurok Tribes, the administration of the Adoptions program requires a total of $57,000 GF for FY 2011-12 and $42,000 GF for FY 2012-13.
- Based on costs and caseload information from the Karuk and Yurok Tribes, the administration of the FC and AAP program requires a total of 60,000 GF for FY 2011-12 and $54,000 GF FY 2012-13.

METHODOLOGY:

The estimate is based on cost and caseload information from the Karuk and Yurok Tribes. The basic assistance estimate is the product of casemonths and average grants.

FUNDING:

The FC grant, AAP grant, FC Administration, CWS Administration, and Adoptions program costs are shared at the same ratios as their respective programs.

CHANGE FROM PRIOR SUBVENTION:

Item 101 – FC – The FY 2011-12 and FY 2012-13 decrease reflects a delay in implementation of the Yurok Tribe.

Item 141 – FC Administration – There is no change for FY 2011-12, the FY 2012-13 decrease reflects a delay in implementation of the Yurok Tribe.

Item 101 – AAP – There is no change for FY 2011-12 and FY 2012-13.

Item 151 – CWS Administration – The FY 2012-13 net change reflects delay in implementation of the Yurok Tribe, and an increase in the Karuk Tribe cases.

Item 151 – Adoptions –There is no change FY 2011-12 and FY 2012-13.

REASON FOR YEAR-TO-YEAR CHANGE:

Item 101 – FC – The increase reflects a delay in implementation of the Yurok Tribe.

Item 141 – FC Administration – The decrease reflects a delay in implementation of the Yurok Tribe.

Item 101 – AAP – There is no change.

Item 151 – CWS Administration – The change reflects the one-time cost of both the Yurok and Karuk Tribes purchasing Live Scan machines in FY 2011-12 and the delay of implementation of the Yurok Tribe, and an increase in the Karuk Tribe cases.

Item 151 – Adoptions – The decrease reflects decreased caseload.

Tribal-State Title IV-E Agreements

EXPENDITURES:
(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – FC Grants		
Total	$44	$129
Federal	22	64
State	9	26
County	13	39
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 101 – AAP Grants		
Total	$10	$10
Federal	5	5
State	4	4
County	1	1
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 141 – FC Administration		
Total	$171	$154
Federal	85	77
State	60	54
County	26	23
Reimbursements	0	0

Tribal-State Title IV-E Agreements

EXPENDITURES (CONTINUED):

Item 151 - CWS Administration	FY 2011-12	FY 2012-13
Total	$310	$191
Federal	141	84
State	134	76
County	35	31
Reimbursements	0	0

Item 151 – Adoptions Administration	FY 2011-12	FY 2012-13
Total	$102	$72
Federal	45	30
State	57	42
County	0	0
Reimbursements	0	0

Supportive Transitional Emancipation Program (STEP)*

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" (TILP). These payments are authorized by Assembly Bill (AB) 427 (Chapter 125, Statutes of 2001) which added Welfare and Institutions Code (W&IC) section 11403.1. This premise also reflects the administrative costs for updating the TILP and determining the eligibility of applicants for the Supportive Transitional Emancipation Program.

*Effective July 1, 2011, AB 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care (FC); Child Welfare Services (CWS); Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

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.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Supportive Transitional Emancipation Program (STEP)*

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – FC Assistance		
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 141 – FC Administration		
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 151 – CWS Administration		
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) program, which provides funding for benefits and services granted to children and families in emergency situations. Eligibility is restricted to one episode in any 12-month period. 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.

Title IV-A funding for the EA program was eliminated by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law [PL] 104-193), but permitted use of Temporary Assistance for Needy Families (TANF) dollars for EA funding. Although PL 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 and EA GF expenditures not being countable towards the TANF Maintenance of Effort requirement, effective October 1, 1999, the GF was replaced with TANF funding.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; FC; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

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 December 2011, the projected average grant for EA-FC cases is $1,486.12.
- The EA casemonths are projected using a six month linear trend forecast based on actual caseload data.
- Fiscal Year (FY) 2011-12 and FY 2012-13 EA administrative costs have been updated based on actual claims.
- Foster children receiving EA benefits are eligible to receive the $100 supplemental clothing allowance.

METHODOLOGY:

- Item 101 – The EA-FC costs are the product of projected casemonths and the computed average grant, plus the cost of the supplemental clothing allowance for each case.

Emergency Assistance Program*

METHODOLOGY (CONTINUED):

- Item 141 – Costs for administrative activities performed by County Welfare Department staff are based upon actual expenditures and adjusted for caseload growth in FY 2011-12 and FY 2012-13. Administrative costs also include $35,000 added to the federal share for reimbursements to the California Department of Health Care Services for data processing activities associated with the Assistance to Children in Emergency System, which enables tracking of EA cases currently receiving assistance.

FUNDING:

- The EA funding was previously 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, and the EA administrative costs are funded 85 percent TANF and 15 percent county.
- The supplemental clothing allowance component is funded with 100 percent TANF.

  * The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 and FY 2012-13 Item 101 decreases are the result of lower caseload than was projected in the FY 2012-13 Governor's Budget.

There is no change for Item 141 for FY 2011-12. The FY 2012-13 increase reflects updated administrative costs based on actual expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

The Item 101 change reflects a projected increase in caseload. The Item 141 administrative costs are updated based on actual expenditures.

CASELOAD:

	FY 2011-12	FY 2012-13
Average Monthly Caseload	3,386	3,552

Emergency Assistance Program*

EXPENDITURES:

(in 000s)

Item 101 – FC
EA Grants

	FY 2011-12	FY 2012-13
Total	$60,726	$63,691
Federal	0	0
State	42,610	44,690
County	18,116	19,001
Reimbursements	0	0

Item 141 – FC
EA Administration

	FY 2011-12	FY 2012-13
Total	$6,402	$6,818
Federal	0	0
State	5,447	5,801
County	955	1,017
Reimbursements	0	0

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Expansion of Eligibility for the Intensive Treatment Foster Care (ITFC) Program (SB 1380)*

DESCRIPTION:

This premise reflects the savings associated with increasing the number of children eligible for the Intensive Treatment Foster Care (ITFC) program in the 56 non-waiver counties by including youth with serious behavioral problems who would otherwise be placed in more costly Group Home (GH) settings.

Senate Bill (SB) 1380 (Chapter 486, Statutes of 2008) expanded the ITFC program by extending eligibility to children with serious behavioral problems and revising the services that a Foster Family Agency would be required to provide. The overall purpose of ITFC is to provide a home-like placement alternative for children and youth with significant behavior challenges. This premise also requires revisions to eligibility, operations, reporting, and foster parent training components of the ITFC program.

The ITFC premise seeks to improve outcomes for foster youth by providing less restrictive environments. The ITFC allows counties to determine which children from the expanded population in GHs with Rate Classification Levels (RCLs) 9-11 will be placed in ITFC programs.

This premise also limits the number of children able to participate in the ITFC program to 750 in the first three years (excluding counties participating in the Title IV-E Waiver Demonstration Project). This limitation is intended to allow time to determine if the expansion of eligibility, pursuant to this premise, produces the desired outcome of reducing the GH population, in keeping with the state's public policy goals.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Therefore, as part of the Foster Care program, this program was also realigned. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on December 31, 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: SB 1380.
- This estimate reflects savings for the 56 non-Title IV-E Waiver counties.
- Twenty cases are assumed to be the initial monthly caseload.
- Twenty additional cases will be added each successive month until the 750 limit is reached.
- The RCLs 9-11 rate reflect the impact of the 32 percent GH rate increase, as well as a California Necessities Index adjustment of 1.92 percent for Fiscal Year (FY) 2011-12 and 2.98 percent for FY 2012-13.

Expansion of Eligibility for the Intensive Treatment Foster Care (ITFC) Program (SB 1380)*

KEY DATA/ASSUMPTIONS (CONTINUED):

- An interim increase to the ITFC rates, based on the recommendations from a workgroup, will be effective starting July 1, 2012.
- The following average rates are used in FY 2011-12 calculations: $6,956 for RCLs 9-11 and $4,101 for the ITFC Rates A-C. The following average rates are used in FY 2012-13 calculations: $7,164 for RCLs 9-11 and $5,192 for the ITFC Rates A-C.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The estimated savings is the product of casemonths multiplied by the difference between the average rates based on ITFC Rates A-C and the average rate for RCL 9-11 cases.

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 remaining federal and nonfederal program is 40 percent General Fund and 60 percent county.

* The state savings in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 loss of savings reflects a slight increase in federally eligible cases. The FY 2012-13 loss of savings is the result of the interim increase in the ITFC rates.

REASON FOR YEAR-TO-YEAR CHANGE:

This increase in savings reflects a full year of implementation offset by the interim increase in the ITFC rates.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – FC Grant		
Total	-$1,199	-$5,914
Federal	-275	-1,357
State	-370	-1,823
County	-554	-2,734
Reimbursements	0	0

Foster Care and AAP Overpayments*

DESCRIPTION:

This premise reflects the costs associated with Title IV-E Foster Care (FC) and Adoption Assistance Payment (AAP) Overpayments. The federal Department of Health and Human Services (DHHS) Region IX has notified the California Department of Social Services (CDSS) 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 must be returned immediately once the overpayment has been identified as required by federal regulations. The practice has been to repay the federal share upon recoupment from FC providers. The DHHS 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.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: AAP; Adoptions Program; FC; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

Adjustments to federal claims began in Fiscal Year (FY) 2006-07.

KEY DATA/ASSUMPTIONS:

- This estimate reflects costs for the 56 non-Title IV-E Waiver FC counties, and the 58 county AAP program.
- Senate Bill 84 (Chapter 177, Statutes of 2007) requires that the General Fund (GF) pay the full federal share of all uncollected overpayments until regulations have been adopted, after which counties will be required to share at the normal non-federal FC sharing ratios.
- Beginning July 1, 2009, counties began paying their share of the reported overpayments.

METHODOLOGY:

Overpayments are estimated based on actual county claims.

FUNDING:

Funding for the repayment of the federal Title IV-E overpayments is 40 percent GF and 60 percent county.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

FC – The FY 2011-12 and FY 2012-13 decrease in costs are based on actual FC claims.

AAP – The FY 2011-12 and FY 2012-13 decrease in costs are based on actual AAP claims.

Foster Care and AAP Overpayments*

REASON FOR YEAR-TO-YEAR CHANGE:

FC – The decrease reflects a projected decrease in the overall FC caseload.

AAP – The increase reflects a projected increase in the overall AAP caseload.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – FC Payments		
Total	$633	$580
Federal	0	0
State	253	232
County	380	348
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 101 – AAP Payments		
Total	$607	$615
Federal	0	0
State	455	461
County	152	154
Reimbursements	0	0

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 participation, and the 50 percent match will be provided by participating counties. Under Title IV-E Foster Care (FC) 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 implemented on July 1, 2005.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11410.
- 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.
- Title IV-E provides the state and counties with matching funds for out-of-home placement costs, e.g. FC, which now includes child care.
- The amount of Federal Financial Participation (FFP) is available at the Federal Medical Assistance Payment (FMAP) of 50 percent. Counties will be responsible for providing the 50 percent match.
- This program is open to all counties statewide. The counties currently participating in the Title IV-E child care program include Butte, Lassen, Orange, San Francisco, San Mateo, Santa Clara, Siskiyou, San Benito and Yolo.

METHODOLOGY:

The estimate utilized actual expenditures from Calendar Year 2011 to project the Fiscal Year (FY) 2011-12 and FY 2012-13 estimates.

FUNDING:

Federal funding is provided under Title IV-E of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. The remaining is funded at 100 percent county funds.

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 and FY 2012-13 decrease is based on updated actual expenditures.

Title IV-E Foster Parent Child Care Program

REASON FOR YEAR-TO-YEAR CHANGE:

This decrease is based on a projected decrease in the Foster Family Home caseload.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – FC Grant		
Total	$1,882	$1,702
Federal	941	851
State	0	0
County	941	851
Reimbursements	0	0

Multi-Treatment Foster Care (MTFC) Program*

DESCRIPTION:

This premise reflects the savings associated with increasing the number of children enrolled in the Multi-Treatment Foster Care (MTFC) program in the 56 non-Waiver counties in lieu of placement in more costly Group Home (GH) settings. The MTFC program is an evidence-based model of treatment for Foster Care (FC) children with severe emotional and behavioral disorders and/or severe delinquency. This model is intended to create opportunities for youth to successfully live with their families rather than in group or institutional settings. The California Department of Social Services (CDSS) has endorsed this model as a best practice for providing this FC population permanency and well-being. The CDSS is encouraging development of this model as part of the Federal Child and Family Services Review Program Improvement Plan.

Senate Bill (SB) 1380 (Chapter 486, Statutes of 2008), provides counties the authority to pursue MTFC programs and to work with stakeholders to establish MTFC rates. Currently, implementation of the MTFC model is hampered by the challenges associated with setting appropriate MTFC rates. Several counties are currently utilizing the Intensive Treatment Foster Care (ITFC) rates to fund the care and supervision in their MTFC programs. The ITFC rate offers a higher payment for the foster parent to compensate for the extra care and supervision required for these children. Typically, the populations served in MTFC are children who are usually placed in a GH Rate Classification Level (RCL) 12 or above, have a myriad of behavioral disorders and require an intense level of care and supervision from the foster parent. Counties must find additional funding beyond Aid to Families with Dependent Children–Foster Care (AFDC-FC) and Medi-Cal to close the gap between allowable AFDC-FC fundable activities and the funding necessary to pay for activities that are part of the MTFC model.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; FC; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment Program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on December 31, 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: SB 1380.
- This estimate reflects savings for the 56 non-Title IV-E Waiver counties.
- The cases presumed to be eligible for federal and nonfederal MTFC program benefits are based on a maximum of 335 children from GH RCL 12 through 14.
- Five new cases per month are phased into the program upon implementation.
- The RCL 12 through 14 rates reflect the impact of the 32 percent GH rate increase, as well as a cost-of-living adjustment of 1.92 percent in Fiscal Year (FY) 2011-12 and 2.98 percent for FY 2012-13.

Multi-Treatment Foster Care (MTFC) Program*

KEY DATA/ASSUMPTIONS (CONTINUED):

- An interim increase to the ITFC rates, based on the recommendations from a workgroup, will be effective starting in FY 2012-13.
- The following rates are used to calculate savings for FY 2011-12: $8,050 for RCL 12; $9,147 for RCL 14; and $4,476 for the ITFC Range A. The following rates are used to calculate savings for FY 2012-13: $8,290 for RCL 12; $9,420 for RCL 14; and $5,581 for the ITFC Range A.
- Federal and nonfederal case costs not covered by Title IV-E are estimated at $350 per case per month.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The estimated savings is the product of the sum of federal and nonfederal casemonths multiplied by the difference between RCL levels 12 and 14 rates and the ITFC Range A rate. Additional federal and nonfederal case services/costs not covered under Title IV-E funding are calculated on the overall number of cases to offset the savings calculated between ITFC Range A rates and the RCL rates.

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 remaining federal and nonfederal program is 40 General Fund and 60 percent county.

*The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 loss of savings reflects a slight increase in federally eligible cases. The FY 2012-13 loss of savings is the result of the interim increase in the ITFC rates.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in savings reflects a full year of implementation, partially offset by the interim increase in the ITFC rates.

Multi-Treatment Foster Care (MTFC) Program*

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – FC Grants		
Total	-$178	-$1,903
Federal	-51	-566
State	-51	-535
County	-76	-802
Reimbursements	0	0

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Educational Stability (PL 110-351)*

DESCRIPTION:

This premise reflects the costs associated with reimbursing foster caregivers for travel expenses related to educational travel. The federal Fostering Connections to Success and Increasing Adoptions Act (Public Law [PL] 110-351) requires states to develop a plan to ensure the educational stability of a child in Foster Care (FC). The federal Child and Family Services Improvement and Innovation Act (PL 112-34) requires the educational stability case plan be met at the time of each placement. To meet the educational stability requirement, the placement decision must consider the appropriateness of the current educational setting and the proximity to the school in which the child is enrolled at the time of placement. The PL 110-351 authorizes the use of Title IV-E funds to pay for reasonable travel to the child's school of origin.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; FC; Child Welfare Services (CWS); Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2010.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: PL 110-351 and PL 112-34.
- This estimate reflects costs for the 56 non-Title IV-E Waiver counties.
- For Fiscal Year (FY) 2011-12, the estimated number of school age children whose placement is outside of the zip code of their school of origin is 10,731. For FY 2012-13 the estimated number of school age children whose placement is outside of the zip code of their school of origin is 13,038.
- This premise includes children that have an Individual Education Plan.
- This premise excludes all Group Home children.
- This estimate assumes the American Automobile Association (AAA) average driving cost of 32 cents per mile. The AAA rate includes costs for gas, vehicle maintenance, tires, insurance, and license/registration/taxes.
- This estimate assumes that 83 percent of the total school age FC population will utilize a five-tier flat rate system. Of this population, 36.6 percent of children will be driven between 1-5 miles per day, one way to school, 16.8 percent of children will be driven between 6-10 miles per day, one way to school, and 46.6 percent of children will be driven 11 or more miles per day, one way to school. It is assumed that four one way trips will be made each day, per child.
- This estimate assumes the remaining 17 percent of the total school age FC population will use public transportation at a flat rate of $44 per child per month.

Educational Stability (PL 110-351)*

KEY DATA/ASSUMPTIONS (CONTINUED):

- This estimate assumes an average of 180 school days annually.
- This estimate assumes 15 minutes of social worker (SW) time to calculate the amount of educational travel that foster parents are to receive.
- This estimate assumes an hourly SW cost of $72.60.
- This estimate assumes 19,141 placements will qualify for the 15 minutes of administrative SW time.
- This premise assumes 67 percent of the FC caseload is federally eligible in FY 2011-12 and FY 2012-13.
- This premise assumes 68 percent of the CWS administrative costs are federally eligible in FY 2011-12 and FY 2012-13.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP).

METHODOLOGY:

FC – 101

- The annual cost is calculated by multiplying the impacted caseload by the applicable mileage range and flat rate as identified above for 180 school days.

FC Automation – 141

- Additional costs are budgeted for updating the automation systems to accommodate the requirements of PL 110-351 with regards to reasonable travel.

CWS - 151

- The cost is determined by multiplying the hourly SW cost by the number of placements, then multiplying by the time per case to determine the amount of educational travel reimbursement.

FUNDING:

FC – 101

- 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 remaining federal and nonfederal costs are shared 40 percent General Fund (GF) and 60 percent county.

CWS - 151

- 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 remaining federal and nonfederal costs are 70 percent GF and 30 percent county.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

Educational Stability (PL 110-351)*

CHANGE FROM PRIOR SUBVENTION:

Item 101 – FC – The FY 2011-12 reflects a higher projected caseload offset by nine months of costs. The FY 2012-13 increase reflects a further increase in the projected caseload.

Item 141 – FC Automation – There is no change.

Item 151 – CWS – There is no change for FY 2011-12. The FY 2012-13 increase reflects administrative costs for each placement, not just the initial placement as reflected in the 2012-13 Governor's Budget.

REASON FOR YEAR-TO-YEAR CHANGE:

Item 101 – FC – The increase reflects a full year of costs.

Item 141 – FC Automation – The increase reflects updates from the Office of Systems Integration.

Item 151 – CWS – The increase reflects administrative costs for each placement rather than only for the initial placement as reflected in the 2012-13 Governor's Budget.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – FC Grants		
Total	$23,258	$28,257
Federal	7,785	9,455
State	6,189	7,521
County	9,284	11,281
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 141 – FC Automation		
Total	$200	$400
Federal	100	200
State	100	200
County	0	0
Reimbursements	0	0

Educational Stability (PL 110-351)*

EXPENDITURES (CONTINUED):

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CWS Administration		
Total	$153	$348
Federal	52	118
State	71	161
County	30	69
Reimbursements	0	0

Residentially Based Services (AB 1453)*

DESCRIPTION:

This premise provides up-front funding for residential Foster Care (FC) services for children/youth enrolled in the Residentially Based Services (RBS) Reform Project. Assembly Bill (AB) 1453 (Chapter 466, Statutes of 2007) authorized a five-year pilot demonstration project to test alternative RBS program and funding models which are cost neutral to the General Fund (GF). The results of the pilot projects are intended to guide the design of a statewide plan for RBS implementation that is to be provided to the Legislature by July 1, 2014.

The RBS Reform Project is designed to transform the state's current system of long-term, congregate, Group Home (GH) care into a system of RBS programs which provide short-term, intensive, residential treatment interventions along with community-based services (CBS) and post-residential placement support and services to reconnect foster children/youth to their families and communities. The goal of RBS is to reduce lengths of stay in high-end group care and increase permanency for youth who would otherwise grow up in the FC system. In order to achieve these goals, high cost, short-term, intensive services need to be front-loaded while the child/youth is residing in the RBS GH. By front-loading services it is anticipated that the children/youth enrolled in RBS will require shorter lengths of stay in the high-cost residential facilities and step down to lower levels of care more quickly, resulting in cost savings over the life of the child/youth's FC stay. The RBS Reform Project is also included as a primary strategy in the California Program Improvement Plan for sustaining and enhancing permanency efforts.

*Effective July 1, 2011, AB 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; FC; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment Program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on June 28, 2010.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 1453 and Welfare and Institutions Code section 18987.7.
- Up to four counties may participate in the pilot. Currently, four counties have approved plans to participate in the pilot project; county participants are: San Francisco County, Sacramento County, Los Angeles County, and San Bernardino County. Each county has developed a unique RBS program design and funding model.
- This estimate reflects costs for the non-Title IV-E Waiver counties.
- Depending on the specific pilot program design, short-term intensive residential services will be needed for an average of 12 months or less, followed by lower cost placement in the community or placement into a permanent home.
- Without RBS, these youth would have remained in a GH Rate Classification Level (RCL) 12-14. The rate for RCL level 12 is $8,050 for Fiscal Year (FY) 2011-12 and $8,290 for FY 2012-13. The rate for RCL level 14 is $9,147 for FY 2011-12 and $9,420 for FY 2012-13.

Residentially Based Services (AB 1453)*

KEY DATA/ASSUMPTIONS (CONTINUED):

- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) rate of 50 percent.
- An interim increase to the Intensive Treatment Foster Care (ITFC) rates, based on the recommendations from a workgroup, will be effective on July 1, 2012.
- The overall RBS project sunset date was extended to January 1, 2015.

San Bernardino County

- The San Bernardino County pilot began June 28, 2010, with a maximum capacity of 12 RBS beds.
- The approved RBS rate is $8,835 and the CBS rates are as follows: Phase I - ITFC, $4,028, Phase I - Foster Family Agency $1,679; Phase II - Wraparound services $3,571.
- Effective April 1, 2012, San Bernardino County increased their RBS rate to $9,146.
- Effective July 1, 2012, the ITFC rate will increase to $5,581.
- Approximately 72 percent of the foster youth are eligible for federal funding.
- It is assumed that the youth will spend approximately 12 months in the RBS setting and an additional 12 months in the CBS setting; six months in Phase I and an additional six months in Phase II.
- The average length of stay in a GH is 32 months in San Bernardino County.

Sacramento County

- The Sacramento County pilot began September 16, 2010, with a maximum capacity of 22 RBS beds.
- The approved RBS rate is $8,031 and the CBS rate is $4,594.
- Approximately 68 percent of the foster youth are eligible for federal funding.
- It is assumed that the youth will spend approximately nine months in the RBS setting and an additional nine months in the CBS setting.
- The average length of stay in a GH is 26 months in Sacramento County.

San Francisco County

- The San Francisco County pilot began March 7, 2011, with a maximum capacity of 18 RBS beds.
- The approved RBS rate is $11,000 and the CBS rate is $4,028 for Phase I and $3,500 for Phase II. Effective July 1, 2012, the ITFC rate will increase to $5,581.
- Approximately 75 percent of the foster youth are eligible for federal funding.
- It is assumed that the youth will spend an average of five months in the RBS setting and an additional 19 months in the CBS setting, with an average of 14 months in an ITFC setting.
- The average length of stay in a GH is 24 months in San Francisco County.

Residentially Based Services (AB 1453)*

METHODOLOGY:

To determine the cost of the project, caseloads for each pilot project are converted to casemonths in each setting which are multiplied by the RBS monthly rate and the CBS rate, respectively. These costs are compared with the costs that would otherwise have been incurred for the same child in the appropriate group home setting. The difference represents the cost/savings of the project.

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 remaining federal and nonfederal program costs is 40 percent GF and 60 percent county.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 increase in savings is due to an implementation date change for Sacramento County. The FY 2012-13 loss of savings is due to an increase in the rates for San Bernardino County and the ITFC program.

REASON FOR YEAR-TO-YEAR CHANGE:

The increased savings reflects cases moving into a less restrictive environment that receives a lower CBS rate offset by an increase in the rates for San Bernardino County and the interim increase to the ITFC rates.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – FC Grant		
Total	-$3,056	-$7,221
Federal	-1,471	-2,858
State	-634	-1,745
County	-951	-2,618
Reimbursements	0	0

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Federal Kinship Guardianship Assistance Payment Program (AB 12)*

DESCRIPTION:

This premise reflects the costs associated with the Federal Kinship Guardianship Assistance Payment (Fed-GAP) program. The Fed-GAP program permits states to opt into a new kinship guardianship payment program that provides federal financial participation (FFP) for eligible guardianship cases. In order to be eligible for FFP, the federal law requires a written agreement between the county and the relative that allows guardianship payments to continue regardless of state of residence; and, renegotiations of payment rates be based on the needs of the child and the circumstances of the relative. Before a relative guardian may receive a Title IV-E subsidized guardianship payment, a child must have been in an approved or licensed relative home for six consecutive months prior to guardianship.

Effective January 1, 2011, the existing Kinship Guardianship Assistance Payment (Kin-GAP) cases had a federal Title IV-E eligibility determination completed during the annual redetermination process and if federally eligible, were transferred into the Fed-GAP program. Non-federally eligible cases remained in the state only Kin-GAP program. All new cases will have a federal eligibility determination completed. Federally eligible cases will go into the Fed-GAP program; non-federally eligible cases will go into the state only Kin-GAP program. This program is authorized by Assembly Bill (AB) 12 (Chapter 559, Statutes of 2010), which exercised the federal option contained in Public Law (PL) 110-351, the Fostering Connections to Success and Increasing Adoptions Act of 2008.

*Effective July 1, 2011, AB 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 12 and PL 110-351.
- An average Fed-GAP grant is calculated by using the average Kin-GAP grant payment, and assuming that 15 percent of federally eligible Kin-GAP cases will qualify for enhanced benefits, upon reassessment. Based on this data, the average Fed-GAP grant is $687.56.
- The impact of the *California Foster Parent Association v. William Lightbourne, et al.* court decision that increases the Foster Family Home (FFH) basic rate impacts the Fed-GAP rate and is displayed in the FFH Rate Increase – Fed-GAP Impact premise.
- Based on county data, federally eligible cases represent approximately 55 percent of the total Fed-GAP caseload. Non-federally eligible cases will remain in the state only Kin-GAP program.

Federal Kinship Guardianship Assistance Payment Program (AB 12)*

KEY DATA/ASSUMPTIONS (CONTINUED):

- In Fiscal Year (FY) 2011-12, approximately 7,197 federally eligible Kin-GAP cases will convert to the Fed-GAP program. Cases will be phased in on the date of the annual redetermination. Based on a one year conversion timeline, 510 cases will transfer from Kin-GAP to Fed-GAP each month for 12 months.
- For new Fed-GAP cases, it is assumed that two hours of social work (SW) time is needed to complete an initial assessment, execute the Kin-GAP agreement, and document the case plan. Cases converting to Fed-GAP will require six hours of SW time, which includes two hours to complete an initial assessment, one hour to determine Title IV-E eligibility, and three hours to visit the home of the guardian.
- The SW cost is $72.60 per hour.
- State and county expenditures associated with Fed-GAP cases are not eligible for the state's Temporary Assistance for Needy Families maintenance of effort requirement.
- The amount of FFP is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.
- The administrative costs assume that 67 percent of the cases are federally eligible.

METHODOLOGY:

- The Fed-GAP basic costs are the product of the projected casemonths and the average grant, as identified above.
- The Fed-GAP administrative costs are the product of the projected cases multiplied by the applicable hours per case.

FUNDING:

- For assistance cost, 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 remaining federal and nonfederal program costs are 79 percent General Fund (GF) and 21 percent county funds.
- For administrative costs, 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 remaining federal and nonfederal program costs are 100 percent GF.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

For item 101, the FY 2011-12 decrease reflects an updated grant. The FY 2012-13 increase reflects a slight increase in the caseload projections. For item 141, there is no change for FY 2011-12. The FY 2012-13 increase reflects an increase in the caseload projections.

Federal Kinship Guardianship Assistance Payment Program (AB 12)*

REASON FOR YEAR-TO-YEAR CHANGE:

The increase for Item 101 reflects an increase in the caseload projection. The decrease for Item 141 reflects an updated caseload assumption as compared to FY 2011-12, which was held to the 2011-12 Appropriation.

CASELOAD:

	FY 2011-12	FY 2012-13
Average Monthly Caseload	5,881	7,206

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – FC		
Fed-GAP Basic Costs		
Total	$48,524	$59,450
Federal	24,262	29,725
State	19,167	23,483
County	5,095	6,242
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 141 – FC		
Fed-GAP Administration		
Total	$2,437	$1,570
Federal	804	526
State	1,633	1,044
County	0	0
Reimbursements	0	0

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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 (AB) 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 payment to be received.

The AAP benefit shall not exceed the age-related, Foster Family Home (FFH) 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.

*Effective July 1, 2011, AB 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: AAP; Adoptions Program; Foster Care; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16115 through 16123.
- Cases presumed to be eligible for the federal AAP make up 83.6 percent of the total AAP payment caseload, based on data through April 2011 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 $845.41 and $809.61, respectively, for Fiscal Year (FY) 2011-12 and $866.21 and $813.30, respectively, for FY 2012-13, based on a 36-month linear trend analysis.
- The impact of the *California Foster Parent Association v. William Lightbourne, et al.,* court decision that increases the FFH basic rate is displayed in the FFH Rate Increase – AAP Impact premise.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) rate of 50 percent.

Adoption Assistance Program – Basic Costs*

METHODOLOGY:

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

FUNDING:

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

*The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 and FY 2012-13 change reflects a decrease in the projected average monthly caseload offset by the projected average federal and non-federal grant increase.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects an increase in the projected average monthly caseload and the average grants.

CASELOAD:

	FY 2011-12	FY 2012-13
Average Monthly Caseload	84,258	85,188

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – AAP Grant		
Total	$848,670	$876,678
Federal	350,276	363,099
State	373,767	385,155
County	124,627	128,424
Reimbursements	0	0

Adoption Assistance Program – De-Link (PL 110-351)*

DESCRIPTION:

This premise reflects the savings associated with shifting qualified non-federal Adoption Assistance Program (AAP) cases to Title IV-E eligible cases by de-linking the income requirements of the Aid to Families with Dependent Children – Foster Care and Supplemental Security Income/State Supplementary Payment programs. This premise is a result of the federal Fostering Connections to Success and Increasing Adoptions Act of 2008 Public Law (PL) 110-351, which was an omnibus child welfare bill designed to ensure greater permanence and improve the well-being of children served by public child welfare agencies.

Assembly Bill (AB) 154 (Chapter 222, Statutes of 2009), which conforms to PL 110-351, requires any savings from recent changes in eligibility for federal funding to support adoption assistance payments to be spent for the provision of Foster Care (FC) and adoption services.

*Effective July 1, 2011, AB 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: AAP; Adoptions Program; FC; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on October 1, 2009.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: PL 110-351; Welfare and Institutions Code (W&IC) section 16120.
- The W&IC sections 16118 and 16132 contain the requirement of the re-investment of savings as stated in AB 154.
- Caseload data is based on FC exits to AAP from July 2010 through June 2011.
- For Fiscal Year (FY) 2011-12 the caseload equals an average monthly caseload of 393 qualified, non-federal cases. This includes cases that were in FC for more than five years, or are ages 12 and older, and the siblings of these cases that were placed in the same adoption placement.
- For FY 2012-13 the caseload equals an average monthly caseload of 820 qualified,
- non-federal cases. This includes cases that were in FC for more than five years, or are ages 10 and older, and the siblings of these cases that were placed in the same adoption placement.
- The non-federal average grant is $809.61 for FY 2011-12, and $813.30 for FY 2012-13, based on a 36-month linear trend analysis.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) rate of 50 percent.
- The AAP De-Link savings are used to fund a portion of the AAP Basic.

Adoption Assistance Program – De-Link (PL 110-351)*

METHODOLOGY:

The costs for the qualified, non-federal cases are calculated by multiplying the casemonths by the non-federal AAP sharing ratios. The costs for these cases are then calculated using federal Title IV-E eligible and AAP sharing ratios. The difference between these costs results in a savings to General Fund and county expenditures, with a corresponding increase in federal costs. The savings are funding a portion of the AAP – Basic premise.

FUNDING:

Federal funding is provided under 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 remaining federal and non-federal costs are 75 percent GF and 25 percent county.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

Both FY 2011-12 and FY 2012-13 reflect an increase in caseload and an increase in the average non-federal grant.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects a projected caseload increase resulting from a new population of 10 year old children and their siblings being eligible for this premise.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – AAP Grant		
Total	$1,910	$3,999
Federal	1,910	3,999
State	0	0
County	0	0
Reimbursements	0	0

Adoption Assistance Program – De-Link (PL 110-351)*

EXPENDITURES (CONTINUED):

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – AAP Savings		
Total	$-1,910	$-3,999
Federal	0	0
State	-1,432	-3,000
County	-478	-999
Reimbursements	0	0

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AAP Reform – No Increase Based on Age*

DESCRIPTION:

This premise reflects the savings associated with not increasing the grant amount for a child who enters the Adoption Assistance Program (AAP) on or after January 1, 2010, because of aging up into the next age category.

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. Any increases to the grant due to the reassessment will be based on special circumstances tied to the child's needs.

The AAP benefit shall not exceed the age-related, Foster Family Home (FFH) 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.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: AAP; Adoptions Program; Foster Care; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2010.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16121.
- Cases presumed to be eligible for the federal AAP make up 83.6 percent of the total AAP payment caseload, based on data through June 2011, as reported on the CA 800 claim forms.
- Based on Fiscal Year (FY) 2011-12 estimated entries into AAP, 2,765 cases annually would receive a grant increase due to an increase in age. Based on FY 2012-13 estimated entries into AAP, 4,048 would receive a grant increase due to an increase in age.
- Based on the FFH rate schedule, the increases in the grant amount due to age are as follows: 0-4 years of age to 5-8, $39; 5-8 years of age to 9-11, $34; 9-11 years of age to12-14, $55; 12-14 years of age to 15-19, $54.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) rate of 50 percent.

AAP Reform – No Increase Based on Age*

METHODOLOGY:

The number of cases in each age category that will age up into the next age category are multiplied by the corresponding grant increase. The result is the overall savings due to not granting this increase based on an increase in age.

FUNDING:

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

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

The decrease in FY 2011-12 and FY 2012-13 reflect a decrease in the average projected caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in savings is due to the accumulation of cases from FY 2011-12 through FY 2012-13.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Grant		
Total	-$1,368	-$2,001
Federal	-572	-837
State	-597	-873
County	-199	-291
Reimbursements	0	0

Refugee Cash Assistance – Basic Costs

DESCRIPTION:

This premise reflects the basic 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.

IMPLEMENTATION DATE:

This premise implemented on March 17, 1980.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Title VIII of the United States Code (U.S.C.) section 1522 authorizes the federal government to provide grants to states to assist refugees who resettle in the U.S. Welfare and Institutions Code sections 13275 through 13282 authorize the California Department of Social Services (CDSS) to administer the funds provided under Title VIII of the U.S.C. It also provides CDSS authority to allocate the federal funds to the counties.
- The average grant cost for RCA recipients is $285.40, based on actual expenditures and caseload from June 2010 – May 2011.
- The average monthly caseload is estimated at 2,911 cases for Fiscal Year (FY) 2011-12 and FY 2012-13.
- The RCA basic costs are held to the FY 2011-12 grant amount for FY 2012-13.

METHODOLOGY:

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

FUNDING:

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

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Refugee Cash Assistance – Basic Costs

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – RCA Grants		
Total	$9,969	$9,969
Federal	9,969	9,969
State	0	0
County	0	0
Reimbursements	0	0

Refugee Cash Assistance Grant Reduction (8 Percent)

DESCRIPTION:

This premise reflects the savings associated with implementation of an eight percent Maximum Aid Payment (MAP) reduction to the California Work Opportunity and Responsibility to Kids (CalWORKs) program, whose grant amounts are mirrored in 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.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Grant reduction implemented by Senate Bill 72 (Chapter 8, Statutes of 2011).
- The average grant cost for RCA recipients in Calendar Year 2011 was $285.40. Applying the eight percent MAP reduction will result in an average grant cost of $262.57.
- The average monthly caseload is estimated at 2,911 cases for Fiscal Year (FY) 2011-12 and FY 2012-13.

METHODOLOGY:

The grant savings is calculated by multiplying the decrease in the average RCA grant by the impacted caseload.

FUNDING:

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

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Refugee Cash Assistance
Grant Reduction (8 Percent)

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – RCA Grants		
Total	-$798	-$798
Federal	-798	-798
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 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 EFAP.

As a result of Senate Bill 1101 (Chapter 203, Statutes of 2008) this fund will be shown as the "Emergency Food for Families Fund" on future state income tax forms. The fund has a sunset date of January 1, 2014.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Revenue and Taxation Code sections 18851 through 18855.
- Funds available in the Fiscal Year (FY) 2011-12 include the actual contributions made to the EFAP Fund from June 2010 through May 2011 of $614,000, unspent funds of $18,000 from prior years, and interest earnings of $2,000.
- The FY 2012-13 reflects the estimated contributions to the EFAP Fund from June 2011 through May 2012 of $645,000 and estimated interest of $3,000.
- The estimated annual administrative costs, including FTB, SCO, and other miscellaneous charges, are $8,000 in both the FY 2011-12 and the FY 2012-13.
- These funds are provided to supplement, and not supplant, existing program funds.

METHODOLOGY:

The FY 2011-12 reflects the actual contribution to EFAP from June 2010 through May 2011, unspent funds from prior years, interest earnings in FY 2010-11, less the annual administrative costs to the fund. The FY 2012-13 reflects the estimated contributions to the EFAP Fund from June 2011 through May 2012, plus projected interest earned in FY 2011-12, less the annual administrative costs to the fund.

FUNDING:

The costs are 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

Emergency Food Assistance Program Fund

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2012-13 increase is due to a projected increase in taxpayer contributions.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 - Food Assistance		
Total	$626	$640
Federal	0	0
State	626	640
County	0	0
Reimbursements	0	0

The Emergency Food Assistance Program (TEFAP)

DESCRIPTION:

This premise reflects the administrative funds for The Emergency Food Assistance Program (TEFAP). These are 100 percent federal funds, used to support the United States Department of Agriculture's (USDA) Commodity Household Food Distribution Program. This premise reflects the move of TEFAP funds from State Operations to the Local Assistance budget in order to expedite the reimbursement and avoid delay of providing funds to food banks and California Foodlink.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2010.

KEY DATA/ASSUMPTIONS:

- In Federal Fiscal Year (FFY) 2011, California received a federal grant amount of $9.9 million to fund TEFAP.
- It is assumed that California will also receive federal grants of $9.9 million in FFY 2012.

METHODOLOGY:

The total TEFAP grant amount for California, $9.9 million in FFY 2011, will be used for TEFAP in both Fiscal Year (FY) 2011-12 and FY 2012-13.

FUNDING:

This program is 100 percent federally funded.

CHANGE FROM PRIOR SUBVENTION:

The Final Entitlement Allocation for FY 2011-12 was issued at a lower amount than previously projected in the 2011 November Subvention. The FY 2012-13 is held to FY 2011-12.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

The Emergency Food Assistance Program (TEFAP)

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – Food Assistance		
Total	$9,908	$9,908
Federal	9,908	9,908
State	0	0
County	0	0
Reimbursements	0	0

California Food Assistance Program

DESCRIPTION:

This premise reflects the benefit 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 CalFresh benefits unless they were exempt under certain refugee categories. Federal CalFresh benefits for the ineligible legal noncitizens were terminated in August 1997. The CFAP serves legal noncitizens over the age of 18 and under the age of 65, 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). The program also serves legal noncitizens that entered the country on or after August 22, 1996, who are otherwise eligible.

The Food Stamps Reauthorization Act of 2002 (House of Representatives [HR] 2646 Farm Bill) restored federal eligibility for food assistance 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 benefit costs are reduced by costs for Prospective Budgeting as these costs are reflected in a separate premise.

IMPLEMENTATION DATE:

This premise originally implemented on September 1, 1997.

The HR 2646 Farm Bill implemented on October 1, 2002.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18930.
- It is assumed that the trend in the total number of CFAP recipients resembles the monthly fluctuations in the California Work Opportunity and Responsibility to Kids (CalWORKs) and Non-Assistance CalFresh (NACF) trend forecasts.
- The total number of CFAP recipients is projected by applying the CalWORKs and NACF trend forecast based on actual numbers of recipients through December 2011.
- The projected average monthly number of CFAP recipients is 38,992 for Fiscal Year (FY) 2011-12 and 43,549 for FY 2012-13.
- The projected average monthly number of CFAP households is 15,555 for FY 2011-12 and 17,373 for FY 2012-13.
- The average benefit value per person is $126.78 for FY 2011-12 and $125.69 for FY 2012-13.
- The processing fee charged by the Food and Nutrition Service for Electronic Benefit Transfer is $314 per $1.0 million. The average monthly administrative cost per case is $25.01.
- The ratio between Public Assistance (PA) and Non-Assistance (NA) is 15.24 percent PA and 84.76 percent NA for FY 2011-12, and 12.96 percent PA and 87.04 percent NA for FY 2012-13.

California Food Assistance Program

KEY DATA/ASSUMPTIONS (CONTINUED):

- 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 ($126.78 for FY 2011-12 and $125.69 for FY 2012-13) by the projected average monthly number of recipients (38,992 for FY 2011-12 and 43,549 for FY 2012-13) and then by the number of months.
- The coupon costs are increased by the processing fees that are added to the coupon total. The processing fee equates to $314 for every $1.0 million in coupon benefits.
- Annual coupon costs include the costs that come from Prospective Budgeting. These costs are $1,925,968 in FY 2011-12 and $2,151,017 in FY 2012-13.
- Administrative costs are calculated by multiplying the average administrative cost per case ($25.01) by the projected monthly number of households and then by the number of months.

FUNDING:

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

CHANGE FROM PRIOR SUBVENTION:

The increase in the total grants for FY 2011-12 and FY 2012-13 is due to higher benefit cost per person. There is no change in the total administration for FY 2011-12. The decrease in the total administration for FY 2012-13 is due to a lower projected caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The reason for the increase is due to higher caseloads.

CASELOAD:

	FY 2011-12	FY 2012-13
Average Monthly Number of Recipients	38,992	43,549

California Food Assistance Program

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CFAP Grants		
Total	$55,191	$61,212
Federal	0	0
State	55,191	61,212
County	0	0
Reimbursement	0	0

	FY 2011-12	FY 2012-13
Item 141 – CFAP Administration		
Total	$4,772	$4,987
Federal	0	0
State	4,772	4,987
County	0	0
Reimbursements	0	0

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Extended Modified Categorical Eligibility

DESCRIPTION:

This premise reflects the extension of Modified Categorical Eligibility (MCE) for CalFresh benefits to a broader range of individuals, pursuant to Assembly Bill (AB) 433 (Chapter 625, Statutes of 2008). The MCE for CalFresh benefits is extended to individuals who are eligible to receive Temporary Assistance for Needy Families (TANF)-funded benefits, and will allow these individuals to be eligible for CalFresh benefits regardless of their resources. This premise specifically reflects the extension of MCE for CalFresh benefits to all otherwise eligible Non-Assistance CalFresh (NACF) households: seniors and disabled individuals. As of the 2011 November Subvention, this premise also includes the Able-Bodied Adult Without Dependents (ABAWD)-like individuals, which were previously included in the Expanded Modified Categorical Eligibility premise.

IMPLEMENTATION DATE:

This premise implemented on February 1, 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18901.5.
- It is assumed that this premise allows applicants who meet income-eligibility requirements, but have resources that exceed the eligibility limits to become eligible for the CalFresh by providing a TANF-funded service to these households.
- It is assumed that the extension of MCE phased in beginning February 1, 2011, with full implementation by September 1, 2011.
- Based on cases identified by the Statewide Automated Welfare Systems Consortia, the estimate assumes that the number of new households that were determined eligible for CalFresh through MCE is as follows: 200 senior and disabled households and 677 ABAWD households in July and August of Fiscal Year (FY) 2011-12.
- The CalFresh caseload is expected to increase by 6,083 households in FY 2011-12 and 7,084 households in FY 2012-13.
- The intake cost for an Eligibility Worker (EW) to process a NACF case is $51.00 per case. It is assumed that when cases are fully implemented after six months of phase-in, four percent attrition will occur due to caseload movement in and out of the program.
- It is assumed that 7.2 percent of cases with earned income would require mid-quarter reporting changes. It is assumed that the administrative cost for an EW to process a mid-quarter report is $28.23.
- The cost for an EW to process NACF continuing cases is $39.33 per case. The administrative costs are quarterly for ABAWDs, seniors, or disabled individuals with earned income who are subject to quarterly reporting.
- It is assumed that all ABAWDs have earned income and will be subject to quarterly reporting requirements.
- It is assumed that seniors or disabled individuals with no earned income are change reporters and ongoing administrative costs will apply once a year.

Extended Modified Categorical Eligibility

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on the Federal Fiscal Year 2010 data, approximately 14 percent of seniors/disabled individuals have earned income and approximately 86 percent have no earned income.
- Based on the most recent 12 months of actual coupon cost expenditures, it is assumed that the average monthly coupon value for an individual is $147.68 and $334.43 for NACF households.
- Historically, the impact to the California Food Assistance Program (CFAP) benefit and administration costs is approximately one percent of the estimated CalFresh costs.
- CalFresh and CFAP Administrative costs are held to the Appropriation for FY 2011-12.

METHODOLOGY:

- The total intake cost is calculated by multiplying the number of cases per month by the intake costs by the number of months in the year. FY 2012-13 reflects the costs of households and intake costs associated with attrition and caseload movement after full implementation.

  FY 2012-13: 7,084 x 4 percent attrition x $51 x 12 months = $0.17 million

- Individuals with earned income are subject to quarterly reporting requirements. The administrative cost for cases reporting quarterly is calculated by multiplying the cumulative cases by $39.33 on a quarterly basis. The quarterly costs are calculated when for the new cases reach their quarterly report month. For cases with no earned income, the report cost is calculated by multiplying the number of cumulative cases in a year by the ongoing administrative cost.

  FY 2012-13: 5,705 cases with earnings x $39.33 X 4 = $0.90 million

  FY 2012-13: 1,379 cases with no quarterly reporting x $39.33 = $0.05 million

- The mid-quarter reporting cost for individuals with earned income is calculated by multiplying the cumulative monthly cases by 7.2 percent, then by the mid-quarterly cost. The mid-quarter cases are calculated on the cumulative cases per month until fully implemented.

  FY 2012-13: 5,705 cases with earnings x 7.2 percent x $28.23 x12 = $0.14 million

FUNDING:

The CFAP administration and benefit costs are 100 percent General Fund (GF). CalFresh administration costs are shared 50 percent Food and Nutrition Service fund and 50 percent GF.

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 is held to the 2011 November Estimate. The FY 2012-13 has decreased due to technical corrections to benefit and administration calculations.

Extended Modified Categorical Eligibility

REASON FOR YEAR-TO-YEAR CHANGE:

The CFAP grant increase in FY 2012-13 is primarily due to full year implementation. CalFresh and CFAP administration costs have decreased primarily due to projected caseload being lower than the FY 2011-12 Appropriation estimate.

EXPENDITURES:

(in 000s)

Item 101 – CFAP Grants	FY 2011-12	FY 2012-13
Total	$104	$131
Federal	0	0
State	104	131
County	0	0
Reimbursements	0	0

Item 141 – CalFresh Administration	FY 2011-12	FY 2012-13
Total	$16,718	$1,263
Federal	8,359	632
State	8,359	631
County	0	0
Reimbursements	0	0

Item 141 – CFAP Administration	FY 2011-12	FY 2012-13
Total	$160	$13
Federal	0	0
State	160	13
County	0	0
Reimbursements	0	0

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Face-to-Face Waiver

DESCRIPTION:

This premise streamlines the application process and improves the administrative efficiency of the CalFresh program by waiving the requirement for a face-to-face interview at application for all Non-Assistance CalFresh (NACF) households. California is authorized to waive the face-to-face intake interview through a federal waiver approved by the United States Department of Agriculture (USDA), Food and Nutrition Services. Currently, this policy is optional for counties that choose to implement the waiver. Counties have the option to conduct a telephone or other out-of-office interview in lieu of a face-to-face interview at application for NACF households. Beginning July 2012, the waiver of the face-to-face interview is assumed to be implemented statewide as part of the CalFresh ReFresh Modernization initiative. This waiver is expected to increase CalFresh participation in households where work is a barrier to applying for benefits.

IMPLEMENTATION DATE:

This premise implemented on November 1, 2009.

KEY DATA/ASSUMPTIONS:

- The budgeted amount for Fiscal Year (FY) 2011-12 is held to the FY 2011-12 Appropriation.
- The face-to-face interview waiver is estimated to result in additional CalFresh households in which the single head of household and couples are working at least 20 hours per week.
- Based on the Federal Fiscal Year (FFY) 2010 CalFresh Characteristics Survey Data (Q5), there are 87,576 single head of household or couple headed households that were working at least 20 hours per week.
- It is assumed that the households eligible for this waiver are considered part of the working poor population, which generally participates in the CalFresh program at a lower rate than the overall population eligible for food benefits in California.
- Based on the USDA State Food Stamp Participation Rates, approximately 50.0 percent of the overall eligible CalFresh households in California participate in CalFresh.
- It is assumed that removing the face-to-face waiver requirement would result in the working poor participating at a rate more consistent with the rest of the CalFresh population, thereby potentially increasing the CalFresh caseload by 53,676 cases.
- It is assumed that of the additional cases that would be eligible for the face-to-face waiver, 50.0 percent, or 26,838, would utilize the option and participate in CalFresh.
- It is assumed that the additional 26,838 cases that participate in CalFresh as a result of the face-to-face waiver represent 2.2 percent of the overall NACF caseload.
- The NACF caseload is projected to increase 17.6 percent in FY 2011-12 and 14.7 percent in FY 2012-13.
- The additional cases will be phased in over the first 12 months for counties that have implemented or intend to implement the waiver, based on a survey of counties.
- It is assumed that approximately 30 of the counties have reached full implementation in FY 2011-12 and are now included in the caseload trend.

Face-to-Face Waiver

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on the caseload of the counties that have implemented or will implement the waiver, but have not reached full implementation, it is estimated that approximately 12,409 new cases will be added to the caseload in FY 2012-13. It is assumed that the remaining 15 counties that will be required to participate in the Face-to-Face waiver account for approximately 4,236 of the new cases in FY 2012-13.
- Based on the most recent 12 months of coupon cost expenditures, the working NACF households are estimated to have an average CalFresh benefit amount of $334.43.
- It is assumed that the intake cost for an Eligibility Worker (EW) to process new NACF and the California Food Assistance Program (CFAP) cases is $51.00 per case.
- It is assumed that the cost for an EW to process NACF and CFAP continuing cases on a quarterly basis is $39.33 per case.
- It is assumed that 7.2 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 historic CFAP and CalFresh caseloads, the impact to CFAP is approximately one percent of the CalFresh impact.
- The impact of any administrative efficiency resulting from this premise is assumed to mitigate the CalFresh ReFresh Modernization premise.

METHODOLOGY:

- The monthly administrative costs associated with processing the new cases are calculated by multiplying the new monthly cases in the counties that implemented the waiver by $51. After the phase in period, it is estimated that approximately four percent of the caseload will leave monthly and four percent will enter monthly.
- The monthly administrative costs associated with processing the mid-quarter changes for the new cases are calculated by multiplying the new cumulative cases by 7.2 percent and by $28.23.
- The quarterly administrative costs associated with processing the quarterly reports are calculated by multiplying the new cumulative cases by $39.33 on a quarterly basis.
- The CFAP coupon and administration costs associated with the new cases are calculated by multiplying the CalFresh coupon and administration cost by one percent.

FUNDING:

The CalFresh sharing ratio for the administrative cost is 50.0 percent Food and Nutrition Service fund and 50.0 percent General Fund (GF). The CFAP funding is 100.0 percent GF.

Face-to-Face Waiver

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The increase in the FY 2012-13 is due to the rising caseload trend. The decrease in CFAP benefits is due to a technical correction to the benefit calculation.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase from FY 2011-12 to FY 2012-13 is due to an increase in caseload from the remaining 15 counties implementing in July 2012.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
101 - CFAP Grants		
Total	$864	$658
Federal	0	0
State	864	658
County	0	0
Reimbursements	0	0

	FY 2011-12	FY 2012-13
141 - CalFresh Administration		
Total	$3,454	$3,614
Federal	1,727	1,807
State	1,727	1,807
County	0	0
Reimbursements	0	0

Face-to-Face Waiver

EXPENDITURES (CONTINUED):

(in 000s)

	FY 2011-12	FY 2012-13
141 - CFAP Administration		
Total	$35	$36
Federal	0	0
State	35	36
County	0	0
Reimbursements	0	0

Transitional CalFresh for Foster Youths (AB 719)

DESCRIPTION:

This premise reflects the implementation of Transitional CalFresh (CF) for foster youth pursuant to the provisions of Assembly Bill (AB) 719 (Chapter 371, Statutes of 2009). AB 719 will allow aging out Foster Care (FC) adolescents who are not receiving California Work Opportunity and Responsibility to Kids (CalWORKs) benefits and/or Supplemental Security Income (SSI) benefits to be eligible to receive CF without regard to income or resources.

IMPLEMENTATION DATE:

This premise assumes a January 2013 implementation.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18901.4.
- Assumes the California Department of Social Services will obtain the necessary federal waiver to implement this policy per AB 719. The demonstration project has been revised with a different benefit amount and certification period than initially discussed in AB 719 in an attempt to conform to the Food and Nutrition Service (FNS) guidance.
- The FC youth who will be impacted are those who do not already receive CF benefits, SSI/State Supplementary Payment, and/or are classified as students.
- According to the October 1, 2010, through September 30, 2011, statewide statistics, approximately 4,368 FC youth will age out of FC annually.
- Based on the Medi-Cal Eligibility Determination Services (MEDS) data, it is assumed that currently only 17.5 percent or 764 cases of FC youth that age out of FC will receive CF.
- Based on data provided by counties, it is assumed that 16.0 percent or 697 cases of FC youth who age out will be ineligible for CF based on their student status. Based on the Youth Aging Out of Foster Care Quarterly Statistical Report, it is assumed that 9.9 percent or 434 cases of aging out FC youth will be ineligible for CF due to SSI benefits.
- It is assumed that FC youth within the first year of leaving FC will receive an average benefit cost of $147.68 (previously proposed at the maximum benefit of $200.00).
- The impact to California Food Assistance Program (CFAP) is approximately one percent of the CF impact.
- It is assumed that the cost for an Eligibility Worker (EW) to process Non-Assistance CalFresh (NACF) and the CFAP application is $51.00 per case
- It is assumed that under the revised demonstration project, these cases will be certified as change reporters and will report a change once a year. The ongoing administrative cost associated with reporting is $39.33.

Transitional CalFresh for Foster Youths (AB 719)

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on information received from the Statewide Automated Welfare Systems Consortia, the projected automation cost for this premise is approximately $2.0 million in Fiscal Year (FY) 2012-13. However, since the implementation date has been delayed and the demonstration project has been revised, the automation cost is assumed to be reduced in half.

METHODOLOGY:

- The overall increase in the CF caseload is calculated as follows: 4,368 FC youth aging out – 764 FC youth who currently receive CF – 697 ineligible based on their student status – 434 who are ineligible due to SSI benefits = 2,473 cases annually or 206 new cases monthly.
- The administrative cost associated with processing the new cases is calculated by multiplying the new monthly cases eligible for CF benefits by the EW cost.

  FY 2012-13: 206 cases x $51 x 6 months
- The administrative cost associated with reporting is calculated by multiplying the number of cases by $39.33.

  FY 2012-13: 721 x $39.33

FUNDING:

The CF sharing ratio for the administrative cost is 50.0 percent FNS fund and 50.0 percent General Fund (GF). The CFAP funding is 100.0 percent GF.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. For FY 2012-13, the implementation has been delayed to January 2013. The revised demonstration project also uses the average benefit cost instead of the maximum benefit. The automation cost estimate has been reduced due to delayed implementation.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise will implement in FY 2012-13.

Transitional CalFresh for Foster Youths (AB 719)

EXPENDITURES:

(in 000s)

Item 101 – CFAP Grants	FY 2011-12	FY 2012-13
Total	$0	$6
Federal	0	0
State	0	6
County	0	0
Reimbursements	0	0

Item 141 – CalFresh Administration	FY 2011-12	FY 2012-13
Total	$0	$92
Federal	0	46
State	0	46
County	0	0
Reimbursements	0	0

Item 141 – Automation	FY 2011-12	FY 2012-13
Total	$0	$996
Federal	0	498
State	0	498
County	0	0
Reimbursements	0	0

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Inter-County Transfer (ICT)

DESCRIPTION:

This premise reflects an Inter-County Transfer (ICT) process for the CalFresh Program (CFP). Previously, when a CFP recipient moves from one county to another within California, CFP benefits are terminated at the end of the month in which a CFP recipient reports a change of residence and the CFP recipient must then reapply for CalFresh (CF) benefits in the new county of residence. This process results in a delay or interruption in benefits. The California Work Opportunity and Responsibility to Kids (CalWORKs) and Medi-Cal programs use an ICT process to prevent interrupted benefits for recipients who move to a different county. This premise assumes that for CF recipients who are also receiving CalWORKs (i.e., Public Assistance CalFresh [PACF] cases), the ICT process for CF will follow the ICT process used in CalWORKs; for CF recipients who are also receiving Medi-Cal, the ICT process for CF will follow the ICT process used in Medi-Cal. This premise also assumes that an ICT process will be established for all other Non-Assistance CalFresh (NACF) households to avoid an interruption in benefits when transferring to another county.

IMPLEMENTATION DATE:

This premise implemented on April 1, 2011.

KEY DATA/ASSUMPTIONS:

- In Fiscal Year (FY) 2012-13, it is assumed that the overall average caseload is 1,629,142 for NACF and 569,670 for CalWORKs.
- Based on recent 12 month trends, it is assumed that 0.2 percent of all CalWORKs cases will transfer to a different county in California in any given month. It is assumed that the same rate of transfer occurs in the CFP.
- The ICT process for PACF and Medi-Cal/NACF cases was implemented on April 1, 2011, and the ICT process for all other NACF cases was implemented on July 1, 2011.
- It is assumed that of the CF cases that transfer to another county, approximately 32 percent are also receiving Medi-Cal. The average Medi-Cal/NACF caseload transferring to another county is approximately 973 in FY 2012-13.
- It is assumed that the cost for a CF Eligibility Worker (EW) is $58.27 per hour.
- It is assumed that the ICT process would result in administrative efficiencies. For NACF and cases also receiving Medi-Cal, the ICT would be a simplified process similar to processing a CF recertification, as opposed to CF intake.
- It is assumed that the intake cost for an EW to process those new NACF and CalWORKs cases is $51. It is assumed that the recertification cost for NACF cases is $36.92 resulting in administrative savings of $14.08 (cost difference between intake and recertification).
- For PACF cases, the ICT process would reduce the time for processing an intake by approximately 2.5 minutes.
- The cost to perform a simplified intake for PACF cases is approximately $48.60 per case resulting in administrative savings of $2.40 per case (cost difference between full and simplified intake).

Inter-County Transfer (ICT)

KEY DATA/ASSUMPTIONS (CONTINUED):

- The automated process for transferring case file documents was implemented in March 2011 across all Consortia. This created administrative efficiencies in transferring case file documents.
- It is assumed that the administrative time to prepare NACF case files for an ICT is approximately five minutes per case or approximately $4.71 per case. It is assumed that the administrative time to prepare PACF case files is approximately two minutes or approximately $1.42 per case.
- This premise previously assumed that the ICT process will reduce administrative time by two minutes due to bypassing the Statewide Fingerprint Imaging System (SFIS) process for NACF cases transferring to another county. With the elimination of SFIS in January 2012, SFIS savings are no longer assumed.
- It is assumed that 50 percent of the total California Food Assistance Program (CFAP) cases transferring to another county currently experience a one week interruption of benefits. This revised process will result in no interruption in benefits.
- Based on the most recent 12 months of coupon cost expenditures, the average CF benefit for NACF households is approximately $334.43.

METHODOLOGY:

- The budgeted amount for FY 2011-12 is held to the Appropriation.
- The administrative savings associated with processing an ICT is calculated by multiplying the cases that transfer by the difference between what costs would be to process an intake and what costs would be to process a redetermination for NACF cases or simplified intake for PACF cases.
- The administrative costs associated with preparing case documents for ICTs is calculated by multiplying the monthly average of cases that transfer by $4.71 for NACF cases and $1.42 for PACF cases.
- The net administrative savings associated with ICTs is calculated by offsetting the administrative costs for preparing case documents by the administrative savings associated with processing ICT cases and bypassing SFIS.
- The monthly average benefits cost associate with providing uninterrupted CFAP benefits is calculated by multiplying the monthly average number of CFAP cases that transfer by 50 percent and by $83.61 in benefits ($334.43 monthly benefits divided by 4 weeks = $83.61).

FUNDING:

The CFP sharing ratio for the administrative cost is 50 percent Food and Nutrition Service fund, 35 percent General Fund (GF) and 15 percent county. The CFAP costs are 100 percent GF. The Public Assistance portion of the costs is eligible to be counted towards the Temporary Assistance for Needy Families Maintenance-of-Effort requirement.

Inter-County Transfer (ICT)

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 is held to the FY 2011-12 Appropriation. The FY 2012-13 reflects increased transfer rates and caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The change from FY 2011-12 to FY 2012-13 is due to an increase in caseload.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CFAP Grants		
Total	$12	$17
Federal	0	0
State	12	17
County	0	0
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 141 – CalFresh Administration		
Total	-$280	-$355
Federal	-140	-178
State	-98	-124
County	-42	-53
Reimbursements	0	0

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Transitional CalFresh Recertification

DESCRIPTION:

This premise reflects the costs of implementing a statewide policy change requiring counties to perform recertifications for Transitional CalFresh (TCF) households, in compliance with the requirements of federal law. California's policy required the recipient to reapply prior to the expiration of the five-month TCF period to continue to receive benefits. Failure to reapply in a timely manner resulted in a break in food benefits for the household. The final federal regulations, Title 7 Code of Federal Regulations (CFR) 273.14C requires that any state that offered the optional transitional food stamp benefit must either issue a request for contract for ongoing eligibility or recertify the household in the last month of the transitional benefit. The California Department of Social Services, in consultation with the County Welfare Directors Association and stakeholders, developed a new TCF recertification process to conform to the federal requirement. The TCF recertification changed the process for continuing benefits from a household-initiated process to a county-initiated one. This new process will help avoid a break in food benefits for households moving from TCF to ongoing CalFresh (CF) benefits.

IMPLEMENTATION DATE:

This premise implemented on March 1, 2012.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Federal Register Volume 75, Number 19, dated January 29, 2010; Title 7 CFR sections 273.26 through 273.32.
- It is assumed that the monthly average for Public Assistance CalFresh (PACF) cases are 346,326 in Fiscal Year (FY) 2011-12 and 343,423 cases in FY 2012-13.
- Based on data from the Statewide Automated Welfare System Consortia, 6.7 percent of PACF cases are TCF (an estimated 23,275 monthly cases in FY 2011-12 and 23,080 monthly cases in FY 2012-13).
- Of the TCF cases, it assumed that 12.7 percent will reapply and reenter into CF in the second or third month after the end of their TCF recertification period. The monthly average TCF caseload is 2,961 for FY 2011-12 and 2,937 in FY 2012-13.
- It is assumed that these cases will be impacted by the TCF recertification process and not experience a break in benefits, therefore these cases will receive approximately 2.5 months in benefits sooner.
- Administrative savings began in February 2012 as counties began to process expiring TCF households for TCF recertification.
- The intake cost for new cases is $51.00.
- The normal recertification cost is $14.57.
- It is assumed that the process for recertifying a TCF household is more involved than a normal recertification, but still takes less time than a full intake. It takes approximately 53 minutes to process an intake. The simplified process is about half the intake process, or 26.5 minutes, plus an additional 15 minutes for TCF cases. Therefore, the administrative cost is approximately 41.5 minutes or $40.30, resulting in administrative savings of $10.70 (cost difference between intake and TCF recertification).

Transitional CalFresh Recertification

KEY DATA/ASSUMPTIONS (CONTINUED):

- It is assumed that benefits to recertified households began March 2012 and the average monthly CF benefit is $334.43.
- It is assumed that 7.2 percent of the new cumulative caseload would require a mid-quarter change. It is assumed that the administrative cost to process a mid-quarter report is $28.23.
- The cost for continuing cases on a quarterly basis is $39.33 per case.
- The impact to California Food Assistance Program (CFAP) is approximately one percent of the CF impact.

METHODOLOGY:

- The TCF Recertification savings began in February 2012 for cases that would have otherwise had TCF benefits expiring.
- The monthly administrative cost savings associated with processing TCF cases are calculated by multiplying the monthly cases by the $10.70 savings.

  FY 2011-12: 2,961 cases X $10.70 X 5 months = $158,000

  FY 2012-13: 2,937 cases X $10.70 X 12 months = $377,000
- Mid-quarter change and quarterly administrative costs began in March 2012.
- The administrative costs associated with processing the mid-quarter changes for cases are calculated by multiplying the cumulative cases by 7.2 percent and by $28.23.
- The quarterly administrative costs associated with processing the quarterly reports are calculated by multiplying the cumulative cases by $39.33 on a quarterly basis.

  FY 2011-12: 2,961 cases X $39.33 = $116,000

  FY 2012-13: 2,937 cases X $39.33 X 4 months = $462,000
- The CFAP coupon costs are calculated by multiplying the caseload by the average CF coupon cost and then by one percent that CFAP cases represent of the overall TCF caseload.
- The CFAP administrative costs are calculated by multiplying the CF administrative cost by one percent.
- The FY 2012-13 reflects a full year costs and savings.

FUNDING:

The CF administrative costs are funded 50 percent Food and Nutrition Service Fund, 35 percent General Fund (GF), and 15 percent county. The CFAP grants and administrative costs are funded 100 percent GF.

Transitional CalFresh Recertification

CHANGE FROM PRIOR SUBVENTION:

The estimate for FY 2011-12 decreased due to a decrease in PACF cases as a result of the 48-Month Time Limit, Eight Percent Maximum Aid Payment Reduction, and Earned Income Disregard premises. These CalWORKs policy changes, effective July 1, 2011, resulted in a significant shift of cases from PACF to Non-Assistance CalFresh at that time; therefore, fewer cases remain in the caseload to be affected by this premise. The increase to FY 2012-13 is due to technical corrections to CalFresh administrative and benefit calculations.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2012-13 reflects a full year of implementation.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CFAP Grants		
Total	$79	$297
Federal	0	0
State	79	297
County	0	0
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 141 – CalFresh Administration		
Total	$6	$265
Federal	3	133
State	2	92
County	1	40
Reimbursements	0	0

Transitional CalFresh Recertification

EXPENDITURES (CONTINUED):

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 – CFAP Administration		
Total	$0	$3
Federal	0	0
State	0	3
County	0	0
Reimbursements	0	0

Low-Income Home Energy Assistance Program (LIHEAP)

DESCRIPTION:

This premise reflects the increased costs to CalFresh (CF) and the California Food Assistance Program (CFAP) as a result of providing a utility outreach service benefit to CF recipients in accordance with Assembly Bill (AB) 6 (Chapter 501, Statutes of 2011). The California Department of Social Services (CDSS) will work in conjunction with the Department of Community Services and Development (CSD) (the sole agency for the federal Low-Income Home Energy Assistance Program [LIHEAP] block grant) to implement a utility assistance initiative by January 1, 2013. This initiative would grant eligible applicants and recipients of CF benefits a nominal LIHEAP service benefit funded from the federal LIHEAP block grant. To the extent permitted by federal law, CF households receiving or anticipating receipt of the LIHEAP service benefit are entitled to include the Standard Utility Assistance (SUA) when calculating CF benefits. As a result of receiving the SUA, some households will experience an increase in federal Supplemental Nutrition Assistance Program benefits.

IMPLEMENTATION DATE:

The automation changes for this premise implement May 2012, the benefits implement January 1, 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code section 18901.2.
- Assumes a $0.10 annual LIHEAP benefit will be applied to all CF recipients.
- Assumes the LIHEAP benefit will be provided to recipients by CDSS from reimbursement funding received from the CSD.
- Assumes the LIHEAP benefit amounts will be delivered to CF households through the Electronic Benefit Transfer system. All funds allocated but not expended for this program shall be reinvested into the program as determined by CSD and CDSS.
- The total average monthly CF caseload is projected to be 2,020,848 from January 2013 through June 2013.
- The estimate assumes that 100,778 cases enter CF each month, based on the most recent 12 month average applications from the DFA 296 “Food Stamp Program Monthly Caseload Movement Statistical Report.”
- The CF households receiving or anticipating the receipt of the nominal LIHEAP benefit shall be entitled to use the full SUA, regardless of whether the LIHEAP benefit is redeemed.
- Assumes that approximately 15.4 percent of existing cases will see an increase in benefits as a result of receiving the SUA. This is the portion of cases that are not: already receiving maximum benefits; at shelter cap; already receiving the SUA; receiving any other shelter deductions.
- The estimated benefit of providing the SUA to all CF recipients is based on the Federal Fiscal Year SUA amount of $329.

Low-Income Home Energy Assistance Program (LIHEAP)

KEY DATA/ASSUMPTIONS (CONTINUED):

- The average increase in benefits to existing CF households due to the SUA is estimated to be $62 per month.
- Assumes that the automation cost to program the SUA for all CF recipients would be $7,399 in Fiscal Year (FY) 2011-12 and $342,700 in FY 2012-13.
- In addition, the estimate assumes that as a result of receiving the SUA, approximately 1,000 cases would become newly eligible for CF each month. It is assumed that 7.2 percent of the new cumulative caseload would require a mid-quarter change. It is assumed that the administrative cost to process a mid-quarter report is $28.23.
- It is assumed that the cost for continuing cases on a quarterly basis is $39.33 per case.
- The CF benefit is estimated to be $327.11 per month for newly eligible cases.
- The impact to CFAP is assumed to be one percent of the corresponding Non-Assistance CF costs.

METHODOLOGY:

- The LIHEAP benefit is calculated by multiplying the $ 0.10 benefit by the total of existing CF caseload and new cases that enter CF in FY 2012-13.
- The CF administrative cost for the 1,000 newly eligible cases per month is calculated by multiplying the cumulative monthly caseload by 7.2 percent and by $28.23 for mid-quarter changes. Quarterly administrative costs are calculated by multiplying the new cases by $39.33 on a quarterly basis.
- The CFAP Benefits for existing households are calculated by multiplying the total CF caseload by 15.4 percent for cases that will receive the SUA as a result of this policy and then by the average monthly increase in benefits ($62). The increased cost in benefits is then multiplied by six months of implementation and then by one percent for the impact to CFAP.
- The CFAP benefit costs for new households are calculated by multiplying the CF benefit cost of $327.11 per month by the cumulative newly eligible cases in FY 2012-13 and then by one percent.

FUNDING:

The CFAP benefit and administrative costs are funded 100.0 percent General Fund (GF). The CF administrative sharing ratio for administrative cost is 50.0 percent Food and Nutrition Service (FNS) fund and 50.0 percent GF. The CSD Benefits are 100.0 percent reimbursement. Automation is funded 50.0 FNS fund and 50.0 GF.

CHANGE FROM PRIOR SUBVENTION:

The increases in FY 2011-12 and FY 2012-13 are primarily due to newly identified automation costs. The increase in FY 2012-13 is also due to an increase in caseload and a technical correction to the administrative costs.

Low-Income Home Energy Assistance Program (LIHEAP)

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2011-12 only contains initial automation costs, LIHEAP will be fully implemented on January 1, 2013.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CFAP Grants		
Total	$0	$1,234
Federal	0	0
State	0	1,234
County	0	0
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 101 – CSD Reimbursement		
Total	$0	$262
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	262

	FY 2011-12	FY 2012-13
Item 141 – CalFresh Administration		
Total	$0	$202
Federal	0	101
State	0	101
County	0	0
Reimbursements	0	0

Low-Income Home Energy Assistance Program (LIHEAP)

EXPENDITURES (CONTINUED):

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 – Automation		
Total	$7	$343
Federal	4	172
State	3	171
County	0	0
Reimbursements	0	0

SFIS Elimination for CalFresh

DESCRIPTION:

This premise reflects the increased cost to CalFresh and the California Food Assistance Program (CFAP) as a result of the elimination of the Statewide Fingerprint Imaging System (SFIS) for Non-Assistance CalFresh (NACF) applicants and recipients, pursuant to Assembly Bill (AB) 6 (Chapter 501, Statutes of 2011). As a result of the elimination of SFIS, it is anticipated that there will be a gradual increase in participation in NACF and CFAP cases. This will result in additional administrative costs for the CalFresh and CFAP programs and additional benefit costs for CFAP.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2012.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare & Institutions Code section 10830, as amended by AB 6.
- The elimination of fingerprint imaging as an eligibility requirement for NACF and CFAP cases is assumed to result in a five percent caseload increase in participation, which phases in gradually over 12 months.
- The projected NACF caseloads for the Fiscal Year (FY) 2011-12 and FY 2012-13 are 1,420,698 and 1,629,142, respectively.
- Intake costs for NACF cases are $51.00 per case.
- Ongoing administrative costs for NACF cases are $39.33 for quarterly reporting and $28.23 for mid-quarter changes, which occur with 7.2 percent of cases.
- The CFAP caseload and administrative expenditures are approximately one percent of the corresponding NACF caseload and administrative expenditures.
- The projected benefit amount per household for CFAP cases is approximately $317.75 per month for FY 2011-12 and $315.07 per month for FY 2012-13.
- Of all CFAP recipients, approximately 15.2 percent in the FY 2011-12 and 12.9 percent in the FY 2012-13 are federally eligible recipients who receive food assistance in a mixed household. The CFAP expenditures for these recipients are eligible to be counted toward the Maintenance of Effort (MOE) funds for the Temporary Assistance to Needy Families (TANF) block grant.
- It is assumed that when cases are fully implemented after a year of phase-in, four percent attrition will occur due to caseload movement in and out of the program.

METHODOLOGY:

- The total NACF caseload is multiplied by five percent and then divided by 12 months to get the gradual monthly increase.

  FY 2011-12: 1,420,698 cases x 0.05 ÷ 12 months = 5,920 new cases per month

SFIS Elimination for CalFresh

METHODOLOGY (CONTINUED):

- The new cases per month are multiplied by six months for the FY 2011-12 and by six months for the FY 2012-13. The new cases are compounded each month to calculate the total casemonths for the FY 2011-12 and FY 2012-13. Caseload is phased in over a year; after a year, a four percent attrition rate is assumed. For intake administration costs, the total number of new cases per year is multiplied by $51.00.

  FY 2011-12: 35,517 new cases x $51.00 = $1.8 million

- The quarterly administrative costs associated with processing the quarterly reports are calculated by multiplying the cumulative cases by $39.33 on a quarterly basis.

FY 2011-12: 23,678 x 39.33 = $931,000

- The administrative costs associated with processing the mid-quarter changes for cases are calculated by multiplying the cumulative cases by 7.2 percent and by $28.23.

FY 2011-12: 124,311 x 7.2 percent x 28.23 = $253,000

- The increased CFAP caseload is calculated by multiplying the number of CalFresh NACF cases by one percent.

  FY 2011-12: 124,311 casemonths x 0.01 = 1,243 CFAP casemonths

- The CFAP benefits are calculated by multiplying the CFAP casemonths by the average benefit amount of $317.75 for FY 2011-12 and $315.07 for FY 2012-13.

  FY 2011-12: 1,243 casemonths x $317.75 = $395,000

- The CFAP administration costs are calculated by multiplying the estimated NACF administration cost increase by one percent.

FY 2011-12: ($1.8 million + $931,000 + $253,000) x 0.01 = $30,000

- The CFAP benefit and administration costs are multiplied by 15.2 percent in the FY 2011-12 and by 12.9 percent in the FY 2012-13 to determine the portion of funds that are MOE eligible.

FUNDING:

CalFresh Administration is funded 50 percent Food and Nutrition Service funds, 35 percent General Fund (GF) and 15 percent county funds. The CFAP is funded 100 percent GF, of which 15.2 percent and 12.9 percent are MOE countable in the FY 2011-12 and FY 2012-13, respectively.

CHANGE FROM PRIOR SUBVENTION:

The decrease in FY 2011-12 and FY 2012-13 from the prior subvention for CalFresh administration is due to a technical correction to the quarterly administrative cost calculation. The CalFresh caseload has increased slightly, resulting in increased CFAP benefits. However, the increase in the CalFresh caseload was not enough to offset the technical correction to the administrative calculation for CalFresh and CFAP administration.

SFIS Elimination for CalFresh

REASON FOR YEAR-TO-YEAR CHANGE:

The increased costs in FY 2012-13 reflect a full year of implementation.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – CFAP Grants		
Total	$395	$2,562
Federal	0	0
State	395	2,562
County	0	0
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 141 – CalFresh Administration		
Total	$2,995	$13,939
Federal	1,498	6,970
State	1,048	4,878
County	449	2,091
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 141 – CFAP Administration		
Total	$30	$139
Federal	0	0
State	30	139
County	0	0
Reimbursements	0	0

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School Lunch Program (AB 402)

DESCRIPTION:

This premise provides the option for local school districts or county offices of education to partner with local county CalFresh offices to identify potential new CalFresh applicants. Pursuant to Assembly Bill (AB) 402 (Chapter 504, Statutes of 2011), households that qualify for free or reduced-price school meals will be notified that they may also qualify for CalFresh benefits. With authorization from the applicant, the information included in the School Lunch Program application will be shared with the local CalFresh county office for consideration of eligibility. This is an optional county program.

IMPLEMENTATION DATE:

This premise assumes an implementation date of August 1, 2012.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18901.55.
- Based on caseload data received from the California Department of Education, there are approximately 3.3 million school-aged children statewide who are eligible for school meals.
- Social Security Income/State Supplementary Payment (SSI/SSP) average caseload between July 2011 and December 2011 was approximately 1.3 million. Based on the State Supplemental Program 107 Recipient Summary Report, approximately 13.2 percent (169,000 individuals) of the SSI/SSP caseload are school-aged children and assumed eligible to receive school meals. Due to receipt of SSI/SSP, these children are ineligible for CalFresh benefits.
- The number of children eligible for school lunches and CalFresh benefits is reduced by 3.28 percent (approximately 103,000 children) to remove ineligible undocumented children (based on Department of Finance 2010 Population data and U.S. Department of Homeland Security, Office of Immigration Statistics).
- Based on December 2011 Medi-Cal Eligibility Determination System (MEDS) data, it is assumed 1.5 million children are already receiving CalFresh and are assumed to be school age (between four and 18 years of age).
- It is assumed that Alameda, Los Angeles, and Santa Clara are the only counties participating in this optional program. The three counties combined account for 34.8 percent of the Non-Assistance CalFresh (NACF) households.
- Based on information from the California Welfare Director's Association, it is assumed that the participating school districts in Alameda, Los Angeles, and Santa Clara represent approximately 13.0 percent of school-aged children in these counties. This results in approximately 69,000 additional children that may potentially be eligible for CalFresh through this process.
- In addition, based on MEDS data, approximately 21 percent of school-aged children have a non-school aged sibling (under four years of age) who would also be eligible for CalFresh benefits, resulting in an additional 15,000 children for a total of approximately 83,000 children who could potentially be eligible for CalFresh.

School Lunch Program (AB 402)

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on MEDS data, there are an estimated 2.0 children per household, which results in approximately 41,000 households that would potentially be newly eligible for CalFresh. If outreach efforts are successful, it is estimated 18,700 applicants will apply for CalFresh benefits.
- It is assumed 67.9 percent of applicants are eligible to receive CalFresh benefits and that approximately 31.0 percent of those eligible households (approximately 12,700 households) will participate in CalFresh based on the CalWORKs experience reported on the Food Stamp Program Monthly Caseload Movement Statistical Report DFA 296.
- It is assumed there are 2.98 persons per household in these eligible families.
- It is assumed that the intake cost for an Eligibility Worker (EW) to process a NACF case is $51.00 per case. It is assumed intake costs will occur one time at the beginning of the school year for new applicants. After the one time increase, a four percent attrition is assumed.
- It is assumed that 7.2 percent of the caseload would be subject to mid-quarter reporting. It is assumed that the cost the EW to process a mid-quarter report is $28.23.
- It is assumed that the cost of an EW to process NACF continuing cases is $39.33 per case.
- Based on the most recent 12 months of benefit cost expenditures, these NACF households are estimated to have an average CalFresh benefit amount of $439.64 (assuming 2.98 persons per household).
- The impact to the California Food Assistance Program (CFAP) is approximately one percent.

METHODOLOGY:

- The intake costs are determined by multiplying the number of applicants by the intake cost per applicant of $51.00.
- The monthly administrative costs associated with processing the mid-quarter changes are calculated by multiplying the ongoing cases by 7.2 percent and by $28.23.
- The quarterly administrative costs associated with processing the quarterly reports are calculated by multiplying the ongoing cases by $39.33 on a quarterly basis.
- The CFAP coupon costs are calculated by multiplying the caseload by the average CalFresh coupon cost and then by one percent.
- The CFAP administrative costs are calculated by multiplying the CF administrative cost by one percent.

FUNDING:

The CFAP benefit and administrative costs are 100 percent General Fund (GF). The administrative costs for the CalFresh program are funded 50 percent Food and Nutrition Service fund, 35 percent GF, and 15 percent county fund.

School Lunch Program (AB 402)

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2011-12. The increase for FY 2012-13 is due to delayed implementation (shifted from October 2012 to August 2012), to coincide with the start of the year for most schools. School lunch applications are due at this time. The projected eligible caseload has also increased.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise will implement in FY 2012-13.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
101 – CFAP Grants		
Total	$0	$614
Federal	0	0
State	0	614
County	0	0
Reimbursements	0	0

	FY 2011-12	FY 2012-13
141 – CalFresh Administration		
Total	$0	$2,733
Federal	0	1,367
State	0	956
County	0	410
Reimbursements	0	0

School Lunch Program (AB 402)

EXPENDITURES (CONTINUED):

(in 000s)

141 – CFAP Administration

	FY 2011-12	FY 2012-13
Total	$0	$27
Federal	0	0
State	0	27
County	0	0
Reimbursements	0	0

Trafficking and Crime Victims Assistance Program

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 through the Trafficking and Crimes Victims Assistance Program (TCVAP). Pursuant to provisions contained in Senate Bill (SB) 1569 (Chapter 672, Statutes of 2006), these individuals are eligible for state-funded services and benefits to the same extent as persons who are eligible under the federal Refugee Act of 1980. The state-funded program services and benefits provided include cash and medical assistance for up to eight months, Employment Services, food assistance through the California Food Assistance Program (CFAP), In-Home Supportive Services (IHSS), Cash Assistance Program for Immigrants (CAPI), and Healthy Families program benefits.

Noncitizen trafficking and crime victims who have children who are eligible for the California Work Opportunities and Responsibility to Kids (CalWORKs) program will receive assistance through a state-funded CalWORKs grant. Eligible noncitizen trafficking and crime victims who do not have children will receive assistance through a state-funded TCVAP Cash Assistance grant.

The TCVAP 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. 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. Victims of domestic violence and other serious crimes must have filed a formal application for or have received a U visa to qualify for TCVAP benefits.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18945.
- According to county survey data from January 2012, the California Department of Social Services (CDSS) is currently serving 1,880 TCVAP recipients per month in the state-funded CalWORKs program and 109 recipients per month through the TCVAP Cash Assistance program.
- Approximately 89.1 percent of CalWORKs cases also receive food assistance. Applying this ratio to the TCVAP monthly caseload yields 1,773 CFAP cases per month.

<u>TCVAP CalWORKs:</u>

- The TCVAP CalWORKs recipients are subject to the same welfare-to-work (WTW) requirements and exemptions as other participants, except those recipients who do not have authorization to work are not required to participate in job search.
- The cost to add an adult to a TCVAP CalWORKs Assistance Unit is $122.00.
- It is assumed that most TCVAP recipients do not have work authorization, and therefore will not receive earned income to offset their monthly grant. Services and child care are provided, as needed, for recipients participating in qualifying activities. The estimated TCVAP CalWORKs caseload for both Fiscal Year (FY) 2011-12 and FY 2012-13 is 1,880.

Trafficking and Crime Victims Assistance Program

KEY DATA/ASSUMPTIONS (CONTINUED):

- All grant, services, and administrative costs for TCVAP CalWORKs program recipients mirror the services and administrative costs for other CalWORKs program recipients.
- It is assumed there are 1.6 children per case and that 14.7 percent of the cases in FY 2011-12 and 18.8 percent in FY 2012-13 that are required to participate in WTW activities utilize child care services.
- The child care cost per case is $722.16 in FY 2011-12 and $734.78 in FY 2012-13, which includes the Regional Market Rate reduction of licensed-exempt providers from 8.0 percent of the 85th percentile to 60.0 percent of the 85th percentile.
- The average number of children who will receive services per month is 443 in FY 2011-12 and 567 in FY 2012-13.
- This estimate assumes utilization rates and costs per case for CalWORKs transportation and ancillary services are based on actual CalWORKs data from January 2011 – December 2011 (transportation utilization rate is 51.8 percent and $70.08 cost per case; ancillary utilization rate is 12.7 percent and $77.06 cost per case.)
- The estimate assumes a case management utilization rate of 41.2 percent and $206.00 cost per case.

<u>TCVAP Cash Assistance:</u>

- All services and administrative costs for TCVAP Cash Assistance recipients mirror the services and administrative costs for Refugee Cash Assistance (RCA) program recipients (for more information on the caseload and cost per case assumptions, see the RCA premise).
- The estimated monthly caseload of TCVAP Cash Assistance cases is 109.
- The average TCVAP Cash Assistance monthly grant is $241.88.
- The administrative cost per case for a TCVAP Cash Assistance case is $109.25.
- The average monthly cost per case of TCVAP Employment Services was calculated by dividing the Federal Fiscal Year (FFY) 2011 Refugee Social Services block grant ($10.3 million) divided by the FFY 2011 RCA total caseload (25,904) divided by 12 months, which equals $33.27 per case.

<u>TCVAP CFAP:</u>

- The average monthly number of TCVAP CFAP recipients is the total monthly number of TCVAP CalWORKs and Cash Assistance program recipients combined (1,989) multiplied by the CalWORKs utilization rate for food assistance (89.1 percent), which equals 1,773 monthly CFAP cases and 97 cases requiring CFAP admin funding (109 x 89.1 percent).
- The average coupon value per person is $126.78 in FY 2011-12 and $125.69 in FY 2012-13.
- The administrative costs for CFAP are $25.01 per case per month.

<u>TCVAP CAPI:</u>

- There are currently no TCVAP recipients reported in CAPI.

Trafficking and Crime Victims Assistance Program

KEY DATA/ASSUMPTIONS (CONTINUED):

TCVAP IHSS:

- There are currently no TCVAP recipients reported in IHSS.

METHODOLOGY:

TCVAP CalWORKs:

- Grant costs are calculated by multiplying the average monthly number of cases by the cost to add an adult to a case by 12 months (1,880 x $122 x 12).
- Employment services costs include case management, transportation, and ancillary costs. These are calculated by multiplying the average monthly number of cases utilizing the service by the cost per case by 12 months (Ex: Transportation: 1,880 x 0.5176 x $70.08 x 12).
- Child care costs are calculated by multiplying the average monthly number of children by the cost per child by 12 months (1,880 x 0.1473 x 1.6 x $722.16 x 12).

TCVAP Cash Assistance:

- Grant costs are calculated by multiplying the average monthly number of cases by the cost per case by 12 months. (109 x $241.88 x 12).
- Administrative costs are calculated by multiplying the average monthly number of cases by the administrative cost per case by 12 months (109 x $109.25 x 12).
- Employment Services costs are calculated by multiplying the average monthly number of cases by the services cost per case by 12 months (109 x $33.27 x 12).

TCVAP CFAP:

- Coupon costs are calculated by multiplying the average monthly coupon benefit per person by the projected monthly number of CFAP recipients by 12 months (1,773 x $125.69 x 12).
- On-going quarterly administrative costs are calculated by multiplying the average monthly number of cases non-TCVAP CalWORKs cases by the average monthly cost per case by 12 months (97 x $25.01 x 12).

FUNDING:

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

The TCVAP CalWORKs employment services, administrative services, child care, TCVAP Cash Assistance, Employment Services, IHSS, CAPI, and CFAP are funded with 100 percent GF.

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

CHANGE FROM PRIOR SUBVENTION:

Increased costs for both FY 2011-12 and FY 2012-13 are primarily due to an increase in the TCVAP caseload.

Trafficking and Crime Victims Assistance Program

REASON FOR YEAR-TO-YEAR CHANGE:

Increased costs in FY 2012-13 are primarily due to an increase in TCVAP clients served.

EXPENDITURES:

(in 000s)

Item 101– TCVAP Total	FY 2011-12	FY 2012-13
Total	$12,775	$13,912
Federal	0	0
State	12,631	13,768
County	144	144
Reimbursements	0	0

Item 101 – TCVAP Grants	FY 2011-12	FY 2012-13
Total	$5,766	$5,743
Federal	0	0
State	5,622	5,599
County	144	144
Reimbursements	0	0

Item 101 – TCVAP Services	FY 2011-12	FY 2012-13
Total	$6,837	$7,997
Federal	0	0
State	6,837	7,997
County	0	0
Reimbursements	0	0

Trafficking and Crime Victims Assistance Program

EXPENDITURES (CONTINUED):

(in 000s)

	FY 2011-12	FY 2012-13
Item 101 – TCVAP Administration		
Total	$172	$172
Federal	0	0
State	172	172
County	0	0
Reimbursements	0	0

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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

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.
- Title XVI section 1611 defines the amount of SSI benefits an individual may be eligible to receive.
- Welfare and Institutions Code section 12200 defines the maximum payment standard available under each living arrangement.
- The basic cost per case for SSI and SSP estimates is developed from actual state and federal expenditures reported on the State Data Exchange and SSA 8700 reports.
- The Title XIX medical facility caseload remains flat with significantly lower average grants than SSI/SSP recipients.
- The SSI and SSP average grants are held to the 2012-13 Governor's Budget based on actual data from July 2010 through June 2011 and are as follows:

	SSI	SSP
Aged	$329.32	$168.66
Blind	$418.03	$225.68
Disabled	$462.80	$172.27

- Fiscal Year (FY) 2011-12 assumed a penalty for a late payment on an administrative fee of $8,000 General Fund (GF) is due for February 2012.

SSI/SSP – Basic Costs

METHODOLOGY:

The SSI/SSP basic costs are computed for the aged, blind, disabled, and recipients in Title XIX medical facilities categories, and then summed to produce total basic costs. Both the SSI and SSP basic average grants are calculated for all categories except for the costs for recipients in Title XIX medical facilities as the caseload and grants for this population are uniquely different than the other categories. The average SSI/SSP grants are then multiplied by the estimated caseloads and the costs for the recipients in Title XIX medical facilities are added back in. A late payment fee was added for FY 2011-12 (see Key Data Assumptions above).

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. Costs for each component are computed separately.

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 and FY 2012-13 decrease reflects an updated average monthly caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The change reflects an increase in the average monthly caseload.

CASELOAD:

	FY 2011-12	FY 2012-13
Average Monthly Recipients	1,278,694	1,296,178

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – SSI/SSP		
Grants		
Total	$9,059,290	$9,194,096
Federal	6,446,267	6,544,962
State	2,613,023	2,649,134
County	0	0
Reimbursements	0	0

SSP MOE Floor for Individuals

DESCRIPTION:

This premise reflects the savings associated with reducing the State Supplementary Payment (SSP) standard of the Supplemental Security Income (SSI)/SSP program to the federally required Maintenance of Effort (MOE) level of the 1983 payment standards for individuals only. The MOE refers to a federal provision that limits the reduction a state can make to their SSP benefit levels without penalty. If a state were to reduce its SSP benefit levels below MOE levels, it would lose federal funding for Medi-Cal. The SSI/SSP eligibility also establishes automatic eligibility for Medi-Cal. This premise also reflects the General Fund (GF) savings due to the 2012 and 2013 federal cost-of-living adjustments (COLA) as applied to SSI/SSP, Cash Assistance Program for Immigrants (CAPI), California Veterans Cash Benefit (CVCB) recipients, and the interaction with the SSP MOE Floor for Individuals reduction.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2011.

KEY DATA/ASSUMPTIONS:

- Title XVI section 1611 defines the amount of SSI benefits an individual may be eligible to receive.
- Welfare and Institutions Code section 12200 defines the maximum payment standard available under each living arrangement.
- Code of Federal Regulations Title XX section 416.096 defines the loss of federal funding for Medi-Cal if a state reduces SSP payments below MOE levels.
- The savings associated with reducing SSP grant amounts for CAPI and CVCB (grant impact only) recipients are reflected in this premise.
- Assumes approximately one million SSI/SSP individual recipients will receive a decrease to their SSI/SSP payment. Approximately 107,000 Non-Medical Out-of-Home Care, Restaurant Meal Allowance, and Title XIX medical facilities recipients are excluded from this reduction. Approximately 237,000 SSI/SSP couple members were already at the SSP MOE Floor, effective November 1, 2009.
- Assumes 9,306 recipients will lose their SSI/SSP benefit because their countable income will exceed the reduced SSI/SSP rates, and will seek services elsewhere. Some recipients may seek services from the CalFresh program. (For more information, please see the SSP MOE Floor – CalFresh Effect premise.)
- The federal Social Security Administration will continue to administer the program under Title XVI of the Social Security Act.

METHODOLOGY:

The SSI/SSP, CAPI, and CVCB caseloads and average grants are adjusted to reflect the MOE floor reduction for individuals and the federal COLA impacts. The savings are calculated by subtracting the product of the adjusted caseloads and the reduced average grants from the unadjusted costs.

SSP MOE Floor for Individuals

FUNDING:

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

CHANGE FROM PRIOR SUBVENTION:

The Fiscal Year (FY) 2011-12 and FY 2012-13 erosion of savings is due to lower average impacted caseloads.

REASON FOR YEAR-TO-YEAR CHANGE:

The change reflects increased savings due to more SSI/SSP recipients losing eligibility.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – SSI/SSP Reduction		
Total	-$177,397	-$179,968
Federal	0	0
State	-177,397	-179,968
County	0	0
Reimbursements	0	0

SSI/SSP – 2011 Federal COLA

DESCRIPTION:

This premise reflects the impact of the 2011 federal cost-of-living adjustment (COLA) as applied to the Supplemental Security Income (SSI) portion of the grant for SSI/State Supplementary Payment (SSP) program recipients.

IMPLEMENTATION DATE:

The 2011 federal COLA did not implement.

KEY DATA/ASSUMPTIONS:

- Title XVI of the Social Security Act section 1617 authorizes the COLA for SSI recipients.
- The Consumer Price Index (CPI) for 2011 is -0.6 percent. Due to the final CPI percent being negative, the SSI COLA was not passed through to recipients on January 1, 2011, pursuant to current law. As a result, the SSI portion of the grant payment remained at the January 2010 level.

METHODOLOGY:

The average SSI grant for the three categories of recipients (aged, blind, and, disabled) will not change.

FUNDING:

The SSI portion of the SSI/SSP program is funded with 100 percent federal Title XVI funds.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s):

	FY 2011-12	FY 2012-13
Item 111 – SSI/SSP Grants		
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

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SSI/SSP – 2012 Federal COLA

DESCRIPTION:

This premise reflects the impact of the 2012 federal cost-of-living adjustment (COLA) as applied to the Supplemental Security Income (SSI) portion of the grant for SSI/State Supplementary Payment (SSP) program recipients.

IMPLEMENTATION DATE:

The 2012 federal COLA implemented on January 1, 2012.

KEY DATA/ASSUMPTIONS:

- Title XVI of the Social Security Act section 1617 authorizes the COLA for SSI recipients.
- Each year, the federal Social Security Administration (SSA) releases a preliminary estimate of the COLA that will apply to the following year's SSI grants and, later in the year, releases the final COLA, based on the Consumer Price Index (CPI).
- The final 2012 federal COLA with a CPI of 3.6 percent was passed through to recipients on January 1, 2012, pursuant to current law.
- The SSA also establishes maximum grant amounts, which are called payment standards, for the SSI program.
- The COLA impact to the Cash Assistance Program for Immigrants (CAPI) is included under the CAPI premise.

METHODOLOGY:

- The average SSI grant for the three categories of recipients (aged, blind, and, disabled) changed as a result of the 2012 federal COLA.
- The 2012 federal COLA is applied to the 2011 SSI payment standards, resulting in new SSI payment standards for 2012.
- The 2012 payment standards and data on SSI/SSP recipients are used to determine the value of the 2012 federal COLA for the average grant for each of the three categories of recipients. This value is added to the average SSI grant to generate the COLA-adjusted average SSI grant. The cost of this premise is calculated by multiplying the COLA-adjusted average grant by the SSI/SSP program caseload and subtracting the cost of the average grant without the federal COLA.

FUNDING:

The SSI portion of the SSI/SSP program is funded with 100 percent federal Title XVI funds.

CHANGE FROM PRIOR SUBVENTION:

The decrease in both Fiscal Year (FY) 2011-12 and FY 2012-13 is due to a decrease in SSI/SSP average grants and caseload.

SSI/SSP – 2012 Federal COLA

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to caseload increase.

EXPENDITURES:

(in 000s):

	FY 2011-12	FY 2012-13
Item 111 – SSI/SSP Grants		
Total	$127,951	$129,092
Federal	127,951	129,092
State	0	0
County	0	0
Reimbursements	0	0

SSI/SSP – 2013 Federal COLA

DESCRIPTION:

This premise reflects the impact of the 2013 federal cost-of-living adjustment (COLA) as applied to the Supplemental Security Income (SSI) portion of the grant for SSI/State Supplementary Payment (SSP) program recipients.

IMPLEMENTATION DATE:

The 2013 federal COLA will implement on January 1, 2013.

KEY DATA/ASSUMPTIONS:

- Title XVI of the Social Security Act section 1617 authorizes the COLA for SSI recipients.
- Each year, the federal Social Security Administration (SSA) releases a preliminary estimate of the COLA that will apply to the following year's SSI grants and, later in the year, releases the final COLA, based on the Consumer Price Index (CPI).
- This premise assumes that an estimated 2013 federal COLA with a CPI of 0.5 percent will be passed through to recipients on January 1, 2013, pursuant to current law.
- The SSA also establishes maximum grant amounts, which are called payment standards, for the SSI program.
- The COLA impact to the Cash Assistance Program for Immigrants (CAPI) is included under the CAPI premise.

METHODOLOGY:

- The average SSI grant for the three categories of recipients (aged, blind, and, disabled) changes as a result of the 2013 federal COLA.
- The 2013 federal COLA is applied to the 2012 SSI payment standards, resulting in new SSI payment standards for 2013.
- The 2013 payment standards and data on SSI/SSP recipients are used to determine the value of the 2013 federal COLA for the average grant for each of the three categories of recipients. This value is added to the average SSI grant to generate the COLA-adjusted average SSI grant. The cost of this premise is calculated by multiplying the COLA-adjusted average grant by the SSI/SSP program caseload and subtracting the cost of the average grant without the federal COLA.

FUNDING:

The SSI portion of the SSI/SSP program is funded with 100 percent federal Title XVI funds.

CHANGE FROM PRIOR SUBVENTION:

There is no change in Fiscal Year (FY) 2011-12. The increase in FY 2012-13 is due to the updated estimated CPI.

SSI/SSP – 2013 Federal COLA

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to the 2013 federal COLA adjustment and caseload increase.

EXPENDITURES:

(in 000s):

	FY 2011-12	FY 2012-13
Item 111 – SSI/SSP Grants		
Total	$0	$21,037
Federal	0	21,037
State	0	0
County	0	0
Reimbursements	0	0

SSP/CVCB/NMOHC 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 the SSA provides services beyond the expected level, such as increasing or decreasing payment standards outside of the normal January 1 schedule.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1993.

KEY DATA/ASSUMPTIONS:

- The SSA will continue to administer this program under Title XVI of the Social Security Act.
- The federal Balanced Budget Act of 1997 (Public Law 105-33) amended existing federal statutes pertaining to 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), or at a rate the Commissioner of Social Security determines is appropriate for the state.
- Effective October 1, 2011, the fee increased from $10.56 to $10.94 per payment based on a rate determined by the Commissioner of Social Security. Effective October 1, 2012, the fee will increase from $10.94 to $10.99 per payment based on the estimated 2013 CPI.
- Administrative costs associated with the California Veterans Cash Benefit program are included in this premise.
- Beginning with the 2012-13 Governor’s Budget, General Fund (GF) costs associated with the Non-Medical Out-of-Home Care administration will be included in this premise. These funds are provided by the County Services Block Grant (CSBG) and were previously included in the CSBG premise.

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 are 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

The decrease in Fiscal Year (FY) 2011-12 and FY 2012-13 reflects a decrease in caseload.

SSP/CVCB/NMOHC Administration

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an increase in the average monthly caseload in addition to an increase in the administration fee.

CASELOAD:

	FY 2011-12	FY 2012-13
Average Monthly Recipients	1,278,694	1,296,178

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – SSI/SSP Administration		
Total	$169,822	$174,254
Federal	0	0
State	169,822	174,254
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 World War II veterans who returned to the Republic of the Philippines and no longer have a place of residence in the state, and were receiving SSP benefits on December 14, 1999. The California Veterans Cash Benefit (CVCB) payments are authorized under Assembly Bill (AB) 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 AB 1978 are the equivalent of SSP benefits the veterans would receive under the Supplemental Security Income (SSI)/SSP program.
- An average benefit payment of $172.26 will be paid to eligible recipients.
- The Social Security Administration administers the CVCB program in conjunction with benefits under Title VIII of the federal Social Security Act.
- Administrative costs associated with the CVCB program are reflected in the SSP/CVCB/Non-Medical Out-of Home Care Administration premise.
- The average monthly number of participating veterans is 1,179 in Fiscal Year (FY) 2011-12, and 992 in FY 2012-13.

METHODOLOGY:

The cost of the program is estimated by multiplying the number of participating veterans by the benefit.

FUNDING:

This program is funded with 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 and FY 2012-13 increase reflects the average monthly caseload decreasing less than projected in the 2012-13 Governor’s Budget.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects a lower average monthly caseload.

California Veterans Cash Benefit Program

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – SSI/SSP Grants		
Total	$2,437	$2,050
Federal	0	0
State	2,437	2,050
County	0	0
Reimbursements	0	0

SSI Extension (PL 110-328)

DESCRIPTION:

This premise reflects the net savings associated with qualified Cash Assistance Program for Immigrants (CAPI) transferring back to the Supplemental Security Income/State Supplementary Payment (SSI/SSP) program for an additional two-year period.

Prior to the enactment of Public Law (PL) 110-328, refugees and other humanitarian immigrants became eligible for the 100 percent state-funded CAPI benefit once the seven-year period of SSI/SSP eligibility expired. They obtained CAPI eligibility because they were aged, blind, or disabled, and no longer eligible for SSI/SSP due to their non-citizen immigration status. Under federal law, refugees and other humanitarian immigrants are eligible to receive two additional years of SSI benefits. However, the law places conditions on this extended eligibility. The affected immigrants will have to show some evidence of having adjusted their immigration status to Lawful Permanent Resident within certain timeframes, or be age 18 or under, or age 70 or older, in order to be eligible for reinstatement to SSI/SSP. The provisions in PL 110-328 expired on October 1, 2010.

IMPLEMENTATION DATE:

This premise implemented on October 1, 2008.

KEY DATA/ASSUMPTIONS:

- The Social Security Administration will continue to administer the program under Title XVI of the Social Security Act.
- Title XVI section 1611 defines the amount of SSI benefits an individual may be eligible to receive.
- Welfare and Institutions Code (W&IC) section 12200 defines the maximum payment standard available under each living arrangement.
- The W&IC chapter 10.3 gives the California Department of Social Services the authority to administer the CAPI program.
- The W&IC section 18940 states the CAPI program will be governed by the same federal and state regulations that govern the SSI/SSP program.
- The W&IC section 18941 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 by $10 per individual and $20 per couple per month.
- Since the average grant for the SSI/SSP program is less than the CAPI program, this premise will net savings from the difference between the two grant amounts for the period in which the recipients receive payments under SSI/SSP.
- Assumes 35 cases per month will stay on SSI/SSP for Fiscal Year (FY) 2011-12 and through September 30, 2012, of FY 2012-13.
- After October 1, 2010, the federal law sunset and cases that met their seven-year limit on or after October 1, 2010, could no longer stay on SSI/SSP, unless these cases changed their legal status.

SSI Extension (PL 110-328)

KEY DATA/ASSUMPTIONS (CONTINUED):

- The SSI/SSP and CAPI average grants are based on the grants used for the basic costs estimates, respectively.

METHODOLOGY:

The SSI/SSP costs and CAPI savings are calculated by multiplying the average grant amounts by the number of cases staying on SSI/SSP.

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 (GF). The CAPI program is funded with 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 and FY 2012-13 net decrease in savings reflects the updated administration rate based on actual data.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2012-13 decrease in SSI/SSP costs and CAPI savings reflects phasing-out of all impacted recipients by October 1, 2012, reflecting only three months of net savings.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 - SSI/SSP Grant		
Total	$314	$79
Federal	241	61
State	73	18
County	0	0
Reimbursements	0	0

SSI Extension (PL 110-328)

EXPENDITURES (CONTINUED):

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – SSI/SSP CAPI Savings		
Total	-$358	-$90
Federal	0	0
State	-358	-90
County	0	0
Reimbursements	0	0

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Cash Assistance Program for Immigrants (CAPI)

DESCRIPTION:

This premise reflects the costs associated with providing benefits to aged, blind, and disabled legal immigrants under the Cash Assistance Program for Immigrants (CAPI). The CAPI benefits are equivalent to Supplemental Security Income/State Supplemental Payment (SSI/SSP) program benefits, less $10 per individual and $20 per couple. This premise includes costs for both the grant and administrative costs.

The CAPI recipients in the base program include immigrants 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 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:

- Authorizing statute: Welfare and Institutions Code (W&IC) Chapter 10.3.
- The W&IC section 18940 established that the CAPI program is governed by the same federal and state regulations which govern the SSI/SSP program.
- The W&IC section 18941 established that benefits paid under CAPI are equivalent to benefits provided under the SSI/SSP program, except that the schedule is reduced by $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 (Chapter 108, Statutes of 2000) 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 total number of CAPI cases for Fiscal Year (FY) 2011-12 is 11,178, and will be 12,430 in FY 2012-13.
- The average monthly grant for Base CAPI cases for FY 2011-12 is $581.95 and for FY 2012-13 is $591.73, based on actual expenditures through June 2011.
- The average monthly grant for Extended CAPI cases for FY 2011-12 is $734.88 and for FY 2012-13 is $744.66, based on actual expenditures through June 2011.
- The average grants for both Base and Extended CAPI are impacted by the 2012 federal cost-of-living adjustment (COLA), and the 2013 federal COLA.

Cash Assistance Program for Immigrants (CAPI)

KEY DATA/ASSUMPTIONS (CONTINUED):

- The average monthly administrative cost per case for FY 2011-12 and FY 2012-13 of $117.52 is based on actual expenditures through June 2011.

METHODOLOGY:

Base CAPI program costs are estimated by multiplying the projected monthly Base CAPI 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 PRIOR SUBVENTION:

Base CAPI – The FY 2011-12 and FY 2012-13 decrease reflects a decrease in the cost per case, offset by an increase in the caseload.

Extended CAPI – The FY 2011-12 and FY 2012-13 decrease reflects a decrease in the cost per case and caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

Base CAPI – The decrease reflects the updated caseload offset by the increase in the average grant.

Extended CAPI – The increase reflects the updated caseload and average grant.

Cash Assistance Program for Immigrants (CAPI)

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – SSI/SSP CAPI Grants		
Total	$111,740	$124,612
Federal	0	0
State	111,740	124,612
County	0	0
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 111 – SSI/SSP Base CAPI		
Total	$10,234	$7,563
Federal	0	0
State	10,234	7,563
County	0	0
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 111 – SSI/SSP Extended CAPI		
Total	$101,864	$117,139
Federal	0	0
State	101,864	117,139
County	0	0
Reimbursements	0	0

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Personal Care Services Program/IHSS Plus Option/Residual IHSS Basic Costs

DESCRIPTION:

This premise reflects the basic service costs for the In-Home Supportive Services (IHSS) program. The IHSS program enables eligible individuals to receive in-home services that allow them 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.

The IHSS program consists of three components: the Personal Care Services Program (PCSP), which includes services that are Title XIX eligible; the IHSS Plus Option (IPO), which provides services to federally eligible IHSS recipients who could not receive services under the PCSP; and the state-only Residual program, which provides services and benefits to recipients who are ineligible for the PCSP and IPO programs.

There are three service delivery modes: the individual provider (IP) mode, consisting of an individual provider hired by the recipient; the county contract (CC) mode, consisting of a county contracted service provider who employs individuals to provide services to IHSS recipients; and the welfare staff/homemaker (HM) mode, which utilizes county employees to provide services for recipients.

This premise includes the State Compensation Insurance Fund (SCIF) contract cost. The SCIF administers workers' compensation insurance for IP mode providers. The Department of General Services (DGS) manages and supervises SCIF and monitors high-cost cases ($50,000 and over on a quarterly basis).

IMPLEMENTATION DATE:

This premise was 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/IPO and Residual programs are 98.94 percent and 1.06 percent, respectively, based on average caseloads for the 12-month period September 2010 through August 2011.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.
- The projected Fiscal Year (FY) 2011-12 average monthly caseload is 435,100 PCSP/IPO and 5,123 Residual, for a total of 440,223. The projected FY 2012-13 caseload is 447,186 PCSP/IPO and 5,252 Residual, for a total of 452,438.
- The projected average monthly IP caseload is 433,736 PCSP/IPO and 4,647 Residual in FY 2011-12 and 445,824 PCSP/IPO and 4,776 Residual in FY 2012-13.
- The state participates in wages up to $11.50 and health benefits up to $0.60 in the IP mode.
- The product of IP mode wages x casemonths by county x average monthly hours per case per county is added to total CC and HM mode costs, contracts, and the share-of-cost (SOC) offset to derive a weighted average cost per hour of $11.66 for FY 2011-12 and $11.69 for FY 2012-13.

Personal Care Services Program/IHSS Plus Option/Residual IHSS Basic Costs

KEY DATA/ASSUMPTIONS (CONTINUED):

- The payroll tax rate associated with IP wages is assumed to be ten percent.
- The weighted average monthly hours per case are 86.90 hours in FY 2011-12 and 86.86 hours in FY 2012-13.
- Based on actual data from September 2010 through August 2011, total PCSP/IPO program recipients' SOC in the IP mode of service is $40.7 million in FY 2011-12 and $41.8 million in FY 2012-13. Total Residual program recipients' SOC in the IP mode of service is $0.5 million in FY 2011-12 and in FY 2012-13.
- Effective July 1, 2011, Santa Barbara eliminated its CC mode of service. Cases previously served through the CC mode are assumed to have been absorbed under the IP mode.
- The Restaurant Meal Allowance (RMA) monthly grant is $62 and totals $0.3 million in FY 2011-12 and in FY 2012-13.
- The SCIF and DGS contract costs are assumed to be $61.3 million and $0.1 million, respectively, in FY 2011-12 and in FY 2012-13.
- All costs for recipients in the California Community Transitions Money Follows the Person Demonstration Project are reflected in that premise.

METHODOLOGY:

The estimated PCSP/IPO and Residual basic service cost is computed by multiplying the casemonths x average hours per case x cost per hour, by county. The SOC is subtracted from that total, and SCIF and DGS contract costs and RMA are added.

FUNDING:

- Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 65 percent GF and 35 percent county. The federal and county shares are reflected as reimbursements, consistent with actual cash flow.
- Federally eligible costs above $12.10 per hour for IP mode are funded at a ratio of 50 percent federal and 50 percent county funds. Non-federally eligible costs above $12.10 per hour are funded 100 percent by county funds.

CHANGE FROM PRIOR SUBVENTION:

The decrease reflects a lower projected caseload and lower projected hours per case, partially offset by an increase in costs per hour in both FY 2011-12 and FY 2012-13.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects a higher projected caseload and higher costs per hour.

Personal Care Services Program/IHSS Plus Option/Residual IHSS Basic Costs

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Services		
Total	$5,350,555	$5,509,688
Federal	0	0
State	1,726,261	1,777,733
County	0	0
Reimbursements	3,624,294	3,731,955

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Elimination of Adult Day Health Care

DESCRIPTION:

This premise reflects the increase in In-Home Supportive Services (IHSS) costs for federally eligible recipients as a result of the elimination of the optional Adult Day Health Care (ADHC) Medi-Cal benefit. Some social services previously provided through ADHC will now be provided to eligible recipients through the IHSS program or the new Community-Based Adult Services (CBAS) program.

The ADHC provided a variety of health, therapeutic, and social services to those at risk of placement in a nursing home. In response to California's severe budget shortfall, Assembly Bill 97 (Chapter 3, Statutes of 2011) eliminated ADHC as an optional Medi-Cal benefit effective September 1, 2011. The elimination date was first extended by the Department of Health Care Services to December 1, 2011; the elimination date was then extended to March 1, 2012, as a result of the settlement agreement in the *Darling et al. v. Douglas et al.* court case and then further extended to March 31, 2012. The settlement agreement provides for the continued delivery of essential health care services to vulnerable poor and elderly residents through CBAS, which began providing services to those with the greatest need on April 1, 2012.

IMPLEMENTATION DATE:

Alternative resource hours and hours for accompaniment to medical care were restored to ADHC participants in August through November 2011. The ADHC ended March 31, 2012, and CBAS started April 1, 2012. The phase-out of restored IHSS hours for recipients of both CBAS and IHSS implements July 1, 2012.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 14589.5.
- Some former ADHC recipients also received IHSS services. Fiscal Year (FY) 2011-12 and FY 2012-13 assume that 24,146 former ADHC/IHSS recipients received an increase in IHSS service hours in August through November 2011, to compensate for the loss of ADHC. It is assumed that 80 percent of former recipients of ADHC/IHSS will transition to CBAS. Their restored hours will be phased out at reassessment beginning July 1, 2012. The remaining 20 percent of former recipients of ADHC/IHSS will not transition to CBAS but will receive additional IHSS service hours on an ongoing basis to compensate for the loss of ADHC.
- An additional 1,400 former recipients of ADHC only will become new IHSS recipients July 1, 2012, and will receive the weighted average IHSS monthly service hours.
- FY 2011-12 assumes an increase of 1.6 million IHSS service hours, and FY 2012-13 assumes an increase of 2.8 million IHSS service hours.
- FY 2011-12 assumes an average weighted hourly cost of $11.66 per hour, and FY 2012-13 assumes an average weighted hourly cost of $11.69.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

Elimination of Adult Day Health Care

METHODOLOGY:

The total estimated cost is computed by multiplying total additional service hours x the cost per hour.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federally eligible costs is provided at a ratio of 65 percent General Fund and 35 percent county funds. The federal and county shares are reflected as reimbursements, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

The increase in costs for FY 2011-12 is due to updated assumptions about additional service hours for former recipients of ADHC/IHSS, offset by a four-month delay in former recipients of ADHC only transitioning to IHSS. The increase in costs for FY 2012-13 is due to updated assumptions about additional service hours for former recipients of ADHC/IHSS.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in costs for FY 2012-13 is due to updated assumptions about additional service hours for former recipients of ADHC/IHSS, including recipients transitioning to CBAS. Additional hours for CBAS participants will be phased out in FY 2012-13 and FY 2013-14.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Services		
Total	$19,123	$33,184
Federal	0	0
State	6,104	10,593
County	0	0
Reimbursements	13,019	22,591

3.6 Percent Across-the-Board Reduction

DESCRIPTION:

This premise reflects the savings associated with reducing In-Home Supportive Services (IHSS) service hours by 3.6 percent as a result of Assembly Bill 1612 (Chapter 725, Statutes of 2010). Recipients may determine which of their services will be impacted by the reduction. The administrative costs that result from this premise are included in the 3.6 Percent Across-the-Board Reduction Administration premise.

IMPLEMENTATION DATE:

This premise implemented on February 1, 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12301.06.
- Assumes an interaction with the Elimination of Adult Day Health Care premise.
- This premise will sunset June 30, 2012.
- The reduction is applied to 460.7 million paid service hours in Fiscal Year (FY) 2011-12, resulting in an average loss of 3.14 monthly hours per recipient for 440,223 impacted recipients and a total reduction of 16.6 million hours.
- Assumes 87.21 average hours per case per month in FY 2011-12 prior to applying the 3.6 percent reduction and an average cost per hour of $11.66.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The estimated savings is computed by multiplying the total paid service hours x the 3.6 percent reduction x the average cost per hour.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 65 percent General Fund and 35 percent county. The federal and county shares are reflected as reimbursements, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

The decrease in savings in FY 2011-12 reflects the updated caseload. There is no change for FY 2012-13.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in savings reflects the sunset of this premise.

3.6 Percent Across-the-Board Reduction

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Services		
Total	-$193,392	$0
Federal	0	0
State	-62,394	0
County	0	0
Reimbursements	-130,998	0

7 Percent Across-the-Board Reduction

DESCRIPTION:

This premise reflects the savings associated with reducing In-Home Supportive Services (IHSS) service hours by 7 percent. Recipients may determine which of their services will be impacted by the reduction.

This premise description only reflects the direct impact of the 7 Percent Across-the-Board Reduction on IHSS service hours and corresponding administrative costs. The impact of this reduction on other premises, including the Case Management, Information, and Payrolling System, is reflected in those premises.

IMPLEMENTATION DATE:

This premise will implement on August 1, 2012.

KEY DATA/ASSUMPTIONS:

- Assumes an interaction with the Elimination of Adult Day Health Care premise.
- Assumes 453,838 average monthly recipients in Fiscal Year (FY) 2012-13, including a monthly average of 13,615 new recipients.
- Assumes 87.11 average hours per case per month in FY 2012-13 prior to applying the 7 percent reduction and an average cost per hour of $11.69.
- The reduction will be applied to 434.9 million paid service hours in FY 2012-13, resulting in an average loss of 6.1 hours per recipient per month over the period August 2012 through June 2013, or the equivalent of a reduction of 5.6 hours per recipient per month over the full year. The premise will reduce total FY 2012-13 service hours by 30.4 million hours.
- The social worker (SW) unit cost is $60.55 per hour.
- Assumes that for ten percent of new recipients, ten minutes of SW time is needed for special handling of Notices of Action (NOAs).
- Assumes that for 25 percent of new recipients, five minutes of SW time is needed to answer questions about the reduction.
- Assumes that four percent of recipients will request a reassessment as a result of a change in the recipient's current condition and that 30 minutes of SW time is needed to complete a reassessment.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

- The estimated savings is computed by multiplying the total paid service hours x the 7 percent reduction x the average cost per hour.
- The estimated administrative cost is computed by multiplying the SW rate x the amount of time needed for special handling of NOAs, answering recipients' questions, and performing reassessments x the number of recipients requiring each of those tasks.

7 Percent Across-the-Board Reduction

FUNDING:

- Federal funding for IHSS services is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 65 percent General Fund and 35 percent county. The federal and county shares are reflected as reimbursements, consistent with actual cash flow.

- Federal funding for IHSS administration is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 70 percent General Fund and 30 percent county funds. The federal share is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise implements in FY 2012-13.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Services		
Total	$0	-$355,873
Federal	0	0
State	0	-114,824
County	0	0
Reimbursements	0	-241,049

	FY 2011-12	FY 2012-13
Item 111 – IHSS Administration		
Total	$0	$581
Federal	0	0
State	0	207
County	0	89
Reimbursements	0	285

Eliminate Services for Recipients Without a Health Care Certificate

DESCRIPTION:

This premise reflects the savings associated with eliminating In-Home Supportive Services (IHSS) for recipients who are unable to obtain a health care certificate from a licensed health care professional indicating that IHSS services are required to avoid institutionalization. Senate Bill 72 (Chapter 8, Statutes of 2011) provides that all IHSS recipients must obtain a health care certificate to remain in or enter the IHSS program. The administrative costs associated with this premise are included in the Eliminate Services for Recipients without a Health Care Certificate Administration premise.

IMPLEMENTATION DATE:

This premise implemented August 1, 2011, for new recipients and September 1, 2011, for current recipients.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12309.1.
- This premise is an offset to the IHSS Basic services premise.
- Assumes interaction with the Elimination of Adult Day Health Care (ADHC) premise and, in Fiscal Year (FY) 2011-12 only, the 3.6 Percent Across-the-Board Reduction premise.
- Assumes all current and new recipients will be required to obtain a health care certificate that states personal care services provided through IHSS are necessary to prevent out-of-home placement.
- Assumes five percent of both current reassessed recipients and newly assessed applicants will not obtain a health care certificate.
- Assumes the elimination of 33.47 monthly hours per impacted case in FY 2011-12 and FY 2012-13.
- Assumes 440,223 average monthly recipients in FY 2011-12. Of those recipients, 336,282 will be reassessed in FY 2011-12 and the remaining 103,941 will be reassessed in FY 2012-13.
- Assumes 13,615 new cases will be assessed in FY 2012-13.
- Assumes 16,814 recipients in FY 2011-12 and an additional 5,197 recipients in FY 2012-13 will not obtain a health care certificate and will be eliminated from the IHSS program. (Recipients eliminated in FY 2012-13 include current recipients not reassessed until FY 2012-13 and new applicants).

Eliminate Services for Recipients Without a Health Care Certificate

KEY DATA/ASSUMPTIONS (CONTINUED):

- Assumes the savings for current recipients will be scored following reassessment, resulting in a phase-in of savings beginning on the date of implementation.

- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The savings are computed by multiplying the service hours for recipients without a health care certificate by the average IHSS cost per hour.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 65 percent General Fund and 35 percent county. The federal and county shares are reflected as reimbursements, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

The erosion of savings in both FY 2011-12 and FY 2012-13 reflects an updated assumption that five percent of recipients and applicants will be unable to obtain a health care certificate, recent data showing the average service hours of recipients who are unable to obtain a health care certificate, and a decrease in caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in savings reflects the full-year impact of phased-in savings for FY 2011-12 recipients eliminated from IHSS upon reassessment and savings from otherwise eligible applicants denied IHSS services in FY 2012-13 due to not being able to obtain a health care certificate.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Services		
Total	-$34,996	-$104,613
Federal	0	0
State	-11,291	-33,754
County	0	0
Reimbursements	-23,705	-70,859

20 Percent Trigger Reduction

DESCRIPTION:

This premise description reflects the savings and administrative costs associated with reducing In-Home Supportive Services (IHSS) service hours by 20 percent in accordance with the mandated reduction triggered as a result of the failure of state General Fund (GF) revenue to meet the $87.5 billion Fiscal Year (FY) 2011-12 target outlined in Assembly Bill 121 (Chapter 41, Statutes of 2011). Under this reduction, recipients at risk of out-of-home placement would receive an opportunity for a partial or full restoration of reduced hours through a request for supplemental care. Those recipients determined not to be at risk of out-of-home placement would be able to appeal the determination.

On December 1, 2011, Plaintiffs in *Oster v. Lightbourne* requested a temporary restraining order (TRO) to prevent defendants from implementing the 20 percent reduction in authorized IHSS services mandated by Welfare and Institutions Code section 12301.07; a TRO was issued that day by the Court. Plaintiffs' motion for a preliminary injunction was granted on January 19, 2012. The department has appealed the preliminary injunction to the Ninth Circuit Court of Appeal.

In the 2011 November Subvention, the savings and costs for this premise were broken out between the savings line and the Case Management, Information, and Payrolling System (CMIPS) Legacy, and 20 Percent Trigger Reduction – Administration premises, with interactions reflected in the Eliminate Domestic and Related (D&R) Services for Recipients in Shared Living Arrangements (SLAs), Community First Choice Option (CFCO), Federally Ineligible Providers, California Community Transitions (CCT) Money Follows the Person Rebalancing Demonstration, and Provider Fee premises. In the 2012 May Revision, the total impact of this reduction and all interactions is included in the single savings line. The non-add IHSS Set Aside line reflects the net GF change, including interactions, if the 20 Percent Trigger Reduction premise does not implement.

IMPLEMENTATION DATE:

This premise has a January 1, 2012, implementation date, pursuant to Senate Bill 73 (Chapter 34, Statutes of 2011). On December 1, 2011, the United States District Court for the Northern District of California, San Francisco/Oakland Division, issued a TRO that prohibits the state from taking any action to implement the reduction. On December 13, 2011, Governor Brown ordered that the reduction be reflected in the FY 2012-13 Governor's Budget. This premise assumes resolution of the lawsuit in time to implement on April 1, 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12301.07.

- Full Title XIX and county reimbursement authority is maintained for the impact to services and the service-related adjustments of CFCO, Federally Ineligible Providers, and CCT by not reducing those shares.

- Assumes interactions with the Elimination of Adult Day Health Care, 7 Percent Across-the-Board Reduction, Eliminate Services for Recipients Without a Health Care Certificate, and Eliminate D&R Services for Recipients in SLAs premises.

20 Percent Trigger Reduction

KEY DATA/ASSUMPTIONS (CONTINUED):

- This reduction will not apply to authorized hours for protective services and paramedical services.
- Assumes 106,384 recipients will preliminarily meet the criteria to receive supplemental care and will submit a supplemental care request form. Of those recipients, 25 percent (26,596 recipients) will receive full restoration of hours and 56.25 percent (59,841 recipients) will receive partial restoration of hours. Of those receiving partial restoration of hours, 33 percent will receive 25 percent restoration and 67 percent will receive 50 percent restoration.
- Assumes 327,836 recipients will not preliminarily meet the criteria to receive supplemental care. Of those recipients, 60 percent, or 196,701 recipients, will submit a supplemental care request form. Of those recipients, 10 percent (19,670 recipients) will receive full restoration of hours and 58.5 percent (115,070 recipients) will receive partial restoration of hours. Of those receiving partial restoration of hours, 75 percent will receive 25 percent restoration and 25 percent will receive 50 percent restoration.
- Assumes an average reduction of 12.2 monthly hours per impacted recipient, for a total reduction of 14.2 million hours in FY 2012-13.
- Of the targeted 20 percent reduction, only 15.1 percent will be scored as net savings, resulting from some recipients receiving partial or full restoration of hours, or the equivalent of 16.9 percent for impacted recipients.
- Up to 12 months of aid will be paid pending the results of appeals, totaling $54.3 million total funds (TF) ($17.5 million General Fund [GF]) in FY 2012-13.
- Assumes the social worker (SW) unit cost is $60.55 per hour.
- Assumes one-half hour of SW time to process the supplemental care form for recipients who receive full restoration and two hours of SW time to process the supplemental care form for recipients who receive partial restoration, including filing appeals.
- Assumes $1.9 million TF ($0.9 million GF) for Administrative Law Judges and support staff to process all appeals in a timely manner that prevents penalties.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent and the additional six percent FMAP provided through CFCO for services for cases meeting eligibility criteria.

METHODOLOGY:

The savings are computed by multiplying the total number of reduced hours x the average cost per hour. The savings are offset by administrative costs, State Operations costs resulting from requests for hearings, aid paid pending, and interact with the CFCO, Federally Ineligible Providers, and CCT premises.

20 Percent Trigger Reduction

FUNDING:

- Federal funding for IHSS services is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 65 percent GF and 35 percent county. Full Title XIX and county reimbursement authority is maintained for the impact to services and the service-related adjustments of CFCO, Federally Ineligible Providers, and CCT by not reducing those shares.

- The net GF impact of savings and costs is displayed in the services line.

CHANGE FROM PRIOR SUBVENTION:

The full erosion of savings to services and full elimination of administrative costs in FY 2011-12 is due to a twelve-month implementation delay. In FY 2012-13, the erosion of savings is due to the implementation delay and CFCO interaction, and full elimination of administrative costs is due to the addition of administrative costs to the savings line.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise implements in FY 2012-13.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 -- IHSS		
Services (including state operations, aid paid pending, administration, systems costs, and interactions with three other premises.)		
Total	$0	-$22,362
Federal	0	0
State	0	-$22,362
County	0	0
Reimbursements	0	0

20 Percent Trigger Reduction

EXPENDITURES (CONTINUED):

(in 000s)

	FY 2011-12	FY 2012-13
Administration		
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Eliminate D&R Services for Recipients in Shared Living Arrangements

DESCRIPTION:

This premise reflects the savings and administrative costs associated with eliminating domestic and related (D&R) services for In-Home Supportive Services (IHSS) program recipients living in shared living arrangements (SLA), excluding those IHSS recipients who reside only with other IHSS recipients. A SLA is defined as a living arrangement in which a recipient lives in a dwelling with another individual. The D&R services include housework, laundry, shopping and errands, and meal preparation and cleanup. The D&R services provided in common within a SLA are prorated among the recipients; D&R services that cannot be met in common are non-prorated.

IMPLEMENTATION DATE:

This premise will implement on October 1, 2012.

KEY DATA/ASSUMPTIONS:

- Assumes interactions with the Elimination of Adult Day Health Care, the 7 Percent Across-the-Board Reduction, and the Elimination of Recipients without a Health Care Certificate premises.
- Assumes the impacted population resides in SLAs and has prorated D&R hours, non-prorated D&R hours, or both.
- Assumes that of the 277,850 recipients whose prorated D&R hours are eliminated, 138,925 recipients will appeal. Of those who appeal, 20 percent, or 27,785 recipients, will win their appeals and receive full restoration. A total of 35.1 million D&R hours will be saved from the remaining 250,065 recipients in Fiscal Year (FY) 2012-13.
- Assumes that of the 195,606 recipients with non-prorated hours, 50 percent, or 97,803 recipients, will obtain written verification from a licensed health care professional and receive full restoration. Of the remaining 97,803 recipients with non-prorated hours, 59,768 recipients will be reassessed in FY 2012-13 and have their D&R hours reduced in that year. A total of 4.6 million D&R hours will be saved from non-prorated recipients in FY 2012-13.
- Assumes the social worker (SW) unit cost is $60.55 per hour.
- Appeals will be handled administratively at the county level. Assumes one hour of SW time to process each appeal of the elimination of prorated D&R hours.
- Assumes 0.50 hours of SW time for each recipient with prorated hours to evaluate whether a non-IHSS resident of the SLA is able to perform prorated D&R activities.
- Assumes 0.25 hours of SW time to process each written verification from a licensed health care professional for recipients with non-prorated D&R hours.
- Case Management, Information, and Payrolling System Legacy and II systems change costs are included under their respective premises.

Eliminate D&R Services for Recipients in Shared Living Arrangements

- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

- The savings are computed by multiplying the D&R service hours eliminated by the average cost per hour.

- The administrative cost is computed by multiplying the SW rate by the amount of time needed to process appeals, evaluate whether non-IHSS members of SLAs can perform D&R activities, and process written verification from licensed health care professionals.

FUNDING:

- Federal funding for IHSS services is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 65 percent General Fund (GF) and 35 percent county. The federal and county shares are reflected as reimbursements, consistent with actual cash flow.

- Federal funding for IHSS administration is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 70 percent GF and 30 percent county. The federal share is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2011-12. Reduced savings in FY 2012-13 reflect a three-month delay in implementation, offset by increased hourly costs. Increased administrative costs in FY 2012-13 reflect new assumed costs for evaluating whether non-IHSS members of SLAs can perform D&R activities and for processing written verification from licensed health care professionals.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise implements in FY 2012-13.

Eliminate D&R Services for Recipients in Shared Living Arrangements

EXPENDITURES:
(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Services		
Total	$0	-$464,855
Federal	0	0
State	0	-149,987
County	0	0
Reimbursements	0	-314,868

	FY 2011-12	FY 2012-13
Item 111 – IHSS Administration		
Total	$0	$14,457
Federal	0	0
State	0	5,154
County	0	2,209
Reimbursements	0	7,094

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Medication Dispenser Reduction

DESCRIPTION:

This premise reflects net savings of $140 million General Fund (GF) that would result if the Department of Finance (DOF) took certain actions to reduce In-Home Supportive Services (IHSS) program service hours, as provided by Senate Bill (SB) 72 (Chapter 8, Statutes of 2011).

SB 72 created the Home and Community Based Medication Dispensing Machine Pilot Project, which is administered by the Department of Health Care Services. The medication dispenser pilot project seeks to reduce health care costs, and create GF savings, by assisting Medi-Cal recipients with taking medications as prescribed.

If DOF determines, after July 1, 2012, that the $140 million GF net savings target will not be met through the medication dispenser pilot project or alternate cost savings measures adopted by the Legislature, SB 72 directs DOF to implement a reduction in authorized IHSS service hours to meet the $140 million GF net savings target.

IMPLEMENTATION DATE:

The 2012 May Revision assumes the premise will not implement.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 14132.957.
- If the medication dispenser pilot project, including implementation and administrative costs, or alternate cost savings measures adopted by the Legislature do not meet the net savings target of $140 million GF, the reduction of IHSS service hours will be implemented.
- This premise assumes the required savings from the service hours reduction are net of implementation and administrative costs of the medication dispenser pilot project; savings from the medication dispenser pilot project; and implementation and administrative costs of the service hours reduction.
- This premise will not reflect savings until the reduction is implemented.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The savings are included as non-add lines and do not roll up to the top values.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 65 percent GF and 35 percent county. The federal and county shares are reflected as reimbursements, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

Medication Dispenser Reduction

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Services		
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Reduce State Participation to $9.50 in Wages and $0.60 in Health Benefits

DESCRIPTION:

This premise reflects the savings associated with reducing the state's participation in the costs of In-Home Supportive Services (IHSS) individual provider (IP) mode wages to $9.50 per hour and health benefits to $0.60 per hour in counties that have an IHSS Public Authority or Non-Profit Consortium.

The Service Employees International Union (SEIU) and other parties filed a lawsuit (*Dominguez v. Schwarzenegger*), and an injunction was issued that stopped the implementation of the reductions associated with state participation in IHSS wages and health benefits. Plaintiffs allege the reduction violates federal Medicaid requirements as well as the Americans with Disabilities Act (ADA) and the Rehabilitation Act. On February 22, 2012, the U.S. Supreme Court vacated the order of the Ninth Circuit Court of Appeal upholding the injunction and remanded for reconsideration as to whether the Supremacy Clause may be used by plaintiffs to allege violations of Medicaid requirements in light of approval of state plan amendments for reductions by the Centers for Medicare and Medicaid Services. The parties have stipulated to a stay on the remaining issues in the District Court. The alleged violations of the ADA will need to be litigated by the parties, which will also delay implementation of the reductions.

In addition, Assembly Bill (AB) 1612 (Chapter 725, Statutes of 2010) prohibits the state from implementing the decreases in wage and health benefit participation until July 1, 2012, and only if a court of competent jurisdiction has issued an order that is not subject to appeal, or the appeal time for which has expired, upholding the validity of the statute. The Office of the Attorney General (OAG) has opined that it is the latter condition of the amended language – a court ruling that the statute is valid – that will prove to be a barrier for implementation of the reductions. The OAG has recommended that a repeal of that language be pursued if the reductions are needed.

IMPLEMENTATION DATE:

Current state law, which provides for a reduction effective July 1, 2009, was not implemented due to the court injunction.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code (W&IC) section 12306.1(d)(6).
- This reduction was not implemented due to the court injunction (W&IC section 12306.1[d][7]) and is currently suspended until July 1, 2012, pending the outcome of the litigation.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

Savings are estimated by calculating the amount by which current county wage and health benefit rates exceed the maximum rates allowed under this premise. That amount is multiplied by projected service hours. Savings are adjusted to reflect reductions in other premises.

Reduce State Participation to $9.50 in Wages and $0.60 in Health Benefits

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 65 percent General Fund and 35 percent county. The federal and county shares are reflected as reimbursements, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 - IHSS Services		
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Cost Containment

DESCRIPTION:

This premise reflects the savings associated with establishing a baseline functional index (FI) score (or minimum threshold) and a baseline FI rank for domestic and related (D&R) services (i.e., housework, shopping for food, meal preparation and clean-up, and laundry) for In-Home Supportive Services (IHSS) recipients. Under this premise, individuals with a FI score below 2.00 would be ineligible for IHSS, and only individuals with a FI rank of four or five would be eligible to receive D&R activities. These baseline thresholds would not apply to recipients with protective supervision or paramedical services.

After the service reduction was enacted but prior to implementation, individual IHSS recipients and the Service Employees International Union filed a lawsuit against these reductions (*Oster v. Lightbourne*, previously *Oster v. Wagner* and *V.L. v. Wagner*). On October 19, 2009, the United States (U.S.) District Court for the Northern District of California issued a preliminary injunction, and on January 28, 2011, the Ninth Circuit Court of Appeal deferred the case pending the decision by the U.S. Supreme Court in the consolidated *Douglas v. Independent Living Center of Southern California* cases (of which *Dominguez v. Schwarzenegger* is a part). The U.S. Supreme Court decided that case on February 22, 2012; however, the Ninth Circuit has given no indication of when the decision on the cost containment preliminary injunction will be issued.

The alleged violations of the Americans with Disabilities Act in this lawsuit will also need to be litigated.

In addition, on October 19, 2010, the Governor signed into law Assembly Bill 1612 (Chapter 725, Statutes of 2010), which prohibits the state from implementing the FI requirements until July 2012 and only if a court of competent jurisdiction has issued an order that is not subject to appeal, or the appeal time for which has expired, upholding the validity of the statute. The Office of the Attorney General (OAG) has opined that it is the latter condition of the amended language – a court ruling that the statute is valid – that will prove to be a barrier for implementation of the reductions. The OAG has recommended that a repeal of that language be pursued if the reductions are needed.

IMPLEMENTATION DATE:

The cost containment service reduction was not implemented due to a court injunction.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code (W&IC) sections 12309(e)(1-3) and 12309.2(a)(1-4).

- This premise is suspended until July 1, 2012 (W&IC sections 12309[i][1-2] and 12309.2[e][1-2]), pending the outcome of the litigation.

METHODOLOGY:

- The estimated savings are based on the number of IHSS service hours for recipients with a FI score of 1.99 and below and the number of D&R services hours for recipients with a FI rank of up to three, with the exclusion of recipients with protective supervision and paramedical services.

Cost Containment

METHODOLOGY (CONTINUED):

- The savings are adjusted to reflect costs associated with potential appeals: state and county administrative costs for processing appeals and the assumed number of hours restored as a result of successful appeals.

FUNDING:

Total IHSS services federal financial participation provided under Title XIX of the Social Security Act is equal to 50 percent of total federally eligible costs. Remaining funding for federally eligible costs and for total non-federally eligible costs is provided at a ratio of 65 percent General Fund and 35 percent county funds. The federal and county shares are reflected as reimbursements, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

		FY 2011-12	FY 2012-13
Item 111 – IHSS Services			
	Total	$0	$0
	Federal	0	0
	State	0	0
	County	0	0
	Reimbursements	0	0

Federally Ineligible Providers

DESCRIPTION:

This premise reflects the cost of a state/county funded program for In-Home Supportive Services (IHSS) providers who have criminal histories and have been found ineligible for federal Medicaid reimbursement, even though the recipients they serve are Medi-Cal eligible. The court in *Ellis/Beckwith v. Wagner and Maxwell-Jolly (Beckwith)* required the state to enroll all providers with previous criminal convictions unless the provider was convicted of one of the three crimes listed in Welfare and Institutions Code (W&IC) section 12305.81, which includes fraud against a government health care or supportive services program, specified abuse of a child, and specified abuse of an elder or dependent adult. The W&IC section 12305.87 was added pursuant to Assembly Bill 1612 (Chapter 725, Statutes of 2010), which expands the list of convictions that can be used as a basis to exclude a provider from the program.

The W&IC section 12305.87, however, authorizes an IHSS recipient to waive the exclusionary convictions of an individual, as identified under that same section, and continue to receive services from the otherwise ineligible provider. The W&IC section 12305.87 also allows individuals excluded under that section to apply for a general exception to work as a provider and, if granted, be eligible to provide IHSS. However, the two lists of crimes and waiver/exception processes in these statutes are not consistent with federal requirements excluding Medicaid providers.

To ensure the California Department of Social Services continues to receive federal reimbursement and to comply with the requirements of the *Beckwith* court order, a state/county funded program was established. This program allows enrollment of providers who: have criminal conviction(s) that are not identified in W&IC sections 12305.81 and 12305.87 but warranted placement on the federal Office of the Inspector General (OIG) list as required to be excluded from Medicaid participation; and due to the court order, must be allowed to continue working for their Medi-Cal recipients. As these providers are ineligible to provide services to Medicaid-eligible recipients, this premise creates the necessary funding shift to assure no federal share is used, only state and county shares, in the compensation of service hours provided under these circumstances.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2010, with a retroactive application to November 2009.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 12305.87.
- This estimate reflects the state and county costs and federal savings adjustments associated with providers who are on the OIG list and are, therefore, ineligible to receive compensation with a federal share for services provided.
- Assumes an interaction with the following concurrent premises: Elimination of Adult Day Health Care (ADHC), 3.6 Percent Across-the-Board Reduction (in Fiscal Year [FY] 2011-12 only), 7 Percent Across-the-Board Reduction (in FY 2012-13 only), Eliminate Services for Recipients Without a Health Care Certificate, and Eliminate Domestic and Related Services for Recipients in Shared Living Arrangements (in FY 2012-13 only).
- The interaction with the 20 Percent Trigger Reduction premise is reflected in that premise.

Federally Ineligible Providers

KEY DATA/ASSUMPTIONS (CONTINUED):

- The FY 2011-12 assumes the shifting of costs for a monthly average of 66 recipients receiving services from a provider who will receive an individual waiver or a general exception, with an average of 84.07 monthly hours per recipient.
- The FY 2012-13 assumes the shifting of costs for a monthly average of 68 recipients receiving services from a provider who will receive an individual waiver or a general exception, with an average of 75.58 monthly hours per recipient.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

After adjusting for all interactions, costs are computed by multiplying the number of recipients who are being served by a provider who receives an individual waiver or general exception by the average hours and the cost per hour.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 65 percent General Fund and 35 percent county. The federal and county shares are reflected as reimbursements, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

The decreases in FY 2011-12 and FY 2012-13 primarily reflect updated assumptions about the number of impacted providers. In FY 2012-13, higher average monthly service hours due to delayed implementation of the 20 Percent Trigger Reduction and higher costs per hour offset the decreased number of impacted providers.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in costs reflects the updated hours per case offset by the increase in caseload assumptions.

Federally Ineligible Providers

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Services		
Total	$0	$0
Federal	0	0
State	316	294
County	0	0
Reimbursements	-316	-294

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Community First Choice Option

DESCRIPTION:

This premise reflects the savings associated with a Medi-Cal state plan amendment to provide home- and community-based attendant services and support benefits to qualified In-Home Supportive Services (IHSS) recipients who meet the state's nursing facility clinical eligibility standards. This premise forms part of the federal health care reform legislation under the Patient Protection and Affordable Care Act of 2010 under Senate Bill 72 (Chapter 8, Statutes of 2011).

IMPLEMENTATION DATE:

This premise assumes implementation retroactive to December 1, 2011, pending approval of the federal Centers for Medicaid and Medicare Services (CMS).

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 14132.956.
- On December 1, 2011, the state submitted to CMS an application under the federal Social Security Act, section 1915(k) (42 U.S.C. section 1396n[k]) to obtain federal funding for federally eligible Personal Care Services Program (PCSP) and IHSS Plus Option (IPO) program recipients with an enhancement of six percent Federal Medical Assistance Percentage (FMAP) added to the base 50 percent FMAP.
- Pending the release of final federal regulations and guidelines from CMS, this premise assumes the services provided under this premise will qualify to receive the enhanced FMAP for eligible PCSP/IPO recipients as of the December 1, 2011, submission date of the 1915(k) application to CMS.
- Assumes the additional six percent federal participation will result in corresponding savings to the state and counties.
- Assumes the Community First Choice Option program offers all of the services currently included under the PCSP and IPO programs and the teaching and demonstration benefit previously offered under the Residual program only.
- Assumes an interaction with the following concurrent premises: Elimination of Adult Day Health Care, 3.6 Percent Across-the-Board Reduction (in Fiscal Year [FY] 2011-12 only), 7 Percent Across-the-Board Reduction (in FY 2012-13 only), Eliminate Services for Recipients Without a Health Care Certificate, and Eliminate Domestic and Related Services for Recipients in Shared Living Arrangements (in FY 2012-13 only).
- The interaction with the 20 Percent Trigger Reduction premise is reflected in that premise.
- The amount of federal financial participation (FFP) is based on the FMAP of 50 percent.

METHODOLOGY:

The federal share of costs for PCSP and IPO cases who receive home- and community-based attendant services will be increased from the base rate of 50 percentage points by six percentage points. The additional federal funding results in corresponding savings to the state and county shares for eligible IHSS cases.

Community First Choice Option

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 65 percent General Fund (GF) and 35 percent county. The federal and county shares are reflected as reimbursements, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

The increase in GF savings in both FY 2011-12 and FY 2012-13 reflects decreased reductions in other premises.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in GF savings in FY 2012-13 reflects a full year of implementation.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Services		
Total	$0	$0
Federal	0	0
State	-113,640	-174,988
County	0	0
Reimbursements	113,640	174,988

California Community Transitions Money Follows the Person Rebalancing Demonstration

DESCRIPTION:

This premise reflects the California Department of Social Services' (CDSS) receipt of an enhanced Federal Medical Assistance Percentage (FMAP) as a result of the California Community Transitions (CCT) Money Follows the Person Rebalancing Demonstration, which is administered by the Department of Health Care Services (DHCS). This program provides an enhanced FMAP to CDSS via an interagency agreement with DHCS for eligible Medi-Cal beneficiaries who have transitioned out of long-term health care facilities, are now in community or home living environments, and are receiving In-Home Supportive Services (IHSS) via the Personal Care Services Program (PCSP) or IHSS Plus Option (IPO) program.

IMPLEMENTATION DATE:

This premise implemented July 1, 2011, with benefits retroactive to June 30, 2010.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Deficit Reduction Act of 2005 section 6071 (Public Law Number [PL No.] 109-171) and the Patient Protection and Affordable Care Act section 2403 (PL No. 111-148).
- The enhanced FMAP is available for qualified services provided to CCT participants for 365 days after transition from a long-term health care facility.
- Assumes an average monthly impact from 75 recipients in Fiscal Year (FY) 2011-12 and 88 recipients in FY 2012-13 who have transitioned from long-term health care facilities into IHSS.
- The weighted average cost per hour is $11.66 in FY 2011-12 and $11.69 in FY 2012-13.
- Assumes interactions with the following concurrent premises: Elimination of Adult Day Health Care; 3.6 Percent Across-the-Board Reduction (in FY 2011-12 only); 7 Percent Across-the-Board Reduction (in FY 2012-13 only); Eliminate Services for Recipients Without a Health Care Certificate; and Eliminate Domestic and Related Services for Recipients in Shared Living Arrangements (in FY 2012-13 only).
- The interaction with the 20 Percent Trigger Reduction premise is reflected in that premise.
- The average monthly hours per recipient is 84.98 hours in FY 2011-12 and 75.72 hours in FY 2012-13.
- The amount of federal financial participation (FFP) is based on an assumed enhanced FMAP of 75 percent in both FY 2011-12 and FY 2012-13.

METHODOLOGY:

The cost of this premise is calculated by multiplying the number of CCT recipients x the cost of their average service hours.

California Community Transitions Money Follows the Person Rebalancing Demonstration

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, the Deficit Reduction Act of 2005, and the Patient Protection and Affordable Care Act with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 65 percent General Fund and 35 percent county. The federal and county shares are reflected as reimbursements, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

Decreased costs in FY 2011-12 and FY 2012-13 reflect updated data on the number of CCT participants.

REASON FOR YEAR-TO-YEAR CHANGE:

Increased costs in FY 2012-13 reflect an increase in the estimated number of participants and higher hourly costs.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Services		
Total	$892	$929
Federal	0	0
State	62	64
County	0	0
Reimbursements	830	865

Program Integrity Savings

DESCRIPTION:

This premise was previously shown separately but now forms part of the caseload trend as included in the In-Home Supportive Services (IHSS) Basic services premise. This premise reflected the savings resulting from multiple program integrity measures, which together enhance state and county efforts to prevent fraud, identify errors and overpayments, pursue collections, and detect and refer suspected incidences of fraud for the IHSS program. These measures increase the prevention and detection of fraud within the IHSS program, thereby ensuring that scarce resources are correctly used to serve eligible people and to pay for actual services rendered.

IMPLEMENTATION DATE:

This premise implemented on November 1, 2009.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12301.22, 12301.24, 12301.25, 12301.6, 12305.71, 12305.82, 12305.86, and 12305.87 reflect the administrative activities that were implemented to generate savings for the IHSS program.
- The 2011 Budget Act assumed net General Fund savings of $130 million, inflated by administrative costs.
- The on-going savings are now captured in the IHSS Basic services caseload trend and utilization of services and are no longer displayed as a separate adjustment through this premise.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

Savings are captured in the caseload trend and utilization of services in the IHSS Basic services premise.

FUNDING:

There is no funding associated with this premise in Fiscal Year (FY) 2011-12 or FY 2012-13.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Program Integrity Savings

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Services		
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Program Integrity Cost Avoidance

DESCRIPTION:

This is an informational premise only, displaying, as a non-add item, savings that were achieved as a result of multiple program integrity (PI) efforts for the In-Home Supportive Services program. The PI activities started November 1, 2009, and include county fraud plans; the review and analysis of, and actions related to, criminal background record checks for provider enrollment; facilitation of provider orientations for new and existing providers; tracking and reporting fraud data; and individual waivers and general exceptions to provider exclusions. For additional information on PI activities, please refer to the Program Integrity – Administrative Activities premise write-up.

IMPLEMENTATION DATE:

The savings implemented November 1, 2009.

KEY DATA/ASSUMPTIONS:

- Actual Fiscal Year (FY) 2010-11 expenditures for direct services were compared to FY 2010-11 costs had there been no implementation of the PI activities.
- The projected costs without PI activities were based on a five-year caseload look-back for the period immediately preceding implementation of the PI activities.
- The assumed wages tie to the 2011 May Revision, which reflected the final updates to FY 2010-11 wages and assumed average hours prior to the implementation of the 3.6 Percent Across-the-Board Reduction premise.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The savings are displayed as an informational non-add line and do not roll into the top line totals. Actual FY 2010-11 expenditures are compared to the cost of the projected FY 2010-11 caseload x the weighted average wage x average monthly hours assuming no implementation of the PI activities.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 65 percent General Fund and 35 percent county. The federal and county shares are reflected as reimbursements, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Program Integrity Cost Avoidance

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Services		
Total	-$469,720	-$469,720
Federal	0	0
State	-151,623	-151,623
County	0	0
Reimbursements	-318,097	-318,097

Provider Fee (IHSS Stabilization Act)

DESCRIPTION:

This premise reflects the application and collection of a fee on the gross receipts of all service hours provided through the In-Home Supportive Services (IHSS) Personal Care Services Program (PCSP), IHSS Plus Option (IPO), and Residual programs. The fee on services provided by federally eligible providers will be used as a match to draw down federal funds.

Assembly Bill 1612 (Chapter 725, Statutes of 2010) provided that a fee, equivalent to the state's sales tax rate, be applied to the gross receipts of all providers. Providers will receive a supplementary payment in the amount of the fee collected, resulting in no net impact to the providers.

IMPLEMENTATION DATE:

This premise will not implement.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Revenue and Taxation Code (RTC) Article 4 (commencing with section 6150) of Chapter 2, Part 1, Division 2; RTC section 17131.9; and Welfare and Institutions Code sections 12302.2 and 12306.6.
- The federal Centers for Medicare and Medicaid Services must approve a state plan amendment in order for this premise to implement.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The applicable sales tax rate is applied to the cost of IHSS services per the IHSS Basic services premise, after accounting for interactions. The PCSP and IPO programs will receive FFP and a corresponding reduction in GF. The GF savings is equivalent to applying the Title XIX FMAP to the amount of fees collected from providers providing federally eligible services in the PCSP and IPO programs.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 100 percent GF. The federal share is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

This premise will not implement.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Provider Fee (IHSS Stabilization Act)

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Services		
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Conlan

DESCRIPTION:

This premise reflects the costs associated with implementing a Medi-Cal rule that provides reimbursement for eligible In-Home Supportive Services personal care services rendered up to three months prior to applying for Medi-Cal and during the Medi-Cal eligibility determination period. Eligible recipients may also be reimbursed under this premise for excess share-of-cost paid after approval of eligibility. 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 reimbursed promptly. The DHCS implementation plan to comply with *Conlan v. Bontá* is the subject of *Conlan v. Shewry*. Beginning in December 2006, DHCS sent notices to current and former Medi-Cal beneficiaries regarding the process to file a beneficiary reimbursement claim. The DHCS contracts with Affiliated Computer Services (ACS) to process the reimbursement claims and forward them to the California Department of Social Services Adult Programs Division (APD).

IMPLEMENTATION DATE:

The court ordered a start date of November 16, 2006.

KEY DATA/ASSUMPTIONS:

- Implemented by All County Letters Notices 07-11 (February 20, 2007) and 07-32 (September 13, 2007).
- Based on current data from ACS, it is assumed that approximately 80 claims for services rendered during the evaluation period or post-approval will be forwarded to APD per month. The estimate assumes that each qualified analyst will process an average of 15 claims per month. The average cost per claim is assumed to be $763.53 in Fiscal Year (FY) 2011-12 and FY 2012-13.
- Costs for personal care services rendered up to three months prior to application, which were previously provided for under the Personal Care Services Program (PCSP) Three-Month Retroactive Benefits services premise, total $10,000 for both FY 2011-12 and FY 2012-13. There were no costs associated with these claims in FY 2010-11 and none are expected in either FY 2011-12 or FY 2012-13.

METHODOLOGY:

The estimated cost is computed by multiplying the number of claims by the approval rate and the average cost per claim.

FUNDING:

- Funding for claims for services rendered during the evaluation period or post-approval is provided at a ratio of 65 percent General Fund (GF) and 35 percent county. The county share is reflected as a reimbursement, consistent with actual cash flow.

Conlan

FUNDING (CONTINUED):

- The PCSP three-month retroactive benefits federal financial participation provided under Title XIX of the Social Security Act is equal to 50 percent of total federally eligible costs. Remaining funds for federally eligible costs are provided at a ratio of 65 percent GF and 35 percent county funds. The federal and county shares are reflected as reimbursements, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

The increases in FY 2011-12 and FY 2012-13 reflect the updated number of claims processed per month and increases in the average cost per claim.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Services		
Total	$591	$591
Federal	0	0
State	381	381
County	0	0
Reimbursements	210	210

Waivers for Personal Care Services

DESCRIPTION:

This premise, formerly called Extended Personal Care Services (Assembly Bill 668), reflects the costs for personal care services that are provided above a recipient's assessed limit in the In-Home Supportive Services (IHSS) Personal Care Services Program (PCSP) or IHSS Plus Option (IPO) program.

On January 1, 2007, the previous Nursing Facility Level A/B, Nursing Facility Subacute (S/A), and In-Home Medical Care Waivers were merged into two distinct home- and community-based services (HCBS) waivers: **the** Nursing Facility/Acute Hospital (NF/AH) Waiver and the In-Home Operations (IHO) Waiver. All existing waiver participants were transitioned to one of the new waivers using specific Level of Care (LOC) and cost neutrality criteria. The vast majority of existing participants were enrolled in the NF/AH Waiver. On January 1, 2010, the federal Centers for Medicare and Medicaid Services (CMS) extended the IHO Waiver for a five-year period effective January 1, 2010, through December 31, 2014.

Waiver Personal Care Services (WPCS) has been redefined under these two waivers to include services that differ from those in the State Plan which allow beneficiaries to remain at home. Although there is no longer a requirement that waiver consumers receive the maximum of 283 hours of IHSS prior to receiving WPCS, waiver consumers must first utilize authorized State Plan IHSS hours prior to accessing this waiver service. These services will be provided by the counties' IHSS program providers and will be paid via an interagency agreement with the Department of Health Care Services (DHCS), or will be provided by home health agencies and other qualified HCBS waiver provider types who will be paid via the Medi-Cal fiscal intermediary.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 14132.97.
- Fiscal Year (FY) 2011-12: The NF/AH Waiver A and B LOC (NF A/B LOC) total hours are 1,914,926 and NF Subacute LOC (NF S/A LOC) total hours are 1,214,456. The IHO Waiver NF A/B LOC total hours are 156,415 and NF S/A LOC total hours are 36,621.
- The FY 2012-13: The NF/AH Waiver NF A/B LOC total hours are 2,240,460 and NF S/A LOC total hours are 1,238,346. The IHO Waiver NF A/B LOC total hours are 156,456 and NF S/A LOC total hours are 36,972.
- The cost per hour is assumed at $10.66 in FY 2011-12 and FY 2012-13.
- The IHO Waiver is set to expire on December 31, 2014.
- The NF/AH Waiver is assumed to be renewed through FY 2011-12 and FY 2012-13.

METHODOLOGY:

The FY 2011-12 and FY 2012-13 estimated costs are computed by multiplying the projected total hours by the cost per hour.

Waivers for Personal Care Services

FUNDING:

The PCSP/IPO Title XIX Federal Medical Assistance Percentage is 50 percent. The DHCS draws down General Fund (GF) and Title XIX reimbursement shares for this premise through its budget. The California Department of Social Services receives full reimbursement from DHCS. The nonfederal share of the service costs is funded with 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

The decreases in FY 2011-12 and FY 2012-13 reflect lower projected caseloads.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects an increase in hours.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Services		
Total	$35,417	$39,146
Federal	0	0
State	0	0
County	0	0
Reimbursements	35,417	39,146

Title XIX Reimbursement – In-Home Supportive Services/Child Welfare Services/CSBG

DESCRIPTION:

This premise reflects the federal financial participation (FFP) associated with Title XIX eligible services as 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 to receive Title XIX federal funding. Additionally, certain health-related (HR) activities in Child Welfare Services (CWS) are also eligible to receive these funds.

The California Department of Social Services (CDSS) coordinates with the Department of Health Care Services (DHCS) to establish claiming processes to pull down applicable FFP.

Title XIX reimbursements for the IHSS program are displayed in the CDSS tables as follows:

- Line 364 represents the Title XIX service reimbursements for the IHSS Personal Care Services Program (PCSP), IHSS Plus Option (IPO) program (and corresponding offsets), Shift to Medi-Cal Managed Care (MMC) premise, and Waivers for Personal Care Services (WPCS) premise.
- Line 369 represents the Title XIX Case Management, Information, and Payrolling System (CMIPS) costs eligible for reimbursement.
- Line 371 represents the Title XIX reimbursements for IHSS.

KEY DATA/ASSUMPTIONS:

<u>IHSS</u>

- Authorizing statute: Welfare and Institutions Code (W&IC) sections 12300 through 12317.2.
- The PCSP and IPO programs are eligible to receive Title XIX funding at the appropriate Federal Medical Assistance Percentage (FMAP) of 50 percent.
- The MMC is eligible to receive Title XIX funding at the FMAP of 50 percent.
- The CMIPS Legacy is eligible to receive Title XIX funding at the appropriate FMAP of 50 percent. The Title XIX FMAP for the CMIPS II equates to 64 percent for FY 2011-12. Due to the loss of FFP, beginning with FY 2012-13 forward, the CMIPS II FMAP will be 50 percent.
- The DHCS pulls down the Title XIX and General Fund funding for WPCS and Shift to MMC through its budget; CDSS then receives full reimbursement from DHCS.

<u>CWS</u>

- Authorizing statute: The W&IC section 16500.
- The CWS program costs are eligible for Title XIX funding at the enhanced administrative rate of 75 percent for Skilled Professional Medical Personnel (SPMP) and 50 percent for non-SPMP.

Title XIX Reimbursement – In-Home Supportive Services/Child Welfare Services/CSBG

KEY DATA/ASSUMPTIONS (CONTINUED):

CSBG/APS

Authorizing statute: The W&IC sections 13004 through 13007 for CSBG and sections 15703 through 15705.40 for APS.

FUNDING:

IHSS PCSP/IPO Services

The PCSP/IPO/MMC/WPCS programs are eligible to receive the Title XIX reimbursement at 50 percent for services.

CMIPS Legacy and CMIPS II

- The CMIPS Legacy system is eligible to receive the Title XIX reimbursement at 50 percent.
- The Title XIX FMAP for the CMIPS II equates to 64 percent for FY 2011-12. Due to the loss of FFP, beginning with FY 2012-13 forward, the CMIPS II FMAP will be 50 percent.

IHSS Administration

The FFP for Fiscal Year (FY) 2011-12 and FY 2012-13 is based on the application of the appropriate FMAP, 50 percent, to total federally eligible costs.

CWS

For FY 2011-12 and FY 2012-13, the Title XIX reimbursement was calculated using prior year actual expenditures.

CSBG/APS

- The HR activities in support of Medi-Cal eligible recipients are eligible to receive Title XIX reimbursement at 50 percent. Activities performed by SPMP are eligible to receive Title XIX reimbursement at 75 percent.
- Estimated costs are based on actual expenditures.

CHANGE FROM PRIOR SUBVENTION:

The increases in FY 2011-12 and FY 2012-13 reflect updated current data.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects updated current data.

Title XIX Reimbursement – In-Home Supportive Services/Child Welfare Services/CSBG

EXPENDITURES:

(in 000s)	FY 2011-12	FY 2012-13
Title XIX Total	$3,391,048	$3,460,047
IHSS Services	$2,739,037	$2,788,068
IHSS Administration	$212,006	$207,093
CMIPS Legacy and II	$39,381	$72,548
Health-Related Activities	$204,312	$196,169
CWS	131,245	124,851
CSBG and APS Training	73,067	71,318

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Case Management, Information, and Payrolling System (CMIPS) Legacy

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) and the programming costs needed to meet the reporting requirements of the IHSS Program. The CMIPS consists of the following three components:

Case Management

The CMIPS stores the case record of each individual recipient, which contains information on eligibility, needs assessment, share of cost (if appropriate), and all changes affecting a recipient's case. The CMIPS also generates notices of action (NOAs), cost-of-living adjustments, and rate changes; 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. The CIN transactions are processed through the Office of System 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 payment warrants for services provided through the individual provider (IP) mode and prepares all employer tax forms and reports. These reports are used 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 IP mode 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.

IMPLEMENTATION DATE:

The ongoing costs portion of this premise was implemented on February 1, 1997, and the enhancements started implementing on August 31, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12302.2 and 12304.4 (Assembly Bill 1808 [Chapter 75, Statutes of 2006]) and section 12317 (Senate Bill 1104 [Chapter 229, Statutes of 2004]).
- The CMIPS contract is currently held by HP Enterprise Services, LLC (HP), formerly known as Electronic Data Systems, LLC.

Case Management, Information, and Payrolling System (CMIPS) Legacy

KEY DATA/ASSUMPTIONS (CONTINUED):

- The estimated CIN transaction costs are based on the amount of time the CMIPS Legacy system accesses the State Client Index.
- The Provider Direct Deposit (PDD) cost assumes 25 percent provider participation.
- The Fiscal Year (FY) 2011-12 HP contract includes system change costs of $1.2 million total funds (TF) for the Provider Fee premise, $0.9 million TF for undoing the 3.6 Percent Across-the-Board Reduction premise, and $70,000 TF for the modified NOAs.
- The FY 2011-12 and FY 2012-13 costs, separate from enhancement costs, are as follows:

	FY 2011-12	FY 2012-13
HP	$14,879,351	$13,208,066
STO	602,672	602,672
SCO	8,356,419	8,356,419
CIN Transaction	8,307	8,307
Conlan	150,000	150,000
Direct Deposit Costs	1,900,000	2,000,000
CMIPS II Data	0	20,000
Total Costs	$25,896,749	$24,345,464

- Enhancements required to implement the 7 Percent Across-the-Board Reduction total $0.4 million TF ($0.1 million General Fund [GF]) in FY 2012-13.
- Enhancements required to implement the Eliminate Domestic and Related (D&R) Services for Recipients in Shared Living Arrangements (SLAs) total $1.1 million TF ($0.4 million GF) in FY 2012-13.
- The FY 2012-13 includes $1.5 million TF ($0.5 million GF) each for enhancements required to implement the Community First Choice Option (CFCO) and Shift to Medi-Cal Managed Care premises.
- Enhancements required to implement the 20 Percent Trigger Reduction premise are reflected in that premise.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

Case Management, Information, and Payrolling System (CMIPS) Legacy

METHODOLOGY:

The estimate is computed by summing the HP, STO, SCO, CIN data and transaction fee costs, systems operation and maintenance costs, ongoing monthly outreach mailing, help desk staffing, ongoing costs for PDD and Conlan, programming and implementation costs for enhancements for the impacted programs, and costs for sending notifications and NOAs.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 65 percent GF and 35 percent county. The federal and county shares are reflected as reimbursements, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

The decrease in FY 2011-12 reflects the elimination of the enhancements required to implement the 20 Percent Trigger Reduction premise. The increase in FY 2012-13 reflects the enhancements required to implement the 7 Percent Reduction, CFCO, and Shift to Medi-Cal Managed Care premises.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects the enhancements required to implement the 7 Percent Reduction, Eliminate D&R Services for Recipients in SLAs, CFCO, and Shift to Medi-Cal Managed Care premises.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS System Costs		
Total	$25,897	$28,865
Federal	0	0
State	9,160	10,210
County	0	0
Reimbursements	16,737	18,655

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Case Management, Information, and Payrolling System (CMIPS) II

DESCRIPTION:

This premise reflects the costs for contracting with the Health and Human Services Agency Office of Systems Integration (OSI) for development, support, and implementation of a new and enhanced In-Home Supportive Services (IHSS) Case Management, Information, and Payrolling System (CMIPS) II. 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, 2008.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 12302.2.

METHODOLOGY:

The estimated costs are detailed in the April 2011 Implementation Advance Planning Document Update and in the Fall 2010 Special Project Report #3.

FUNDING:

- In the Personal Care Services Program and IHSS Plus Option, the Title XIX Federal Medical Assistance Percentage (FMAP) equates to 64 percent for Fiscal Year (FY) 2011-12. Due to the loss of enhanced Federal Financial Participation (FFP), beginning with FY 2012-13 forward, the FMAP will be at the regular 50 percent rate.
- The nonfederal share is funded 100 percent GF.
- In the Residual Program, the funding is 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

The Fiscal Year (FY) 2011-12 costs decreased due to a delay in the implementation schedule shifting operational expenses forward from FY 2011-12 to FY 2012-13. The CMIPS II pilot has moved from November 2012 to summer 2012 and design, development, and implementation will now end in summer 2013 instead of January 2013 as planned. The allocation of costs to benefiting programs and change in FFP rates has also been updated. A FY 2011-12 savings of $2.3 million GF has been captured per Control Section 3.91(b), Budget Act of 2011.*

Case Management, Information, and Payrolling System (CMIPS) II

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2012-13 costs increased due to the delayed expenses that shifted forward from FY 2011-12.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 - IHSS System Costs Automation		
Total	$35,761	$102,038
Federal	0	0
State	$13,117	$51,559
County	0	0
Reimbursements	$22,644	$50,479

CDSS/OSI PARTNERSHIP:

(in 000s)

	FY 2011-12	FY 2012-13
Total	$35,761	$102,038
CDSS	$9,756	$28,719
OSI	$26,005	$73,319

*Savings captured per Control Section 3.91(b):

	FY 2011-12	FY 2012-13
Total	$2,300	$0
Federal	0	0
State	2,300	0
County	0	0
Reimbursements	0	0

CMIPS II – Proposed System Changes

DESCRIPTION:

This premise reflects projected system change costs which have not yet been incorporated into the contract with the Health and Human Services Agency's Office of Systems Integration to modify the Case Management, Information, and Payrolling System II to reflect proposed changes to the In-Home Supportive Services (IHSS) program.

IMPLEMENTATION DATE:

This premise reflects system changes that will occur prior to the implementation of various premises, as identified below.

KEY DATA/ASSUMPTIONS:

- Assumes $6.7 million total funds (TF) ($3.4 million General Fund [GF]) for costs related to the Eliminate Domestic and Related (D&R) Services for Recipients in Shared Living Arrangements (SLAs) premise in Fiscal Year (FY) 2012-13. The 2011 November Subvention assumed these costs under the CMIPS II premise for FY 2012-13.

- Assumes $4.5 million TF ($2.3 million GF) for costs related to the Community First Choice Option (CFCO) premise in FY 2012-13.

- Assumes $4.5 million TF ($2.3 million GF) for costs related to the Shift to Medi-Cal Managed Care (MMC) premise in FY 2012-13.

- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The estimated costs for each proposed change are summed.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 100 percent General Fund. The federal share is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise. Costs for the Eliminate D&R Services for Recipients in SLAs premise, which were previously budgeted under the CMIPS II premise, are now budgeted here, with the addition of new costs for the CFCO and MMC premises.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise. Costs for the Eliminate D&R Services for Recipients in SLAs premise, which were previously budgeted under the CMIPS II premise, are now budgeted here, with the addition of new costs for the CFCO and MMC premises.

CMIPS II – Proposed System Changes

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS System Costs		
Total	$0	$15,749
Federal	0	0
State	0	7,959
County	0	0
Reimbursements	0	7,790

In-Home Supportive Services Administration – Basic Costs

DESCRIPTION:

This premise reflects the costs of administering the In-Home Supportive Services (IHSS) program through the Personal Care Services Program (PCSP), IHSS Plus Option, and Residual programs. 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 Centers for Medicaid and Medicare Services 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 includes administrative costs for completion of the emergency contact and back-up form. Beginning with the 2011 November Subvention, this premise includes savings from the Reducing IHSS County Administration premise, which reduces costs by five percent pursuant to the Budget Act of 2008, effective July 1, 2008.

IMPLEMENTATION DATE:

This premise implemented on April 1, 1993, with the implementation of the reduction on July 1, 2008.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12300 through 12314 and 14132.95.
- Assumes interactions with the following concurrent premises: Elimination of Adult Day Health Care (Fiscal Year [FY] 2012-13 only) and Eliminate Services for Recipients Without a Health Care Certificate.
- The reduction to IHSS county administration costs was held to the Budget Act of 2008 amount of $15.0 million total funds (TF).
- The social worker (SW) unit cost is $60.55 per hour in both FY 2011-12 and FY 2012-13.
- The standard hours per case per year are 11.58 hours, including five minutes for completing the required emergency contact and emergency back-up plan form.
- The FY 2011-12 Supportive Individual Provider (SIP) expenditures are held to $8.3 million TF from the Fiscal Year 2007-08 Appropriation. The FY 2012-13 SIP reflects $9.0 million TF.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The estimated cost is computed by multiplying the average monthly caseload x the standard hours per case per year x the SW unit cost. The baseline SIP cost from the 2007-08 Appropriation is increased to reflect caseload growth. The sum of those two components is reduced by the FY 2007-08 budget-balancing adjustment of $15.0 million TF.

In-Home Supportive Services Administration – Basic Costs

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 70 percent General Fund and 30 percent county. The federal share is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2011-12. The FY 2012-13 reflects increases in the SIP value and in caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects lower caseload.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Administration		
Total	$312,494	$297,185
Federal	0	0
State	110,205	104,847
County	47,230	44,934
Reimbursements	155,059	147,404

In-Home Supportive Services Administration – Basic Costs

FY 2011-12
APPROPRIATION
(in 000s)

	Total	Federal	State	County	Reimb.
IHSS Basic Administration	**$312,494**	**$0**	**$110,205**	**$47,230**	**$155,059**
Basic Administration	327,487	0	115,492	49,496	162,499
Reduce IHSS County Administration	-14,993	0	-5,287	-2,266	-7,440

FY 2011-12
2012 MAY REVISION
(in 000s)

	Total	Federal	State	County	Reimb.
IHSS Basic Administration	**$312,494**	**$0**	**$110,205**	**$47,230**	**$155,059**
Basic Administration	327,487	0	115,492	49,496	162,499
Reduce IHSS County Administration	-14,993	0	-5,287	-2,266	-7,440

FY 2012-13
2012 MAY REVISION
(in 000s)

	Total	Federal	State	County	Reimb.
IHSS Basic Administration	**$297,185**	**$0**	**$104,847**	**$44,934**	**$147,404**
Basic Administration	312,178	0	110,137	47,201	154,840
Reduce IHSS County Administration	-14,993	0	-5,290	-2,267	-7,436

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Elimination of Adult Day Health Care - Administration

DESCRIPTION:

This premise reflects the increase in In-Home Supportive Services (IHSS) administrative costs as a result of the elimination of the optional Adult Day Health Care (ADHC) Medi-Cal benefit. Some social services previously provided through ADHC will now be provided to eligible recipients through the IHSS program or the new Community-Based Adult Services (CBAS) program.

The ADHC provided a variety of health, therapeutic, and social services to those at risk of placement in a nursing home. In response to California's severe budget shortfall, Assembly Bill 97 (Chapter 3, Statutes of 2011) eliminated ADHC as an optional Medi-Cal benefit effective September 1, 2011. The elimination date was first extended by the Department of Health Care Services (DHCS) to December 1, 2011; the elimination date was then extended to March 1, 2012, as a result of the settlement agreement in the *Darling et al. v. Douglas et al.* court case and then further extended to March 31, 2012. The settlement agreement provides for the continued delivery of essential health care services to vulnerable poor and elderly residents through CBAS, which began providing services to those with the greatest need on April 1, 2012.

IMPLEMENTATION DATE:

Alternative resource hours and hours for accompaniment to medical care were restored to ADHC participants in August through November 2011. The ADHC ended March 31, 2012, and CBAS started April 1, 2012. The phase-out of restored IHSS hours for recipients of both CBAS and IHSS implements July 1, 2012.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 14589.5.
- Assumes that 80 percent of former recipients of both ADHC and IHSS will transition to the CBAS program and continue to receive IHSS. Their restored hours will be phased out beginning July 1, 2012.
- Fiscal Year (FY) 2011-12 assumes a one-time transition cost that is fully reimbursed from DHCS; DHCS was provided funding to transition ADHC recipients to other supportive services that would allow them to remain safely in their community. (Refer to County Fiscal Letter Number 11/12-20 dated September 16, 2011, for the one-time transition costs.)
- The FY 2012-13 assumes 1,400 average monthly recipients who previously received services through ADHC but not through IHSS will transition to IHSS on July 1, 2012.
- The social worker (SW) unit cost is $60.55 per hour in the BY.
- The FY 2012-13 assumes the standard 11.58 hours per case per year, including five minutes for completing the required emergency contact and emergency back-up plan form.
- A portion of IHSS Supportive Individual Provider (SIP) expenditures, which are primarily included in the In-Home Supportive Services Basic Administrative premise, are included in FY 2012-13.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

Elimination of Adult Day Health Care - Administration

METHODOLOGY:

- The FY 2011-12 estimated cost is based on the one-time transition, which is fully reimbursed from DHCS.

- The FY 2012-13 estimated cost is computed by multiplying the new average monthly caseload x the standard hours per case per year x the SW unit cost and adding corresponding estimated SIP costs.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 70 percent General Fund and 30 percent county. The federal share is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2011-12. The FY 2012-13 reflects updated SIP costs.

REASON FOR YEAR-TO-YEAR CHANGE:

The change reflects the elimination of the one-time administrative transition costs, new costs for former ADHC-only recipients, and corresponding SIP costs.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Administration		
Total	$3,514	$1,992
Federal	0	0
State	0	697
County	0	299
Reimbursements	3,514	996

Quality Assurance and Contracts

DESCRIPTION:

The Quality Assurance (QA) Initiative was mandated by Senate Bill (SB) 1104 (Chapter 229, Statutes of 2004). The intent of this initiative is to improve the quality of services, enhance program integrity, and detect and prevent program fraud and abuse in the In-Home Supportive Services (IHSS) program. SB 1104 mandated ongoing staff training for county IHSS workers and required the California Department of Social Services (CDSS) to collaborate with the California Department of Health Care Services on annual error rate studies and investigations of suspected fraud in the receipt or provision of services. This premise reflects the administrative costs of implementing the QA program.

IMPLEMENTATION DATE:

This premise implemented on December 1, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12305.7 and 12305.71.
- The QA methodology derives savings from improved assessments and reassessments after social workers (SWs) receive training.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

<u>County Staff</u>

- There are 220 county QA staff or additional IHSS SWs working on the QA Initiative in Fiscal Year (FY) 2011-12 and in FY 2012-13.
- The annual cost per SW is $129,083 in FY 2011-12 and in FY 2012-13.
- Includes costs for the SW Training Academy.
- Includes costs for a contract with the Institute for Social Research to evaluate the impact of hourly task guidelines (HTGs), which provide a standardized framework to guide the assessment process.
- Includes costs for an interagency agreement with the California Department of Public Health regarding the sharing of death record information. This information will allow CDSS to assure benefits are paid properly by searching for and identifying fraudulent cases in which deceased recipients continue to exist as active recipients in the IHSS Case Management, Information, and Payrolling System.

<u>State-Level Training for SWs</u>

- Training costs include curriculum development, classroom training, and post-training evaluation.
- Training will be provided in FY 2011-12 and FY 2012-13 on an ongoing basis.

METHODOLOGY:

The estimate is computed by multiplying the number of QA positions by the annual SW cost and adding the costs of SW training, HTG impact evaluation, and associated contracts.

Quality Assurance and Contracts

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 70 percent General Fund (GF) and 30 percent county. The federal share is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2011-12. The GF and county increases for FY 2012-13 reflect a decrease in the federal share.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in reimbursements reflects an increase in federally eligible costs.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Administration		
Total	$31,331	$31,332
Federal	0	0
State	11,049	11,054
County	4,735	4,737
Reimbursements	15,547	15,541

Public Authority Administration

DESCRIPTION:

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

The PAs shall, at a minimum, assist recipients in finding IHSS providers through the establishment of a registry; investigate the qualifications and background of potential providers; establish a referral system under which IHSS providers shall be referred to recipients; train providers and recipients; and perform other functions related to the delivery of IHSS.

Each PA's rate includes hourly costs for wages, employer taxes, benefits, and administrative costs. 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 (DHCS) for final approval. After DHCS approves the rate, the PA is notified of the new rate at which it can claim costs.

Beginning with the 2011 November Subvention, the Reduce Public Authority Administration premise has been consolidated with this premise. Total PA administrative costs are reduced by 20 percent and then by a fixed amount of $8.7 million General Fund (GF) under reductions implemented in 2009.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997, and the reduction component implemented on July 1, 2009.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12301 and Assembly Bill X4 1 (Chapter 1, Statutes of 2009, Fourth Extraordinary Session).
- The estimated cost is held to the 2011-12 Budget Act Appropriation for both Fiscal Year (FY) 2011-12 and FY 2012-13 as a new rate-setting methodology is being developed.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The estimated cost is computed by multiplying each PA's casemonths x average hours per case x administrative hourly rates. The costs are reduced by 20 percent and then by a fixed amount of $8.7 million GF, with corresponding impacts to the federal and county shares.

Public Authority Administration

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 65 percent GF and 35 percent county. The federal share is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

		FY 2011-12	FY 2012-13
Item 111 – IHSS Administration			
	Total	$24,687	$24,687
	Federal	0	0
	State	8,850	8,850
	County	4,766	4,766
	Reimbursements	11,071	11,071

Public Authority Administration

FY 2011-12
APPROPRIATION
(in 000s)

	Total	Federal	State	County	Reimb.
Public Authority Administration	**$24,687**	**$0**	**$8,850**	**$4,766**	**$11,071**
Public Authority Administration	$61,035	$0	$21,881	$11,782	$27,372
Reduce Public Authority Administration	-$36,348	$0	-$13,031	-$7,016	-$16,301

FY 2011-12
2012 MAY REVISION
(in 000s)

	Total	Federal	State	County	Reimb.
Public Authority Administration	**$24,687**	**$0**	**$8,850**	**$4,766**	**$11,071**
Public Authority Administration	$61,035	$0	$21,881	$11,782	$27,372
Reduce Public Authority Administration	-$36,348	$0	-$13,031	-$7,016	-$16,301

FY 2012-13
2012 MAY REVISION
(in 000s)

	Total	Federal	State	County	Reimb.
Public Authority Administration	**$24,687**	**$0**	**$8,850**	**$4,766**	**$11,071**
Public Authority Administration	$61,035	$0	$21,881	$11,782	$27,372
Reduce Public Authority Administration	-$36,348	$0	-$13,031	-$7,016	-$16,301

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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 establish advisory committees for IHSS purposes.
Senate Bill (SB) 72 (Chapter 8, Statutes of 2011) eliminated the mandate that the state participate in IHSS advisory committees. The advisory committees are to submit recommendations to their respective county boards of supervisors on the preferred mode of IHSS service to be utilized in their counties.

Beginning with the 2011 November Subvention, the Eliminate Mandate Requiring IHSS Advisory Committees premise has been consolidated with this premise.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000. The elimination of the state participation mandate implemented July 1, 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code (W&IC) sections 12300 through 12314.
- The W&IC sections 12301.3, 12301.4, and 12302.25 were amended through SB 72.
- Assumes that all counties have established and will operate advisory committees in Fiscal Year (FY) 2011-12 and FY 2012-13.
- The state will only participate in $3,000 General Fund (GF) for each of the 58 counties.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The estimated GF cost is computed by multiplying $3,000 by the 58 counties. The total is calculated by dividing the GF amount by the GF percent-to-total.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Remaining federally eligible and non-federally eligible costs are funded 100 percent GF. The federal share is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in reimbursements reflects an increase in federally eligible costs.

Advisory Committees

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Administration		
Total	$338	$341
Federal	0	0
State	174	174
County	0	0
Reimbursements	164	167

Advisory Committees

FY 2011-12
APPROPRIATION
(in 000s)

	Total	Federal	State	County	Reimb.
Advisory Committees	**$317**	**$0**	**$168**	**$0**	**$149**
Advisory Committees	3,072	0	1,628	0	1,444
Eliminate Mandate Requiring IHSS Advisory Committees	-2,755	0	-1,460	0	-1,295

FY 2011-12
2012 MAY REVISION
(in 000s)

	Total	Federal	State	County	Reimb.
Advisory Committees	**$338**	**$0**	**$174**	**$0**	**$164**
Advisory Committees	3,072	0	1,582	0	1,490
Eliminate Mandate Requiring IHSS Advisory Committees	-2,734	0	-1,408	0	-1,326

FY 2012-13
2012 MAY REVISION
(in 000s)

	Total	Federal	State	County	Reimb.
Advisory Committees	**$341**	**$0**	**$174**	**$0**	**$167**
Advisory Committees	3,072	0	1,567	0	1,505
Eliminate Mandate Requiring IHSS Advisory Committees	-2,731	0	-1,393	0	-1,338

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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 (Chapter 90, Statutes of 1999).

AB 2235 (Chapter 1135, Statutes of 2002) further requires any county that is not in compliance with the mandates of AB 1682 to act as the employer of record (within a specified timeframe) 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 Fiscal Year (FY) 2011-12 and FY 2012-13.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The estimated costs are the sum of the projected annual costs for each county.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 70 percent General Fund and 30 percent county. The federal share is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

County Employer of Record (AB 2235)

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Administration		
Total	$360	$360
Federal	0	0
State	127	127
County	54	54
Reimbursements	179	179

3.6 Percent Across-the-Board Reduction Administration

DESCRIPTION:

This premise reflects the administrative costs associated with reducing In-Home Supportive Services (IHSS) service hours by 3.6 percent as a result of Assembly Bill 1612 (Chapter 725, Statutes of 2010). The savings resulting from the reduction are included in the 3.6 Percent Across-the-Board Reduction premise.

IMPLEMENTATION DATE:

This premise implemented on February 1, 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12301.06.
- This premise will sunset June 30, 2012.
- The social worker (SW) unit cost is $60.55 per hour.
- Assumes that for ten percent of recipients, ten minutes of SW time is needed for special handling of Notices of Action (NOAs).
- Assumes that for 25 percent of recipients, five minutes of SW time is needed to answer questions about the reduction.
- Assumes that two percent of the recipients will request a reassessment as a result of a change in the recipient's current condition and that 30 minutes of SW time is needed to complete a reassessment.
- The projected caseload is 440,223 in Fiscal Year 2011-12, including 7,485 new recipients.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The estimated cost is computed by multiplying the SW rate multiplied by the amount of time needed for special handling of NOAs, answering recipients' questions, and performing reassessments multiplied by the number of recipients requiring each of those tasks.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 70 percent General Fund and 30 percent county funds. The federal share is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

3.6 Percent Across-the-Board Reduction Administration

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in costs reflects the sunset of this premise.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Administration		
Total	$22	$0
Federal	0	0
State	8	0
County	3	0
Reimbursements	11	0

Eliminate Services for Recipients Without a Health Care Certificate Administration

DESCRIPTION:

This premise reflects the administrative costs associated with eliminating In-Home Supportive Services (IHSS) for recipients who are unable to obtain a health care certificate from a licensed health care professional indicating that IHSS services are required to avoid institutionalization. Senate Bill 72 (Chapter 8, Statutes of 2011) provides that all IHSS recipients must obtain a health care certificate to remain in or enter into the IHSS program. The savings associated with this premise are included in the Eliminate Services for Recipients without a Health Care Certificate premise.

IMPLEMENTATION DATE:

This premise implemented August 1, 2011, for new recipients and September 1, 2011, for current recipients.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12309.1.
- The social worker (SW) unit cost is $60.55 per hour.
- Assumes 0.5 hours of SW time to process the receipt of a health care certificate for 319,468 recipients in Fiscal Year (FY) 2011-12 and 112,303 recipients in FY 2012-13.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The estimated cost is computed by multiplying the SW rate x the amount of time needed to process the health care certificates x the number of recipients submitting a health care certificate.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 70 percent General Fund and 30 percent county. The federal share is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 increase reflects more certificates to process. The FY 2012-13 decrease reflects fewer current and new recipients obtaining certificates.

Eliminate Services for Recipients without a Health Care Certificate Administration

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects the processing of fewer health care certificates in FY 2012-13.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Administration		
Total	$10,957	$3,400
Federal	0	0
State	3,864	1,212
County	1,656	520
Reimbursements	5,437	1,668

Program Integrity – Administrative Activities

DESCRIPTION:

This premise reflects the administrative costs of various program activities that form part of the In-Home Supportive Services (IHSS) program integrity (PI) efforts. These PI measures enhance state and county efforts to prevent fraud, identify errors and overpayments, pursue collections, and detect and refer suspected incidences of fraud in the IHSS program. Savings created by the following PI administrative activities are captured in the IHSS Basic services premise.

County District Attorney (DA)/Activities: This portion of the premise reflects the costs associated with fraud prevention, detection, referral, and investigation and additional program integrity efforts to enhance the IHSS program. Before participating in this program, counties must receive annual approval from the California Department of Social Services (CDSS) of their plans for using the funding to enhance IHSS integrity.

The Budget Act of 2009 established $10 million General Fund (GF) for these activities, subject to the trigger in Assembly Bill (AB) 121 (Chapter 41, Statutes of 2011) that eliminates this funding should projected GF revenues for Fiscal Year (FY) 2011-12 fall below $87.5 billion. On December 13, 2011, Governor Brown ordered that GF support for these activities be eliminated.

County Investigations: This portion of the premise reflects the costs associated with 78 county PI positions that have the authority to monitor a recipient's receipt of services and to investigate fraud in the IHSS program pursuant to the protocols of the IHSS PI measures. Activities intended to protect PI include: unannounced home visits; the review, analysis, and actions related to the review of Criminal Offender Record Information (CORI) for provider enrollment; facilitation of orientations for new and existing providers; and tracking and reporting fraud data. All coordinated activities to detect and prevent fraud by IHSS providers and recipients will be performed in accordance with federal and state laws and regulations.

Related Activities: This portion of the premise reflects funding for direct mailing, fraud training for county staff, mandatory orientation for all providers, reviewing and processing of CORIs and Subsequent Arrest Notifications (SAN), appeals for ineligible providers, and modified Notices of Actions (NOAs) to all providers.

Provider Exclusions: This portion of the premise reflects the cost of reviewing and processing individual waivers and general exception requests from providers who have committed a violent or serious felony, as specified in Penal Code section 667.5, subdivision (c), and section 1192.7, subdivision (c). AB 1612 (Chapter 725, Statutes of 2010) established that providers subject to criminal conviction exclusions who are either new applicants or applicants whose applications were denied on the basis of a conviction and for whom an appeal of that denial is pending may request an individual waiver or general exception. An approved individual waiver allows a provider to serve the recipient associated with the individual waiver; a general exception allows a provider to provide services for multiple recipients. The general exceptions will be handled through CDSS' Community Care Licensing Division.

Program Integrity – Administrative Activities

IMPLEMENTATION DATE:

The activities included in this premise implemented on November 1, 2009, except for the following: individual waivers and general exceptions to provider exclusions implemented February 1, 2011; PI training for social workers (SW) implemented in May 2011; mailing to each provider a modified NOA which identifies the authorized services and hours of each recipient he/she serves implemented February 2012; and direct mailings and unannounced home visits will implement in the summer of 2012.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12301.22, 12301.24, 12301.25, 12301.6, 12305.71, 12305.82, 12305.86, and 12305.87.
- Assumes a SW unit cost of $60.55 per hour.
- Except for provider exclusions, the amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

County DA/Activities:

- Per AB 121, if Fiscal Year (FY) 2011-12 GF revenues projected by the Department of Finance failed to reach $87.5 billion, Governor Brown would announce by December 15, 2011, a trigger reduction to reduce the $10 million GF budgeted for County DA/Activities. Governor Brown announced on December 13, 2011, the trigger reduction of $10 million GF funding for these activities. Beginning in FY 2011-12, the non-federal share of funding must come from the counties to the extent they opt to participate with an approved plan.

County Investigations:

- This estimate assumes that 78 county investigators will be conducting PI activities at the SW rate of $129,083 per year.

Related Activities:

- Assumes an annual cost of $35,000 GF for direct mailings and an annual cost of $50,000 GF for fraud training for county staff for FY 2011-12 and FY 2012-13.
- Assumes modified NOAs will cost $950,000 GF in FY 2011-12 and $997,500 GF in FY 2012-13.
- Assumes 113,202 new providers in FY 2011-12 and 113,142 new providers in FY 2012-13 will be impacted by the provider orientation and CORIs.
- Assumes the state will hold back $102,000 total funds in FY 2011-12 and FY 2012-13 to develop, translate, and distribute a digital video disc and accompanying training materials.

Program Integrity – Administrative Activities

KEY DATA/ASSUMPTIONS (CONTINUED):

- Assumes 20.0 percent of the total impacted provider universe will have a CORI that will require ten minutes of SW time for review. Assumes 2.6 percent of the 20.0 percent of providers will have a non-exemptible crime for which eight minutes of SW time will be needed to generate a notice to the provider.
- Assumes 4.1 percent of the total impacted universe of providers will have a SAN review that will require ten minutes of SW time for review. Assumes 0.2 percent of the 4.1 percent of providers will have a non-exemptible crime for which eight minutes of SW time will be needed to generate a notice to the provider.
- Assumes one hour of SW time for the review of 4.2 percent of the providers with non-exemptible crimes who will file an appeal.

Provider Exclusions:

- Assumes 300 recipients will request individual waivers in FY 2011-12 and FY 2012-13 for providers who have exemptible crimes and that it will take 60 minutes for the counties to prepare and send notices and respond to questions for each individual waiver request.
- The postage rate is $0.45 per notice.
- Ten providers in FY 2011-12 and FY 2012-13 will have exemptible crimes and request a general exception. It will take five minutes for the counties to send a CORI to CDSS for each of these providers.

METHODOLOGY:

- **County DA/Activities:** Federal and county shares related to the previous $10 million GF allocation are first calculated using FFP, state, and county share rates. The GF funding share, which has been eliminated, is then shifted to the counties.
- **County Investigations:** The assumed number of county investigators is multiplied by the annual SW rate.
- **Related Activities:** The estimated costs are computed by adding the total cost associated with direct mailings, fraud training for county staff, mandatory orientations for providers and the review and processing of CORIs and SANs, provider appeals of terminations, and modified NOAs.
- **Provider Exclusions:** The estimated cost of processing individual waivers is computed by multiplying the number of impacted providers by the cost of SW time to respond to the requests and adding mailing costs. The estimated cost of processing general exceptions is computed by multiplying the number of impacted providers by the cost of SW time to respond to the requests.

Program Integrity – Administrative Activities

FUNDING:

- Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Unless stated otherwise below, funding for the remaining federal and nonfederal costs is 70 percent GF and 30 percent county. The federal share is reflected as a reimbursement, consistent with actual cash flow.
- The nonfederal share of costs for reviewing and processing CORIs, SANs, and provider appeals of terminations is 100 percent GF.
- The costs for processing provider exclusions are ineligible to receive FFP. The costs are split 70 percent GF and 30 percent county.

CHANGE FROM PRIOR SUBVENTION:

The decrease in total costs in FY 2011-12 and in FY 2012-13 reflects the updated holdback amount for the provider orientation portion of this premise and a lower provider count.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in costs reflects a lower provider count.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Administration		
Total	$42,016	$42,003
Federal	0	0
State	4,878	4,873
County	16,306	16,304
Reimbursements	20,832	20,826

Program Integrity – Administrative Activities

FY 2011-12
APPROPRIATION
(in 000s)

	Total	Federal	State	County	Reimb.
Program Integrity - Administration	**$42,350**	**$0**	**$14,987**	**$6,358**	**$21,005**
County DA/Activities	28,356	0	10,000	4,286	14,070
County Investigations	10,069	0	3,551	1,522	4,996
Related Activities	3,906	0	1,423	544	1,939
Provider Exclusions	19	0	13	6	0

FY 2011-12
2012 MAY REVISION
(in 000s)

	Total	Federal	State	County	Reimb.
Program Integrity - Administration	**$42,016**	**$0**	**$4,878**	**$16,306**	**$20,832**
County DA/Activities	28,345	0	0	14,286	14,059
County Investigations	10,068	0	3,552	1,522	4,994
Related Activities	3,584	0	1,313	492	1,779
Provider Exclusions	19	0	13	6	0

FY 2012-13
2012 MAY REVISION
(in 000s)

	Total	Federal	State	County	Reimb.
Program Integrity - Administration	**$42,003**	**$0**	**$4,873**	**$16,304**	**$20,826**
County DA/Activities	28,345	0	0	14,286	14,059
County Investigations	10,068	0	3,552	1,522	4,994
Related Activities	3,571	0	1,308	490	1,773
Provider Exclusions	19	0	13	6	0

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Provider Enrollment Statement Form/Process

DESCRIPTION:

This premise reflects the costs associated with revising the In-Home Supportive Services (IHSS) Provider Enrollment Statement Form (Social Services Programs [SOC] 426) to bring it into compliance with the requirements of Welfare and Institutions Code (W&IC) section 12305.81 resulting from Senate Bill (SB) 1104 (Chapter 229, Statutes of 2004). The new compliant form indicates that a person shall not be eligible to provide or receive payment for providing supportive services for ten years following a conviction, for or incarceration following, a conviction for fraud against a government health care or supportive services program, abuse of a child (Penal Code [PC] 273a), or abuse of an elder or dependent adult (PC section 368).

In accordance with the ruling of the Alameda County Superior Court in the *Beckwith v. Wagner* court case, which challenged the legality of the offenses originally identified as disqualifiers for provider eligibility, only the three aforementioned offenses could be used to prevent eligibility of a person as an IHSS provider.

IMPLEMENTATION DATE:

This premise implemented on November 1, 2009.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 12305.81 resulting from SB 1104.
- Assumes 113,202 new IHSS providers will be enrolled in Fiscal Year (FY) 2011-12.
- Assumes 113,142 new IHSS providers will be enrolled in FY 2012-13.
- The social worker (SW) unit cost is $60.55 per hour.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.
- In bringing the Provider Enrollment Statement Form into compliance with W&IC section 12305.81, the counties will have additional responsibilities for associated tasks, including:
  - Fifteen minutes to mail and verify forms, copy documents/identifications, and schedule appointments for providers.
  - Ten minutes to resolve errors on forms, reschedule appointments, and send reminders for appointments; this applies to 20 percent of providers.
  - Fifteen minutes to resolve issues for recipients when a particular provider is ineligible; this applies to 20 percent of recipients.
  - Five minutes to cross-reference applicants with the ineligible provider list and place providers on the ineligible list; this applies to three percent of providers.

Provider Enrollment Statement Form/Process

METHODOLOGY:

For each activity, the number of impacted providers or recipients is multiplied by the SW rate of pay and the applicable time per activity. The totals for all the activities are then summed.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 70 percent General Fund and 30 percent county. The federal share is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

The increase in both FY 2011-12 and FY 2012-13 reflects the updated provider count.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects the updated provider count.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Administration		
Total	$3,268	$3,267
Federal	0	0
State	1,153	1,153
County	494	494
Reimbursements	1,621	1,620

IHSS Plus Option (IPO) - Administration

DESCRIPTION:

In 2008, the federal Centers for Medicare and Medicaid Services (CMS) informed the California Department of Social Services (CDSS) that CMS would not renew the In-Home Supportive Services (IHSS) Independence Plus Waiver (IPW) following its July 31, 2009, expiration date. In an effort to continue providing the same services to this same population, as well as draw down federal financial participation (FFP), CDSS worked closely with the Department of Health Care Services, and the Social Security Act (SSA) section 1915(j) State Plan Option was identified as the only alternative which allowed for the continuation of services and ability to draw down FFP.

Following a federal extension of the IPW, effective September 30, 2009, the IPW expired and will not be renewed. On October 1, 2009, the SSA section 1915(j) State Plan Option, titled the IHSS Plus Option (IPO), was implemented. The new IPO absorbed the IPW caseload and provides the same services as the IPW plus an enhanced support system.

This premise reflects the costs for activities necessary to maintain compliance with SSA section 1915(j) requirements. Implementation of the IPO requires social workers (SWs) to be trained in the concepts and methods of being supports-brokers. The SWs must also complete risk management assessments for all IPO recipients to be able to identify, mitigate, and assume risks. The IPO service costs are included under the IHSS Basic services premise.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2010.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 14132.952.
- In Fiscal Year (FY) 2011-12, the estimate assumes 15 minutes of SW time to complete the initial assessments of the risk management process for 21,321 recipients, or two-thirds of the current IPO program recipients. Ongoing assessments will also occur for 10,660 recipients who had their first assessment in FY 2010-11.
- In FY 2012-13, The estimate assumes no new IPO recipients will receive their first risk management assessment. Ongoing assessments will also occur for the 31,981 recipients who had their initial assessment or reassessment in FY 2011-12 at an assumed 15 minutes of SW time per reassessment.
- Assumes a SW unit cost of $60.55 per hour.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The cost for implementing the risk management process is determined by multiplying the amount of SW time required by the total number of IHSS IPO recipients (current and new) by the SW rate for each FY.

IHSS Plus Option (IPO) - Administration

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 70 percent General Fund and 30 percent county. The federal share is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

The decrease for FY 2011-12 reflects actual allocations. The change for FY 2012-13 is due to SW training and development and broker training costs no longer being included in this premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The change is due to FY 2012-13 no longer including SW training and development and broker training costs in the premise.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Administration		
Total	$656	$484
Federal	0	0
State	229	169
County	99	73
Reimbursements	328	242

Court Cases

DESCRIPTION:

This premise reflects the cost of court settlements and attorney fees related to adult programs, which include In-Home Supportive Services (IHSS), Cash Assistance Program for Immigrants (CAPI), Supplemental Security Income/State Supplementary Payment (SSI/SSP), Adult Protective Services (APS), and specialized services. Costs include the settlement of lawsuits pertaining to local assistance in accordance with Budget Letter 98-22 and instructions from the Department of Finance.

KEY DATA/ASSUMPTIONS:

This estimate is based on actual payments for cases in the Fiscal Year (FY) 2011-12 and the California Department of Social Services (CDSS) Legal Division's projection of costs to be paid in both FY 2011-12 and FY 2012-13.

METHODOLOGY:

The estimated costs of known and anticipated settlements and attorney fees related to the IHSS, CAPI, SSI/SSP, APS, and specialized services programs are reflected in this premise.

FUNDING:

Costs for case settlement and attorney fees are funded with 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

The decreases in FY 2011-12 and FY 2012-13 reflect CDSS Legal Division's latest projected settlements and attorney fees.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects the latest projected attorney fees from the CDSS Legal Division.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Administration		
Total	$410	$1,053
Federal	0	0
State	410	1,053
County	0	0
Reimbursements	0	0

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Shift to Medi-Cal Managed Care

DESCRIPTION:

This premise reflects the reimbursement of the California Department of Social Services' (CDSS) costs for providing In-Home Supportive Services (IHSS) to recipients participating in a Department of Health Care Services (DHCS) Medi-Cal managed care (MMC) plan. The MMC plan will help IHSS recipients receive seamless, coordinated, quality care and assist with finding medical professionals, customer service, and support groups.

IMPLEMENTATION DATE:

This premise will implement on March 1, 2013.

KEY DATA/ASSUMPTIONS:

- The shift to MMC will implement in eight managed care counties on a phase-in basis in Fiscal Year (FY) 2012-13. All remaining counties will transition into managed care by FY 2014-15.
- Assumes a six percent increase in IHSS utilization to current MMC as a result of the availability of IHSS under MMC.
- During the initial implementation phase, IHSS providers will be paid through the normal CDSS claiming and payment process. The DHCS will reimburse CDSS for eligible costs via an invoice process. Costs will be reconciled by DHCS according to the managed care providers' capitated rate.

METHODOLOGY:

The methodology was developed by DHCS based on the MMC capitation payments for the eight managed care counties.

FUNDING:

This program is reimbursed 100 percent from DHCS using the same federal/state/county shares for IHSS recipients transitioning into MMC and federal/state shares for current MMC recipients.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise implements in FY 2012-13.

Shift to Medi-Cal Managed Care

EXPENDITURES:
(in 000s)

	FY 2011-12	FY 2012-13
Item 111 – IHSS Services		
Total	$0	$495,430
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	495,430

Foster Care Administrative Costs – Basic*

DESCRIPTION:

This premise reflects the administrative and staff development costs for the Foster Care (FC) program. 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 FC case. Recertification is also required on an annual basis.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: AAP; Adoptions Program; FC; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment Program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2001.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 14154.
- This premise reflects costs for the 56 non-Title IV-E Waiver counties.
- The FY 2011-12 FC estimate is being held at the FY 2011-12 Appropriation level. Base funding for FC Administrative Costs Basic for FY 2012-13 is $31.6 million total funds.
- The non-Title IV-E Waiver FC caseload is projected to decline 8.3 percent for FY 2011-12 and for an additional decline of 8.5 percent in FY 2012-13.
- The FC Staff Development costs are $838,534 total funds for FY 2011-12 and FY 2012-13, based on the last four quarters of actual expenditures.
- The AAP costs of $18.2 million total funds for FY 2011-12 and FY 2012-13 are based on the last four quarters of actual expenditures.
- Contract costs for FC are $143,317 total funds for FY 2011-12 and FY 2012-13.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

Foster Care Administrative Costs – Basic*

METHODOLOGY:

The FC basic funding is adjusted to reflect caseload changes and updated premises. Staff Development expenditures, automation, and contract costs are added to the FC estimate. The AAP administrative expenditures are also added to the FC estimate.

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 remaining federal and nonfederal program costs is 70 percent General Fund (GF) and 30 percent county.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

Note: The W&IC section 15204.4 requires Maintenance of Effort (MOE) from the counties based on expenditures during FY 1996-97. Please reference the "County MOE Adjustment" premise. However, W&IC section 18906.55 provides that in FY 2010-11, FY 2011-12 and FY 2012-13, counties shall receive the full GF allocation without the requirement to pay county's share above MOE if a county meets MOE requirements entirely through CalFresh administrative expenditures. Please reference the "County MOE Requirement" premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2011-12. The FY 2012-13 increase reflects a projected increase in the FC caseload as well as an increase in staff development expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is based on actual expenditures and reflects a projected caseload decline.

EXPENDITURES:

(in 000s)

		FY 2011-12	FY 2012-13
Item 141 – FC Administration			
	Total	$51,125	$49,342
	Federal	29,772	27,939
	State	17,634	17,777
	County	3,719	3,626
	Reimbursements	0	0

Foster Care Reforms*

DESCRIPTION:

The California Department of Social Services implemented the annual redetermination of eligibility for Foster Care (FC) grants, resulting in Fiscal Year (FY) 2011-12 savings of $4.4 million and FY 2012-13 savings of $3.8 million.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; FC; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2004.

KEY DATA/ASSUMPTIONS:

- This estimate reflects savings for the 56 non-Title IV-E Waiver counties.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) 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 six months to every 12 months.

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 remaining federal and nonfederal program costs is 70 percent General Fund and 30 percent county.

* The state funds in this premise have been realigned to the local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The FY 2012-13 increase reflects a projected increase in the FC caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The decreased savings are the result of lower FC caseloads and expenditures.

Foster Care Reforms*

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 – FC Administration		
Total	-$4,356	-$3,754
Federal	-2,522	-2,215
State	-1,290	-1,082
County	-544	-457
Reimbursements	0	0

Restructuring the Foster Care Group Home Rate System*

DESCRIPTION:

This premise reflects funding for a Group Home (GH) rates expert and a county consultant (intergovernmental transfers or recently retired county child welfare managers) to work along with California Department of Social Services (CDSS) staff. This funding is to be used to conduct an evaluation of the new rate methodology developed as a result of this project.

The CDSS, county placements agencies, advocates, and foster children themselves have long been dissatisfied with the outcomes for foster children placed in congregate GH care. The court order in the California Alliance of Child and Family Services (Alliance) lawsuit raised the GH rates paid to GHs in California by 32 percent. The court order requires that the current rate system, the Rate Classification Level (RCL) system, be adjusted annually hereafter, according to the California Necessities Index.

The RCL system was developed over 20 years ago. It has no direct connection to quality of care or the measurement of improved outcomes for children in care. Changing the rate system to be more responsive to these factors will be supportive of the state's current Children and Family Services Review Program Improvement Plan as well as the interests of advocates, children, placement agencies, and CDSS.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: *California Alliance of Child and Family Services v. William Lightbourne, et al.* court decision.
- Assumes costs will fund a GH rates expert and a county consultant.
- The CDSS expects to complete the rate study in Fiscal Year (FY) 2012-13.
- Federal financial participation (FFP) is based on the application of the Federal Medical Assistance Percentage (FMAP), 50 percent, to total federally eligible costs.

METHODOLOGY:

In FY 2011-12 and FY 2012-13, $250,000 total funds will fund a GH rates expert and a county consultant.

Restructuring the Foster Care Group Home Rate System*

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of FFP based on the FMAP. Funding for the remaining nonfederal program costs is 100 percent General Fund.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 – FC Administration		
Total	$250	$250
Federal	125	125
State	125	125
County	0	0
Reimbursements	0	0

CalFresh Administration

DESCRIPTION:

This premise reflects the administrative and staff development costs for the Non-Assistance CalFresh (NACF) 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 costs are determined. The base has been adjusted each successive subvention process for caseload changes and other factors.

This premise has been consolidated to include the CalFresh (CF) Administration Reduction Public Law (PL) 105-185 and the NACF Reduction premises.

IMPLEMENTATION DATE:

This premise is an annual appropriation.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 14154.
- The NACF Administrative costs in FY 2011-12 are held to the 2011 November Subvention estimate.
- In the FY 2012-13 estimate, it is assumed that Extended Modified Categorical Eligibility, State Supplementary Payment, and Inter-County Transfer premises are included in the CalFresh caseload trend. These premises account for approximately $1.0 million in FY 2012-13.
- The Governor's Budget proposed to adjust the FY 2012-13 base costs by taking into consideration the counties' actual expenditure patterns over the past few years.
- In FY 2010-11, the counties spent approximately $393.8 million General Fund (GF) on CF Administration. The GF portion of the FY 2011-12 Allocation was approximately $491.9 million.
- The 2012 May Revision took into account the anticipated expenditure growth for FY 2011-12 based on a survey conducted by the County Welfare Directors Association (CWDA). As a result of this survey, the projected growth in expenditures for FY 2011-12 is estimated at 14.2 percent.
- The NACF Administrative costs base for FY 2012-13 is $1,263.4 million.
- In the 2012 May Revision, the FY 2012-13 base is adjusted for the projected allocation assumed to be unspent for FY 2011-12.
- The NACF caseload growth projection is 14.7 percent in FY 2012-13.
- Staff development costs for NACF are $12.6 million for FY 2012-13, based on FY 2010-11 actual expenditures.

CalFresh Administration

KEY DATA/ASSUMPTIONS (CONTINUED):

- Statewide Automated Welfare System development and testing Interface costs for NACF are $230,000 for FY 2012-13.
- Contract costs for NACF are $3.3 million in FY 2012-13.
- The Merced Automated Global Information Control (MAGIC) system administrative costs for NACF are $97,000 for FY 2012-13.
- Savings from Legacy System data collection and quality control systems for NACF are $3.9 million for FY 2012-13.
- The NACF Reduction is $21.0 million in FY 2011-12 and FY 2012-13.
- The CalFresh Administrative Reduction shifts $58.8 million in funding from federal to state in FY 2011-12 and FY 2012-13.
- A separate line, “CalFresh Administrative Adjustment”, has been added for the 2012 May Revision to show the overall FY 2012-13 reduction to CalFresh Administration.

METHODOLOGY:

- Projected FY 2011-12 expenditures are determined by multiplying FY 2010-11 actual expenditures by the projected growth in expenditures for FY 2011-12 based on the CWDA survey.

  ($393.8 x 14.2 percent) + $393.8 million = $449.7 million projected FY 2011-12 expenditures

- The amount of unspent GF for FY 2011-12 is the difference between the FY 2011-12 Allocation and the projected FY 2011-12 expenditures.

  ($449.7 million - $491.9 million) ÷ $491.9 million = 8.6 percent unspent for FY 2011-12

- The NACF basic funding is adjusted by this percentage of anticipated unspent base funding, as well as by caseload growth, and updated premises. Savings from the Legacy Systems, staff development expenditures, the MAGIC system, and contract costs were added to the NACF estimate.
- CalFresh Administrative Reduction and NACF Reduction premises are added to the total for this premise.
- The FY 2011-12 costs were adjusted to hold back the $10.5 million that was duplicated for MCE families since the premise implemented in July 2009 and is assumed to be in caseload trend.
- The overall FY 2012-13 reduction to CalFresh Administration is the difference between the estimated CalFresh Administrative costs and the estimated costs adjusted for the anticipated unspent base funding, resulting in savings of $124.2 million ($45.3 million GF).

FUNDING:

The NACF administration costs are shared 49.5 percent federal and 36.5 percent GF and 14.0 percent county.

CalFresh Administration

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 funding is held to the 2011 November Subvention estimate.

The CalFresh Administrative Adjustment for FY 2012-13 was included in the CalFresh Administration line for the Governor's Budget but it is identified in the 2012 May Revision estimate in a separate line. The overall increase in the 2012 May Revision estimate for FY 2012-13 compared to the Governor's Budget reflects the change in the calculation of the adjustment. The 2012 May Revision estimate incorporates the county survey projected growth in FY 2011-12 expenditures, which results in less of an Administrative fund reduction for FY 2012-13.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is associated with a projected NACF caseload growth, offset by an adjustment to reflect counties' anticipated expenditure patterns.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 – CalFresh Administration		
Total	$1,270,304	$1,439,169
Federal	574,383	651,646
State	515,910	583,318
County	180,011	204,205
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 141 – CalFresh Admin Adjustment		
Total	$0	-$124,155
Federal	0	-61,463
State	0	-45,305
County	0	-17,387
Reimbursements	0	0

CalFresh Administration

FY 2011-12
APPROPRIATION
(in 000s)

	Total	Federal	State	County	Reimb.
CalFresh Administration	**$1,280,761**	**$579,612**	**$521,138**	**$180,011**	**$0**
CalFresh Administration Basic	1,301,737	650,800	470,926	180,011	0
CalFresh Premises in Trend	0	0	0	0	0
CalFresh Administration Reduction P.L. 105-185	0	-58,849	58,849	0	0
NACF Reduction	-20,976	-12,339	-8637	0	0
CalFresh Administration Adjustment	**0**	**0**	**0**	**0**	**0**

FY 2011-12
2012 MAY REVISION
(in 000s)

	Total	Federal	State	County	Reimb.
CalFresh Administration	**$1,270,304**	**$574,383**	**$515,910**	**$180,011**	**$0**
CalFresh Administration Basic	1,291,280	645,571	465,698	180,011	0
CalFresh Premises in Trend	0	0	0	0	0
CalFresh Administration Reduction P.L. 105-185	0	-58,849	58,849	0	0
NACF Reduction	-20,976	-12,339	-8,637	0	0
CalFresh Administration Adjustment	**0**	**0**	**0**	**0**	**0**

FY 2012-13
2012 MAY REVISION
(in 000s)

	Total	Federal	State	County	Reimb.
CalFresh Administration	**$1,315,014**	**$590,183**	**$538,013**	**$186,818**	**$0**
CalFresh Administration Basic	1,461,174	723,349	533,673	204,152	0
CalFresh Premises in Trend	-1,029	-515	-567	53	0
CalFresh Administration Reduction P.L. 105-185	0	-58,849	58,849	0	0
NACF Reduction	-20,976	-12,339	-8,637	0	0
CalFresh Administration Adjustment	**-124,155**	**-61,463**	**-45,305**	**-17,387**	**0**

County MOE Requirement

DESCRIPTION:

This premise reflects a reduction in the county requirement to match the CalFresh Administrative funds as a result of the County Maintenance of Effort (MOE) requirement for Fiscal Year (FY) 2010-11 and FY 2011-12. Historically, counties are required to provide 15 percent in administrative cost in the CalFresh program even on expenditures above MOE. However, the unprecedented and unanticipated CalFresh caseload growth associated with the economic decline beginning in 2008 created substantial fiscal pressures on the counties. In order to provide fiscal relief to counties, pursuant to Welfare and Institutions Code (W&IC) section 18906.55, a county that meets the MOE requirement entirely through expenditures for the administration of the CalFresh program in FY 2010-11 and FY 2011-12 shall receive the full General Fund (GF) allocation for administration of the CalFresh program without being required to pay the county's share of the nonfederal costs for the administrative costs above the MOE. However, counties are still required to meet the MOE requirements pursuant to W&IC section 15204.4 and failure to meet this required level of spending will result in a proportionate reduction of the funds provided under W&IC section 15204.2.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2010.

KEY DATA/ASSUMPTIONS:

- Authorizing Statue: W&IC section 18906.55.
- It is assumed that the historical methodology used for determining the CalFresh Administration allocation need shall remain unchanged.
- Counties that meet the MOE requirement entirely through the CalFresh administrative costs will not be required to contribute CalFresh administrative county share of costs beyond the MOE.
- The historic statewide county MOE requirement is approximately $140 million.
- It is assumed that the reduction in county administration funds as a result of counties not contributing beyond the MOE requirement could result in a decrease in drawdown of federal CalFresh Administrative funds.
- The FY 2011-12 is held to the FY 2011-12 Appropriation.

FUNDING:

This premise assumes 50 percent Food and Nutrition Service funds and 50 percent county share.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

County MOE Requirement

REASON FOR YEAR-TO-YEAR CHANGE:

This is a FY 2011-12 premise item only.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 – CalFresh Administration		
Total	-$130,666	$0
Federal	-65,333	0
State	0	0
County	-65,333	0
Reimbursements	0	0

CalFresh Employment and Training (E&T)

DESCRIPTION:

This premise reflects the costs for the CalFresh Employment and Training (E&T) (formerly the Food Stamp Employment and Training program), which provides job search assistance, work experience and supportive services to eligible Non-Assistance CalFresh program recipients. This program was established under the Food Security Act of 1985 (Public Law [PL] 99-198). The E&T opportunities enable recipients to become self-sufficient and reduce their need for food benefits. 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 Food and Nutrition Service of The United States Department of Agriculture provides unmatched federal E&T funding each year. The Food Stamp Reauthorization Act of 2002 (PL 107-171), signed into law on May 13, 2002, and effective October 1, 2002, made significant changes to the E&T 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 E&T 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 E&T activities.

IMPLEMENTATION DATE:

This premise implemented on April 1, 1987.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18926.5.
- There are 25 counties participating in the E&T program.
- The Fiscal Year (FY) 2011-12 funding for this program is based on the local assistance costs identified in the approved E&T program’s State Plan for FFY 2011 and proposed E&T program’s State Plan for FFY 2012.
- The FY 2012-13 funding for this program is based on the proposed E&T program’s state plan for FFY 2012.
- It is assumed that costs in excess of the 100 percent federal grant would be shared 50 percent federal and 50 percent county.

METHODOLOGY:

The FY 2011-12 funding level represents 25 percent of the total amount of the approved FFY 2011 E&T program’s State Plan and 75 percent of the total amount of the approved FFY 2012 E&T program’s State Plan.

CalFresh Employment and Training (E&T)

FUNDING:

[1] Normal funding is used once costs exceed the 100 percent federal funds and shared 50 percent federal and 50 percent county.

FY 2011-12: (in 000s)	**Total**	**Federal**	**State**	**County**
Total	**$85,038**	**$45,570**	**$0**	**$39,468**
Enhanced Funding	6,102	6,102	0	0
Normal Funding [1]	58,190	29,095	0	29,095
Participant Reimbursement	20,746	10,373	0	10,373

FY 2012-13: (in 000s)	**Total**	**Federal**	**State**	**County**
Total	**$85,287**	**$45,658**	**$0**	**$39,629**
Enhanced Funding	6,029	6,029	0	0
Normal Funding [1]	58,268	29,134	0	29,134
Participant Reimbursement	20,990	10,495	0	10,495

CHANGE FROM PRIOR SUBVENTION:

The decrease in FY 2011-12 and FY 2012-13 is due to a decrease in the normal funding level for FFY 2011.

REASON FOR YEAR-TO-YEAR CHANGE:

The slight increase in FY 2012-13 reflects the full funding level for FFY 2012.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 – CalFresh Administration		
Total	$85,038	$85,287
Federal	45,570	45,658
State	0	0
County	39,468	39,629
Reimbursements	0	0

Outreach and Nutritional Education

DESCRIPTION:

Beginning with the 2011 November Subvention, this premise consolidates the funding for the following five programs for which the California Department of Social Services (CDSS) serves as a "pass through" for federal funds.

California Department of Public Health's (CDPH) Network for a Healthy California (Network):

This portion of the premise reflects the funding that CDSS passes through to the CDPH for the Network. The Network is a statewide collaboration of public and nonprofit agencies working together to promote healthy eating and physical activity among CalFresh recipients and low-income Californians who are potentially eligible for CalFresh.

California CalFresh Outreach Plan:

The goal of the CalFresh Outreach Plan is to increase CalFresh participation in California. The CDSS and the CDPH Network operate under a multi-year strategic plan to achieve this goal through an interagency agreement for the purpose of submitting a Supplemental Nutrition Assistance Outreach Plan to the United States Department of Agriculture (USDA).

University of California at Davis Food Stamp Nutrition Education Program (UC-CalFresh):

This portion of the premise reflects the funding that CDSS passes through to UC-CalFresh to provide nutrition education services to CalFresh recipients and to low-income Californians who are potentially eligible for CalFresh. Services are provided mainly to schools, where at least half of the students receive free or reduced-priced meals, and to low-income adults in classroom settings.

County Welfare Departments (CWD)/Local Health Departments (LHD) Expansion for Community Nutrition Pilot:

This portion of the premise implemented in November 2011. It reflects the funding that the CDSS passes through to CWDs and LHDs to implement this pilot, the purpose of which is to develop a partnership between CWDs and LHDs to provide community nutrition interventions and to educate CalFresh participants on making healthier food choices within their limited budgets.

Innovative Projects:

This portion of the premise implemented in March 2012. It reflects the funding that the CDSS passes through to CWDs to develop partnerships with their local Community Based Organizations (CBOs), University of California Extensions, food banks, etc., to find innovative ways to provide nutrition education to their CalFresh participants.

IMPLEMENTATION DATE:

The CDPH Network implemented on October 1, 1996. The CalFresh Outreach Plan implemented on October 1, 2004. The UC-CalFresh implemented on January 1, 1995. The CWD/LHD Expansion for Community Nutrition Pilot implemented on November 9, 2011. Innovative Projects implemented on March 1, 2012.

Outreach and Nutritional Education

KEY DATA/ASSUMPTIONS:

- Federal funding is provided by the Food and Nutrition Service (FNS) of USDA.
- For each of the programs, the approved federal funding for Federal Fiscal Year (FFY) 2012 is used to estimate the funding for Fiscal Year (FY) 2011-12.
- For each of the programs, the conditional federal funding for FFY 2013 is used to estimate the funding for FY 2012-13.

METHODOLOGY:

- The federal funding received is distributed to the five programs based on agreements between CDSS and the state and local entities.
- The FY 2011-12 estimates are based on the approved funding for FFY 2012.
- The FY 2012-13 estimates are based on the anticipated funding level for FFY 2013.

FUNDING:

The CDSS pass-through is 100 percent FNS federal funds.

CHANGE FROM PRIOR SUBVENTION:

The decrease in FY 2011-12 is due to lower contract amounts anticipated in FFY 2012. The increase in FY 2012-13 is due to higher contract amounts anticipated in FFY 2013.

REASON FOR YEAR-TO-YEAR CHANGE:

The change from FY 2011-12 to FY 2012-13 is due to higher contract amounts anticipated in FFY 2013.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 – CalFresh Administration		
Total	$150,249	$163,796
Federal	150,249	163,796
State	0	0
County	0	0
Reimbursements	0	0

Outreach and Nutritional Education

FY 2011-12
APPROPRIATION
(in 000s)

	Total	Federal	State	County	Reimb
Outreach and Nutrition Education	**$149,894**	**$149,894**	**$0**	**$0**	**$0**
CDPH's Network for a Healthy CA	131,911	131,911	0	0	0
CA CalFresh Outreach Plan	9,925	9,925	0	0	0
UC Davis' CalFresh Nut Ed	8,058	8,058	0	0	0
CWD/LHD Expansion	0	0	0	0	0
Cal Fresh Innovative Projects	0	0	0	0	0

FY 2011-12
2012 MAY REVISION
(in 000s)

	Total	Federal	State	County	Reimb
Outreach and Nutrition Education	**$150,249**	**$150,249**	**$0**	**$0**	**$0**
CDPH's Network for a Healthy CA	119,170	119,170	0	0	0
CA CalFresh Outreach Plan	9,761	9,761	0	0	0
UC Davis' CalFresh Nut Ed	8,059	8,059	0	0	0
CWD/LHD Expansion	5,000	5,000	0	0	0
Cal Fresh Innovative Projects	8,259	8,259	0	0	0

FY 2012-13
2012 MAY REVISION
(in 000s)

	Total	Federal	State	County	Reimb
Outreach and Nutrition Education	**$163,796**	**$163,796**	**$0**	**$0**	**$0**
CDPH's Network for a Healthy CA	119,170	119,170	0	0	0
CA CalFresh Outreach Plan	10,308	10,308	0	0	0
UC Davis' CalFresh Nut Ed	8,059	8,059	0	0	0
CWD/LHD Expansion	5,000	5,000	0	0	0
Cal Fresh Innovative Projects	21,259	21,259	0	0	0

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Department of Defense (DOD) – Non-Assistance CalFresh (NACF) Administration

DESCRIPTION:

The Department of Defense (DOD) Appropriations Act of 2010 provided $29.9 million to California for use toward costs associated with administering the Supplemental Nutrition Assistance Program (SNAP). These funds did not require a state match and were used to supplement, not supplant, state funds for SNAP. Any funds that remained unobligated after September 30, 2011, were recovered and reallocated. This premise reflects the California Department of Social Services' intent to use the reallocated funds from DOD in Federal Fiscal Year (FFY) 2011.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2010.

KEY DATA/ASSUMPTIONS:

- Authorizing statue: The DOD Appropriations Act of 2010, Public Law 111-118 section 1002.
- It is assumed that California's reallocated amount of the unobligated recovered funds is approximately $63,000.

FUNDING:

This premise is 100 percent Food and Nutrition Service funds.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The Fiscal Year (FY) 2011-12 reflects California's amount of reallocated unspent DOD funds. The DOD funds are expiring in FY 2011-12.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 - CalFresh Administration		
Total	$63	$0
Federal	63	0
State	0	0
County	0	0
Reimbursements	0	0

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SSP MOE Floor - CalFresh Effect

DESCRIPTION:

This premise reflects costs to the CalFresh program associated with recipients that apply for CalFresh benefits after being discontinued from Social Security Income/State Supplementary Payment (SSI/SSP) due to the Maintenance of Effort (MOE) Floor reduction resulting from the passage of Senate Bill 72 (Chapter 8, Statutes of 2011). It is assumed that as a result of the SSI/SSP payment standard reduction, some recipients will lose SSI/SSP eligibility, and therefore, seek CalFresh assistance. Please review the SSP MOE Floor for Individuals premise for detailed information regarding this grant reduction.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2011.

KEY DATA/ASSUMPTIONS:

- California has received a federal approval to waive the requirement for SSI/SSP recipients to remain ineligible for CalFresh benefits for 12 consecutive months if the case was terminated from SSI/SSP due to state budget reductions. Therefore, it is assumed that recipients impacted by the SSP MOE Floor reduction may apply for CalFresh immediately.
- This premise does not reflect impact to the California Food Assistance Program (CFAP) as it is assumed that Cash Assistance Program for Immigrants recipients are not subject to the SSI Cash-Out 12-month suspense policy and would already be receiving CFAP benefits, if eligible.
- It is assumed that 9,306 recipients will become ineligible for SSI/SSP. Based on information from the Medi-Cal Eligibility Determination Services database and the State Data Exchange, it is assumed that of the 9,306 recipients, 6.3 percent or 586 recipients will seek assistance in CalFresh.
- It is assumed that the intake cost to process new Non-Assistance CalFresh is $51 for each new case.
- After the phase in period, it is estimated that approximately four percent of the caseload will leave monthly and four percent will enter monthly.
- It is assumed that 7.20 percent of the monthly cumulative caseload would report a mid-quarter change. It is assumed that the administrative cost to process a mid-quarter report is $28.23.
- It is assumed that the cost for continuing cases on a quarterly basis is $39.33 per case.

METHODOLOGY:

- The monthly administrative costs associated with processing the new cases are calculated by multiplying the new monthly cases by $51.

  Fiscal Year (FY) 2012-13: 586 x cases x 4 percent x $51 x 12 months
- The administrative costs associated with processing the mid-quarter changes for cases are calculated by multiplying the cumulative cases by 7.20 percent and by $28.23.

  FY 2012-13: 586 cases x 7.2 percent x $28.23 x 12 months

SSP MOE Floor - CalFresh Effect

METHODOLOGY (CONTINUED):

- The quarterly administrative costs associated with processing the quarterly reports are calculated by multiplying the cumulative cases by $39.33 on a quarterly basis.

  FY 2012-13: 586 cases x $39.33 x 4 quarters

FUNDING:

The CalFresh sharing ratio for the administrative cost is 50 percent Food and Nutrition Service fund and 50 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2011-12. The decrease in FY 2012-13 is due to a decrease in the projected SSI/SSP cases that will lose eligibility.

REASON FOR YEAR-TO-YEAR CHANGE:

The change from the FY 2011-12 to the FY 2012-13 is primarily due to FY 2011-12 reflecting initial caseload costs being the first year of implementation, while FY 2012-13 reflects a full year of ongoing costs.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 – CalFresh Administration		
Total	$132	$121
Federal	66	61
State	66	60
County	0	0
Reimbursements	0	0

CalFresh ReFresh Modernization

DESCRIPTION:

This premise reflects the implementation of various CalFresh ReFresh Modernization proposals. In light of increasing demand and the need to modernize in advance of Health Care Reform, the California Department of Social Services (CDSS) is planning for additional program simplification and removal of access barriers, reducing administrative complexity; and providing additional linkages with, and coordination among, other state assistance programs. Through this modernization effort, CDSS also intends to achieve stronger support for nutritious food choices and nutrition education, and greater encouragement of program innovations.

CalFresh Refresh consists of several different proposals, such as waiving face-to-face interviews at recertification for elderly or disabled households, waiving face-to-face interviews during intake, emailing notifications to clients, permitting the use of telephonic signatures, and developing online access to case information.

IMPLEMENTATION DATE:

This premise assumes implementation on July 1, 2012.

KEY DATA/ASSUMPTIONS:

This premise assumes that any costs resulting from the CalFresh ReFresh Modernization are offset by administrative savings and economic benefit to the state that may result from increased CalFresh participation.

<u>Waive Face-to-Face Interview at Recertification for Senior or Disabled Households without Earnings</u>

- Based on Federal Fiscal Year 2010 Research and Development Enterprise Project data, it is assumed that 3.92 percent of the Non-Assistance CalFresh cases are senior (aged 60 or older) or disabled households with no earned income.
- The Non-Assistance CalFresh (NACF) caseload for Fiscal Year (FY) 2012-13 is estimated to be 1,629,142.
- It is assumed that the cost of annual recertification is $36.92 and implementing the face-to-face waiver would reduce recertification time by half for these cases.
- The impact to the California Food Assistance Program (CFAP) is approximately one percent.

<u>Implement the Face-to-Face Waiver at Intake Statewide</u>

- Currently, counties have the option to conduct a telephone or other out-of-office interview in lieu of a face-to-face interview at application for NACF households. Based on a county survey, 43 counties have implemented the waiver.
- It is assumed the remaining counties (15 in total) will begin to waive the face-to-face interview at intake beginning July 1, 2012.
- It is assumed that removing the face-to-face waiver requirement would result in a CalFresh increase of approximately 353 average cases monthly in FY 2012-13.

CalFresh ReFresh Modernization

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on the most recent 12 months of coupon cost expenditures, the working NACF households are estimated to have an average CalFresh benefit amount of $334.43.
- The estimate assumes that every dollar of food benefit provided to households as a result of this proposal frees up an additional dollar for other food or taxable goods, which generates tax revenues to the state and local government. This estimate reflects the Governor's proposed state sales tax increases. The resulting offsetting benefit is assumed to be approximately $0.02 for every dollar of food benefit.

Automation Projects

- Based on cost estimates from the Statewide Automated Welfare System Consortia, it is assumed the automation costs associated with emailing notifications to CalFresh households is $300,000 for FY 2012-13.
- It is assumed the automation costs associated with permitting the use of telephonic signatures is $200,000 for FY 2012-13.
- It is assumed the automation costs associated with developing online case access for CalFresh recipients is $600,000 for FY 2012-13.

METHODOLOGY:

Waive Face-to-Face Interview at Recertification for Senior or Disabled Households without Earnings

- Savings attributed to waiving of face-to-face interviews during recertification are calculated by multiplying caseload by 3.92 percent and then by the cost savings of $18.46, resulting in cost savings of $1.19 million.

Implement the Face-to-Face Waiver at Intake Statewide

- The increased 4,236 annual households will generate an increase in the total cost of the Face-to-Face Waiver CFAP Grant costs of $92,000; the CFAP Administration costs of $6,000; and the CalFresh Administration costs by $563,000, for a total cost of $661,000 in FY 2012-13.
- The economic benefit is calculated by multiplying the cumulative casemonths over 12 months by the average benefit and then by the $0.02 economic benefit, resulting in approximates $178,000 offsetting the General Fund (GF) for FY 2012-13.
- The savings associated with the Face-to-Face waiver is not reflected in the budget. However, it is taken into consideration when calculating the total savings available to offset the cost of other CalFresh ReFresh Modernization proposals.
- See the Face-to-Face Waiver premise description for more information.

Automation Projects

The total amount of the automation projects in FY 2012-13 is estimated to be $1.1 million and is based upon cost estimates from the Consortia.

CalFresh ReFresh Modernization

FUNDING:

Waive Face-to-Face Interview at Recertification for Senior or Disabled Households without Earnings

- The CalFresh savings ratio for the administrative savings associated with waiving of face-to-face interviews for seniors is 50 percent Food and Nutrition Service fund, 35 percent GF, and 15 percent county.
- The CFAP funding is 100 percent GF.

Implement the Face-to-Face Waiver at Intake Statewide

- The CalFresh sharing ratio for the administrative cost is 50 percent Food and Nutrition Service fund, 35 percent GF, and 15 percent county.
- The CFAP funding is 100 percent GF.
- The economic benefit from waiving face to face interviews is a 100 percent GF savings. However, this is not reflected in the budget as it is not a direct savings to the CDSS CalFresh Program.

Automation Projects

The funding for the automation is 50 percent Food Nutrition Service fund, 35 percent GF, and 15 percent county.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The increased savings in FY 2012-13 is due to projected caseload increase.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise that implements in FY 2012-13.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141- CalFresh Administration (Senior Recert. Savings)		
Total	$0	$-1,191
Federal	0	-590
State	0	-424
County	0	-177
Reimbursements	0	0

CalFresh ReFresh Modernization

EXPENDITURES (CONTINUED):

(in 000s)

	FY 2011-12	FY 2012-13
Item 141- Automation		
Total	$0	$1,100
Federal	0	550
State	0	385
County	0	165
Reimbursements	0	0

Senior Nutrition (AB 69)

DESCRIPTION:

This premise allows counties to simplify the CalFresh enrollment process for low-income seniors, pursuant to Assembly Bill (AB) 69 (Chapter 502, Statutes of 2011). To the extent permitted by federal law, or other federal authority, counties will be allowed to utilize existing information maintained by the Federal Social Security Administration (SSA) regarding low-income social security benefit recipients, to develop a streamlined application, or simplify the application process in the CalFresh program for these recipients. This is an optional county program. Those counties choosing to participate must have either the existing capacity to receive the information or the ability to adapt its existing automation systems without significant changes or costs to the state or county.

IMPLEMENTATION DATE:

This premise has an implementation date of February 1, 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 69 and Welfare and Institutions Code section 18924.
- It is assumed that implementation will begin in February 2013 and eligible cases will be phased in through July 2013.
- Based on analysis by the California Food Policy Advocates (CFPA), there are currently approximately 440,000 California households that include a social security recipient (aged 60 or older) who are eligible for CalFresh benefits.
- Of the 440,000 eligible households, it is assumed that approximately five percent (22,000 households) are currently receiving CalFresh benefits based on the CFPA analysis.
- Based on a 2012 county survey, counties representing approximately 40 percent of the Non-Assistance CalFresh (NACF) caseload have expressed interest in participating. It is assumed that these counties would participate in the simplification of the enrollment process, resulting in approximately 169,000 potentially eligible senior households.
- If outreach efforts are successful, it is estimated that approximately 25,000 applicants will apply for CalFresh.
- Based on the CalWORKs experience reported on the DFA 296, approximately 68 percent of applicants are eligible to receive CalFresh benefits.
- Similar to the participation rate among seniors in California, it is assumed that 10 percent of eligible senior households in the participating counties would potentially enroll in the CalFresh program (approximately 17,000 participating households).
- Based on data from the CFPA analysis, it is assumed that 76 percent of eligible households contain one person and 24 percent of households contain two or more persons. All applicants will have intake costs within the first six months of implementation. With full implementation by August 2013, it is assumed that intake costs after full implementation are for new applicants. After the phase-in period, it is estimated that approximately four percent of the caseload will leave monthly and four percent will enter monthly.

Senior Nutrition (AB 69)

KEY DATA/ASSUMPTIONS (CONTINUED):

- The intake cost for an Eligibility Worker to process a NACF case is $51.00 per case.
- It is assumed households that become eligible are change reporters and that each household would report one change in the year.
- It is assumed that 50 percent of the ongoing cases would report a change in the first year of implementation.
- The annual cost of an Eligibility Worker to process NACF continuing cases is $39.33 per case.
- No California Food Assistance Program impact as it is assumed there would be no recent non-citizens in the SSA recipient population.
- The average statewide CalFresh benefit is assumed to be $147.68 per individual and $295.36 per household of two.

METHODOLOGY:

- The initial administrative intake costs is determined by multiplying the number of eligible senior applicants by the intake costs per applicant and then by five months for the Fiscal Year (FY):

  FY 2012-13: 4,137 cases X 5 months X $51= $1.05 million

- The administrative costs for continuing cases is determined by multiplying the average ongoing cases by 50 percent and applying the annual cost of $39.33:

  FY 2012-13: 8,430 cases X 50 percent X $39.33 = $0.17 million

FUNDING:

The administrative costs for the CalFresh program are funded 50 percent Food and Nutrition Service fund, 35 percent General Fund and 15 percent county fund

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2011-12. For FY 2012-13, implementation has been delayed to February 2013 and the participation rate has been revised down. Due to implementation complexities, fewer seniors are anticipated to participate than previously estimated.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise implements in FY 2012-13.

Senior Nutrition (AB 69)

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 – CalFresh Administration		
Total	$0	$1,221
Federal	0	611
State	0	427
County	0	183
Reimbursements	0	0

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Refugee Cash Assistance – Administration

DESCRIPTION:

This premise reflects the costs necessary to perform the administrative functions of the Refugee Cash Assistance (RCA) program. The RCA program provides cash grants to refugees during their first eight months in the United States if they are not otherwise eligible for the standard categorical welfare programs. 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. Overhead and direct costs are also included in the RCA administrative costs.

IMPLEMENTATION DATE:

This premise implemented on March 17, 1980.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Title 8 of the United States Code (U.S.C.) section 1522 authorizes the federal government to provide grants to states to assist refugees who resettle in the U.S. Welfare and Institutions Code sections 13275 through 13282 authorize the California Department of Social Services (CDSS) to administer the funds provided under Title 8 of the U.S.C. It also provides CDSS authority to allocate the federal funds to the counties.
- Based on data from July 2010 – June 2011, the average administrative monthly cost per RCA case is approximately $102.42.
- The average monthly caseload is estimated at 2,911 cases for Fiscal Year (FY) 2011-12 and FY 2012-13.
- The RCA administration costs are held to the FY 2011-12 grant amount for FY 2012-13.

METHODOLOGY:

The average cost per case for RCA administration is multiplied by the estimated annual caseload for each FY to arrive at the total cost.

FUNDING:

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

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Refugee Cash Assistance – Administration

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 – RCA Administration		
Total	$3,578	$3,578
Federal	3,578	3,578
State	0	0
County	0	0
Reimbursements	0	0

CalWORKs Reforms Automation

DESCRIPTION:

This premise reflects the automation reprogramming costs associated with the passage of Senate Bill (SB) 72 (Chapter 8, Statutes of 2011) California Work Opportunity and Responsibility to Kids (CalWORKs) reforms including the 48-Month Time Limit, changes to the earned income disregard, and changes to the Cal-Learn program. In addition, automation for the incremental grant reductions for certain Child-Only cases were originally included in the costs, however this proposal was ultimately repealed.

IMPLEMENTATION DATE:

This premise was implemented on March 24, 2011.

KEY DATA/ASSUMPTIONS:

- With the enactment of SB 72, the automation changes began in Fiscal Year (FY) 2010-11 and were assumed to be complete in FY 2011-12.
- Based on CalWORKs Reforms automation estimates from the Consortia, the total cost for automation was $398,638 for FY 2011-12 for CalWORKs Information Network.

FUNDING:

The automation changes associated with the CalWORKs Reforms are funded with 100 percent federal Temporary Assistance for Needy Families funds.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a FY 2011-12 premise item only.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 - Automation		
Total	$399	$0
Federal	399	0
State	0	0
County	0	0
Reimbursements	0	0

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County Expense Claim Reporting Information System (CECRIS)

DESCRIPTION:

This premise reflects the replacement of the existing County Administrative Expense Claim database with a new web-based application. The existing County Expense Claim (CEC) and its supporting business processes have gone beyond their functional capacity and currently present a significant risk of system failure. The new County Expense Claim Reporting Information System (CECRIS) will essentially improve data access and analysis, and the accuracy of administrative expenditure data for all 58 counties in California. It will also improve the ability to ensure that all costs are reimbursed in accordance with federal cost allocation requirements in order to maintain federal funding.

IMPLEMENTATION DATE:

This premise implemented on February 1, 2012.

KEY DATA/ASSUMPTIONS:

- The development of CECRIS is projected to begin in Fiscal Year (FY) 2011-12 and be completed in FY 2016-17.
- The total amount of projected funds needed to begin the new system is $8,333 in FY 2011-12 and $100,000 in FY 2012-13.
- The funded project activities include contracted services, project manager costs, and procurement support.
- The new system will benefit most of the programs administered by the California Department of Social Services (CDSS) and a subset of the Medi-Cal Program costs that are claimed through the county administrative expense claim.

FUNDING:

The CECRIS is funded by multiple sources. Federal funds include the normal shares of CalFresh, Title IV-E and Refugee Resettlement program funding. Costs are also eligible for Title XIX federal funding, which is included in the Department of Health Care Services. The Temporary Assistance for Needy Families (TANF) Block Grant is the funding source for TANF-eligible costs. The balance of the funding is General Fund. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF-eligible. Statewide Automated Welfare System (SAWS)-related TANF funds are identified in total within the “Additional TANF/Maintenance of Effort (MOE) Expenditures in CDSS” section in the TANF section of each detail table.

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 and FY 2012-13 change is due to a delay in implementation resulting in a shift of costs from one year to the next.

County Expense Claim Reporting Information System (CECRIS)

REASON FOR YEAR-TO-YEAR CHANGE:

The increase from FY 2011-12 to FY 2012-13 is due to a full year of costs.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141-Automation		
Total	$8	$100
Federal	4	52
State	4	43
County	0	0
Reimbursements	0	5

Semiannual Reporting Automation

DESCRIPTION:

This premise reflects the automation programming costs associated with the passage of Assembly Bill 6 (Chapter 501, Statutes of 2011), which requires that the California Department of Social Services (CDSS) replace the current Quarterly Reporting/Prospective Budgeting (QR/PB) system in the California Work Opportunity and Responsibility to Kids (CalWORKs) and CalFresh programs with a Semiannual Reporting (SAR) system.

IMPLEMENTATION DATE:

This premise assumes implementation of automation changes will begin in May 2012 or upon issuance of the implementing All County Letter.

KEY DATA/ASSUMPTIONS:

- It is assumed that the automation changes will begin in Fiscal Year (FY) 2011-12 and be completed in FY 2013-14.
- The SAR automation costs have been estimated by the Consortia of Statewide Automated Welfare Systems: CalWORKs Information Network; Statewide Automated Welfare System Consortia; and Los Angeles County Automated Determination, Evaluation and Reporting System. Estimated SAR automation costs are:

  (in 000s)

Fiscal Year	CalWORKs	CalFresh
2011-12	$ 242	$ 309
2012-13	4,120	5,265

- Estimated FY 2012-13 training costs are approximately $2.6 million for CalWORKs and $1.9 million for CalFresh.
- Any remaining automation and training costs necessary to support SAR implementation are assumed to be provided in FY 2013-14.

FUNDING:

The automation and training costs attributed to the CalWORKs program is funded with 100 percent Temporary Assistance for Needy Families funds. The automation and training costs attributed to the CalFresh program is funded with 50 percent federal Food and Nutrition Service funds, 50 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

The increase in FY 2011-12 and FY 2012-13 from the 2011 November Estimate is due to updated automation estimates.

Semiannual Reporting Automation

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2012-13, is due to a full year of automation and training costs.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 - Automation		
Total	$551	$13,907
Federal	396	10,296
State	155	3,611
County	0	0
Reimbursements	0	0

Work Incentive Nutritional Supplement (WINS) Automation

DESCRIPTION:

This premise reflects implementation of a new program to promote self-sufficiency through work by providing additional support to eligible working families in the form of a supplemental CalFresh benefit. Working families who are receiving CalFresh, 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 working sufficient hours in paid employment to meet Temporary Assistance for Needy Families (TANF) work participation requirements. Each CalFresh household may be eligible for one $50 WINS benefit per month, which will be applied to the recipient's Electronic Benefit Transfer card. The benefit will not count as income in the CalFresh benefit determination. Recipients must provide documentation to verify paid work hours (i.e., pay stubs) to be eligible for the benefit. This benefit would be funded with state dollars countable toward the Maintenance of Effort (MOE) in the TANF program, and families that receive the WINS benefit will be counted in the TANF work participation rate calculation.

IMPLEMENTATION DATE:

This premise assumes implementation of automation changes beginning April 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 15525.
- This premise reflects automation costs only.
- It is assumed that WINS benefit issuance will begin October 1, 2013, with full implementation by April 1, 2014.

METHODOLOGY:

- There are no costs provided for WINS program automation in Fiscal Year (FY) 2011-12.
- The FY 2012-13 reflects automation costs associated with the implementation of WINS.
- Based on cost estimates from the consortia, FY 2012-13 provides $2,491,334 in automation costs for the CalWORKs Information Network and Statewide Automated Welfare Systems Consortia-IV.
- Any remaining automation costs will be provided in FY 2013-14.

FUNDING:

The funding for automation is 100 percent TANF funds.

Work Incentive Nutritional Supplement (WINS) Automation

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The change in FY 2012-13 from the 2011 November Estimate is due to updated automation estimates.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise implements in FY 2012-13.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 - Automation		
Total	$0	$2,491
Federal	0	2,491
State	0	0
County	0	0
Reimbursements	0	0

Work Incentive Nutritional Supplement (WINS) Plus Automation

DESCRIPTION:

This premise reflects the one-time automation costs associated with the implementation of a new program to promote self-sufficiency through work by providing additional support to eligible working families in the form of a supplemental CalFresh benefit. Working families who are receiving subsidized child care through programs currently administered by California Department of Education, but not receiving California Work Opportunity and Responsibilities to Kids (CalWORKs) assistance or CalFresh benefits, may be eligible for this Work Incentive Nutritional Supplement (WINS) Plus benefit if they are working sufficient hours in paid employment to meet Temporary Assistance for Needy Families (TANF) work participation requirements. Each subsidized child care household may be eligible for one $50 WINS Plus benefit per month, which will be applied to the recipient's Electronic Benefit Transfer card. Recipients must provide documentation to verify paid work hours (i.e., pay stubs) to be eligible for the benefit. This benefit would be funded with state dollars countable toward the Maintenance of Effort (MOE) in the TANF program, and families that receive the WINS benefit will be counted in the TANF work participation rate calculation.

IMPLEMENTATION DATE:

This premise assumes implementation of automation changes beginning April 2013.

KEY DATA/ASSUMPTIONS:

- This premise reflects costs associated with programming the WINS Plus and child care program information into the Statewide Automated Welfare Systems.
- It is assumed WINS Plus benefit issuance will begin October 1, 2013, with full implementation by April 1, 2014.

METHODOLOGY:

- There are no costs associated with the WINS Plus program in Fiscal Year (FY) 2011-12.
- The FY 2012-13 reflects the one-time automation costs associated with the implementation of WINS Plus.
- Based on cost estimates from the Consortia, the projected FY 2012-13 automation costs are approximately $3.9 million for CalWORKs Information Network; Statewide Automated Welfare Systems Consortia-IV; and Los Angeles County Automated Determination, Evaluation, and Reporting Systems.
- This premise does not reflect additional automation costs in FY 2013-14 and FY 2014-15.

FUNDING:

The funding for the automation attributed to the WINS Plus food benefit is 100 percent TANF funds. The funding for the automation attributed to programming the automation system for child care is 100 percent General Fund not countable as MOE in the TANF program.

Work Incentive Nutritional Supplement (WINS) Plus Automation

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 - Automation		
Total	$0	$3,900
Federal	0	2,491
State	0	1,409
County	0	0
Reimbursements	0	0

Overpayment Recoveries Automation

DESCRIPTION:

This premise represents only the automation costs necessary to eliminate overpayment collections from a minor who moves from one California Work Opportunity and Responsibilities to Kids assistance unit (AU) to another. The obligation for repayment will be collected from one or more aided adult(s) who were the responsible adult(s) in the original AU. This policy change is in response to the *Hartley v. Lightbourne* court case regarding overpayment collections from minors. If an AU incorrectly receives a higher than allowed assistance payment, the AU is considered to have received an overpayment and is required to pay back the grant overage. Overpayments may be collected through a reduced future grant, tax intercepts, or collections.

IMPLEMENTATION DATE:

This premise assumes implementation of automation changes beginning in Fiscal Year (FY) 2012-13.

KEY DATA/ASSUMPTIONS:

- This premise reflects automation costs only.

METHODOLOGY:

- There are no costs associated with the overpayment recoveries automation in FY 2011-12.
- Based on historical comparable cost estimates from the Statewide Automated Welfare System Consortia, the projected FY 2012-13 automation costs are approximately $500,000.

FUNDING:

The funding for the automation is 100 percent Temporary Assistance for Needy Families funds.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 - Automation		
Total	$0	$500
Federal	0	500
State	0	0
County	0	0
Reimbursements	0	0

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Unallocated Statewide Automated Welfare System (SAWS) Reduction

DESCRIPTION:

This premise reflects the funding reduction for the Statewide Automated Welfare System (SAWS) projects in Fiscal Year (FY) 2011-12 and FY 2012-13. The FY 2011-12 distribution for the reduction was determined through collaboration between California Department of Social Services (CDSS), Office of Systems Integration (OSI), Legislative Analyst Office (LAO), and the County Welfare Directors Association (CWDA). The FY 2012-13 Governor's Budget proposes to continue the funding reduction in FY 2012-13. However, the FY 2012-13 reduction remains unallocated.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2011.

KEY DATA/ASSUMPTIONS:

- The reduction for FY 2011-12 has been distributed to Statewide Project Management; Interim Statewide Automated Welfare System (ISAWS) Consortium Migration Project; Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Replacement System; Welfare Client Data System (WCDS)- California Work Opportunity and Responsibility to Kids Information Network (CalWIN); and Consortium IV (C-IV).
- Assumes a permanent $5 million General Fund (GF) unallocated reduction for FY 2012-13.

METHODOLOGY:

The distribution of the SAWS projects funding reduction for FY 2011-12 was determined through collaboration between CDSS, OSI, LAO, and CWDA. The distribution for FY 2012-13 has yet to be determined.

FUNDING:

The unallocated reduction total was based off of the total SAWS funding share percentages. Funding is based on 33.97 percent federal, 36.45 percent GF, 6.53 percent county, and 23.05 percent reimbursement.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2012-13 costs decreased due to the continuation of the Unallocated SAWS Reduction.

Unallocated Statewide Automated Welfare System (SAWS) Reduction

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 – Automation Projects		
Total	$0	-$13,716
Federal	0	-4,659
State	0	-5,000
County	0	-895
Reimbursements	0	-3,162

Statewide Automated Welfare System (SAWS) Statewide Project Management (SPM)

DESCRIPTION:

This premise reflects costs for the Statewide Automated Welfare System (SAWS) Statewide Project Management (SPM). This activity is performed by the California Health and Human Services Agency, Office of Systems Integration (OSI), who provides statewide project management for the three SAWS consortia and the Welfare Data Tracking Implementation Project.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1995.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 10823 (a).

METHODOLOGY:

Costs are based on the December 2001 (Revised May 2002) SAWS SPM Implementation Advance Planning Document Update and subsequent baseline adjustments.

FUNDING:

The SPM funding comes from various sources. Federal funds include the normal share of California CalFresh program, Title IV-E 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. Based on the cost allocation plan, the federal share of the California Work Opportunity and Responsibility to Kids program is 100 percent TANF eligible. The SAWS-related TANF funds are identified in total within the “Additional TANF/Maintenance of Effort Expenditures in California Department of Social Services” in the TANF section of each Detail Table.

CHANGE FROM PRIOR SUBVENTION:

There is no change for Fiscal Year (FY) 2011-12. The FY 2012-13 allocation of costs to benefiting programs has been updated.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2012-13 costs increased due to the restoration of the project’s share of the unallocated SAWS reduction offset by a partial decrease in baseline adjustments (retirement, employee compensation, rental and pro rata).

Statewide Automated Welfare System (SAWS)
Statewide Project Management (SPM)

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 – Automation Projects		
Total	$6,000	$6,605
Federal	1,856	2,200
State	2,634	2,891
County	0	0
Reimbursements	1,510	1,514

CDSS/OSI PARTNERSHIP:

(in 000s)

	FY 2011-12	FY 2012-13
Total	$6,000	$6,605
CDSS	50	50
OSI	5,950	6,555

Welfare Data Tracking Implementation Project (WDTIP)

DESCRIPTION:

This premise reflects costs for the Statewide Automated Welfare System (SAWS) Welfare Data Tracking Implementation Project (WDTIP). Project management for WDTIP is provided by the California Health and Human Services Agency, Office of Systems Integration (OSI). The 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).
- A Post Implementation Evaluation Report was approved in August 2008.

METHODOLOGY:

Costs are based on the June 2002 (Revised January 2003) SAWS-WDTIP Implementation Advance Planning Document Update and subsequent baseline adjustments.

FUNDING:

The SAWS-WDTIP funding is 100 percent California Work Opportunity and Responsibility to Kids (CalWORKs)/Temporary Assistance for Needy Families (TANF). Based on the cost allocation plan, the federal share of the CalWORKs program is 100 percent TANF eligible. The SAWS-related TANF funds are identified in total within the “Additional TANF/Maintenance of Effort Expenditures in California Department of Social Services ” section in the TANF section of each Detail Table.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The Fiscal Year 2012-13 costs decreased due to baseline adjustments (retirement, employee compensation, rental and pro rata).

Welfare Data Tracking Implementation Project (WDTIP)

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 – Automation Projects		
Total	$3,883	$3,857
Federal	3,883	3,857
State	0	0
County	0	0
Reimbursements	0	0

CDSS/OSI PARTNERSHIP:

(in 000s)

	FY 2011-12	FY 2012-13
Total	$3,883	$3,857
CDSS	2,824	2,824
OSI	1,059	1,033

Interim Statewide Automated Welfare System (ISAWS) Consortium Migration Project

DESCRIPTION:

This premise reflects costs for the Interim Statewide Automated Welfare System (ISAWS) Consortium Migration Project. The ISAWS Consortium was 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 has migrated the 35 ISAWS Consortium counties to Consortium IV, effective June 30, 2010.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2006.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823 (a).
- Planning activities began in July 2006 and development activities began in August 2007.
- Implementation activities concluded in June 2010 and Maintenance and Operations (M&O) on October 31, 2011. Effective November 1, 2011, the M&O costs for the 35 former ISAWS counties are budgeted within the C-IV project budget.
- A Post Implementation Evaluation Report has been completed and was submitted to the California Technology Agency for approval on September 15, 2011.

METHODOLOGY:

Costs are based on the December 2008 SAWS-ISAWS Consortium Migration Project Implementation Advance Planning Document Update and subsequent changes to reflect the budget request.

FUNDING:

The ISAWS Migration funding comes from various sources. Federal funds include the normal shares of CalFresh 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 and the county share of CalFresh and Foster Care costs. Based on the cost allocation, the federal share of the California Work Opportunity and Responsibility to Kids program is 100 percent TANF eligible. The SAWS-related TANF funds are identified in total within the “Additional TANF/Maintenance of Effort Expenditures in California Department of Social Services” section in the TANF section of each Detail Table.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

Interim Statewide Automated Welfare System (ISAWS) Consortium Migration Project

REASON FOR YEAR-TO-YEAR CHANGE:

The Fiscal Year 2012-13 costs decreased due to the ISAWS Migration budget being combined within the C-IV project budget.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 – Automation Projects		
Total	$8,409	$0
Federal	2,664	0
State	3,368	0
County	437	0
Reimbursements	1,940	0

CDSS/OSI PARTNERSHIP:

(in 000s)

	FY 2011-12	FY 2012-13
Total	$8,409	$0
CDSS	8,409	0
OSI	0	0

Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER)

DESCRIPTION:

This premise reflects the costs for the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Consortium, one of three 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 (a).
- 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.
- A Post-Implementation Evaluation Report was approved in November 2006.

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:

The LEADER funding comes from various sources. Federal funds include the normal shares of CalFresh 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 State General Fund and the county share of CalFresh 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. The SAWS-related TANF funds are identified in total within the “Additional TANF/Maintenance of Effort Expenditures in California Department of Social Services” section in the TANF section of each Detail Table.

CHANGE FROM PRIOR SUBVENTION:

There is no change for Fiscal Year (FY) 2011-12. The FY 2012-13 allocation of costs to benefitting programs has been updated.

Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER)

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2012-13 costs increased due to the addition of M&O costs for the YourBenefitsNow! website.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 – Automation Projects		
Total	$14,209	$15,715
Federal	8,360	9,159
State	3,433	3,832
County	2,416	2,724
Reimbursements	0	0

CDSS/OSI PARTNERSHIP:

(in 000s)

	FY 2011-12	FY 2012-13
Total	$14,209	$15,715
CDSS	14,209	15,715
OSI	0	0

Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Replacement System

DESCRIPTION:

This premise reflects the costs for the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Consortium Replacement System project. The LEADER Consortium is one of three 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 (LRS) project currently includes planning and procurement activities for a system to replace LEADER.

IMPLEMENTATION DATE:

This premise was implemented as a separate LEADER premise on July 1, 2007. The Planning activities began in Fiscal Year (FY) 2005-06.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823 (a).
- Planning activities for the LRS project began in July 2005.
- The evaluation and selection process was concluded in July 2009.
- Contract negotiations were concluded in May 2010.
- The budget for the LRS project is based on negotiated costs.
- Development and implementation is pending federal approval.

METHODOLOGY:

Costs are calculated based on the September 2010 SAWS LRS Implementation Advance Planning Document Update and subsequent adjustments to reflect the delayed start of Design, Development, and Implementation (DD&I) activities.

FUNDING:

The LEADER funding comes from various sources. Federal funds include the normal shares of CalFresh 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 State General Fund and the county share of CalFresh, 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. The SAWS-related TANF funds are identified in total within the “Additional TANF/Maintenance of Effort Expenditures in California Department of Social Services” section in the TANF section of each Detail Table.

Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Replacement System

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 costs decreased due to a delay of DD&I activities. The FY 2012-13 costs increased due to one full year of DD&I activities.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2012-13 costs increased due to the restoration of the project's share of the unallocated SAWS reduction and one full year of DD&I activities.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 – Automation Projects		
Total	$8,455	$75,502
Federal	2,548	22,087
State	3,117	28,168
County	670	6,530
Reimbursements	2,120	18,717

CDSS/OSI PARTNERSHIP:

(in 000s)

	FY 2011-12	FY 2012-13
Total	$8,455	$75,502
CDSS	8,455	75,502
OSI	0	0

Welfare Client Data System (WCDS)-CalWORKs Information Network (CalWIN)

DESCRIPTION:

This premise reflects costs for the Welfare Client Data System (WCDS) Consortium, one of three 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 California Work Opportunity and Responsibility to Kids (CalWORKs) Information Network (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 (a).
- The WCDS Consortium estimate reflects ongoing Maintenance and Operations costs.
- A Post Implementation Evaluation Report was approved in August 2008.

METHODOLOGY:

Costs are based on the December 2006 (Revised May 2007) SAWS-WCDS Consortium Implementation Advance Planning Document Update and subsequent budget requests.

FUNDING:

The WCDS funding comes from various sources. Federal funds include the normal shares of CalFresh 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 state General Fund and the county share of CalFresh, Foster Care and General Assistance/General Relief costs. Based on the cost allocation plan, the federal share of the CalWORKs program is 100 percent TANF-eligible. The SAWS-related TANF funds are identified in total within the “Additional TANF/Maintenance of Effort Expenditures in California Department of Social Services” section in the TANF section of each Detail Table.

CHANGE FROM PRIOR SUBVENTION:

There is no change for Fiscal Year (FY) 2011-12. The FY 2012-13 costs increased due to CalWIN caseload growth.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2012-13 costs increased due to CalWIN caseload growth. The allocation of costs to benefiting programs has also been updated.

Welfare Client Data System (WCDS)-CalWORKs Information Network (CalWIN)

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 – Automation Projects		
Total	$75,774	$80,740
Federal	22,732	26,237
State	29,196	30,535
County	4,910	5,709
Reimbursements	18,936	18,259

CDSS/OSI PARTNERSHIP:

(in 000s)

	FY 2011-12	FY 2012-13
Total	$75,774	$80,740
CDSS	75,774	80,740
OSI	0	0

Consortium IV (C-IV)

DESCRIPTION:

This premise reflects the costs for Consortium IV (C-IV), one of three 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 originally served four counties, but now serves 39 counties after a successful migration of the 35 former Interim Statewide Automated Welfare System (ISAWS) Consortium counties to C-IV, which was completed in June 2010.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823 (a).
- The C-IV estimate reflects ongoing Maintenance and Operations costs.
- A Post Implementation Evaluation Report was approved in August 2008.

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:

The C-IV funding comes from various sources. Federal funds include the normal shares of CalFresh 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 CalFresh 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. The SAWS-related TANF funds are identified in total within the “Additional TANF/Maintenance of Effort Expenditures in California Department of Social Services” section in the TANF section of each Detail Table.

CHANGE FROM PRIOR SUBVENTION:

There is no change for Fiscal Year (FY) 2011-12. The FY 2012-13 allocation of costs to benefiting programs has been updated.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2012-13 costs increased due to the restoration of the project’s share of the unallocated SAWS reduction, and the full year inclusion of the 35 ISAWS counties within the C-IV project budget.

Consortium IV (C-IV)

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 – Automation Projects		
Total	$62,459	$77,050
Federal	21,359	28,066
State	23,630	28,860
County	3,711	5,001
Reimbursements	13,759	15,123

CDSS/OSI PARTNERSHIP:

(in 000s)

	FY 2011-12	FY 2012-13
Total	$62,459	$77,050
CDSS	62,459	77,050
OSI	0	0

Statewide Fingerprint Imaging System (SFIS) Project

DESCRIPTION:

This premise reflects the cost for the Statewide Fingerprint Imaging System (SFIS) project. Senate Bill 1780 (Chapter 206, Statutes of 1996) required applicants for, and recipients of California Work Opportunity and Responsibility to Kids (CalWORKs), CalFresh, and California Food Assistance Program (CFAP) benefits to be fingerprint imaged as a condition of eligibility.

The following persons must provide fingerprint images and a photo image: (1) each parent and/or caretaker relative of an aided or applicant child when living in the home of the child; (2) each parent and/or caretaker relative receiving or applying for aid on the basis of an unaided excluded child; (3) each aided or applicant adult; and, (4) the aided or applicant pregnant woman in an assistance unit (AU) consisting of the woman only. Failure to provide the required images will result in ineligibility for the entire AU.

IMPLEMENTATION DATE:

The first phase of counties began implementation on March 14, 2000. The statewide implementation of the SFIS was completed on December 7, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10830.
- The Health and Human Services Agency Office of Systems Integration cost estimates reflected in this premise are based on the executed contract with the SFIS development contractor. 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 maintenance cost and operations costs for state and county-operated workstations. This 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.
    - Change control – Change control is necessary since there are always items not addressed in the Request for Proposal, which require changes in the program(s). These can be legislative, interface, capacity or workload changes that affect the new system.
    - The GS $Mart financing of both workstation and Central Site Hardware for a period of five years.
- The Budget Act of 2011 removed the fingerprinting requirement for CalFresh recipients and the fingerprinting of IHSS recipients.

METHODOLOGY:

The estimates are based on the executed contract for ongoing M&O services.

Statewide Fingerprint Imaging System (SFIS) Project

FUNDING:

The M&O automation project costs are funded with General Fund and federal share for the CalFresh program, federal Grant funds for CalWORKs 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/Maintenance of Effort Expenditures in California Department of Social Services” section in the TANF section of each Detail Table. Federal financial participation (FFP) for CalFresh and CalWORKs has been secured beginning in September 2009. Federal Reimbursement for the CalFresh program ended on December 31, 2011.

CHANGE FROM PRIOR SUBVENTION:

There is no change for Fiscal Year (FY) 2011-12. The FY 2012-13 allocation of costs to benefiting programs has been updated to reflect the removal of the fingerprint requirement for CalFresh and CFAP recipients for the full FY, as mandated by AB 6 (Chapter 501, Statutes of 2011).

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2012-13 costs decreased due to baseline adjustments (retirement, employee compensation, rental and pro rata). The allocation of costs to benefiting programs has also been updated to reflect the removal of the fingerprint requirement for CalFresh and CFAP recipients for the full FY, as mandated by AB 6 (Chapter 501, Statutes of 2011).

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 – Automation Projects		
Total	$12,014	$11,983
Federal	9,059	10,714
State	2,149	0
County	806	1,269
Reimbursements	0	0

CDSS/OSI PARTNERSHIP:

(in 000s)

	FY 2011-12	FY 2012-13
Total	$12,014	$11,983
CDSS	4,093	4,093
OSI	7,921	7,890

Electronic Benefit Transfer (EBT) Project

DESCRIPTION:

This premise reflects the cost for the Electronic Benefit Transfer (EBT) Project, which is responsible for the automated issuance, delivery, redemption, settlement, and reconciliation of the California CalFresh Program (federally known as the Supplemental Nutrition Assistance Program [SNAP]) and cash aid program benefits. The California EBT system provides recipients on public assistance with electronic access to food and cash aid benefits through the use of magnetic-stripe cards at point-of-sale terminals and automated teller machines.

IMPLEMENTATION DATE:

This premise was implemented in Fiscal Year (FY) 2005-06.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 10069.

METHODOLOGY:

Cost projections were based on the November 2007 EBT Implementation Advance Planning Document and Amendment #1 of the Xerox State & Local Solutions, Inc. contract, which was executed on May 19, 2010.

FUNDING:

The EBT funding comes from the federal SNAP and Temporary Assistance for Needy Families (TANF) programs. Federal funds and General Fund (GF) are provided for the California CalFresh Program. 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/Maintenance of Effort Expenditures in the California Department of Social Services (CDSS)” section in the TANF part of each detail table.

CHANGE FROM PRIOR SUBVENTION:

There is no change. However, the FY 2011-12 costs include a one-time reduction of $348,000 GF captured per Control Section 3.91(b), Budget Act of 2011.*

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2012-13 costs increased due to the increase in caseload offset by a partial decrease in baseline adjustments (retirement, employee compensation, rental and pro rata). The allocation of costs to benefiting programs has also been updated.

Electronic Benefit Transfer (EBT) Project

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 141 – Automation Projects		
Total	$25,790	$28,385
Federal	15,223	16,753
State	7,407	8,038
County	3,160	3,594
Reimbursements	0	0

CDSS/OSI PARTNERSHIP:

(in 000s)

	FY 2011-12	FY 2012-13
Total	$25,790	$28,385
CDSS	0	0
OSI	25,790	28,385

*Savings captured per Control Section 3.91(b):

	FY 2011-12	FY 2012-13
Total	$348	$0
Federal	0	0
State	348	0
County	0	0
Reimbursements	0	0

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 Welfare and Institutions Code (W&IC) section 16500. The 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 (FC) Specialized Care Program. These funds are used to cover the purchase of nonrecurring items on an as needed basis, the purchase of services not available through other fund sources, the development of a respite care program, or the purchase of respite care services.

In recognition of the funding and staffing needs 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 (SWs) funded in the prior year.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statutes of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; FC; CWS; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

Emergency Response (ER) Component

The 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

The 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

The 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. The 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

The FR is designed to provide time-limited services while the child is in temporary FC to prevent or remedy neglect, abuse, or exploitation when the child cannot safely remain at home. The CWDs are responsible for determining the specific service needs of the child and/or family aimed at reunifying the child with the family.

Child Welfare Services – Basic Costs*

DESCRIPTION (CONTINUED):

Permanent Placement (PP) Component

The 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.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 16500 and 11461(e)(4)(B).
- Title IV-E of the Social Security Act (SSA) portion of this estimate reflects costs for 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 ERA.
- The statewide annual SW cost of $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 2011.
- Additional funds are provided in recognition of the funding and staffing needs 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.
- This premise assumes that 68 percent of the costs are federally eligible.
- The amount of federal financial participation is based on the Federal Medical Assistance Percentage of 50 percent.

METHODOLOGY:

FY 2011-12

The FY 2011-12 estimate is being held to the 2011 Budget Act.

FY 2012-13

- The FY 2012-13 estimate is derived by applying the workload standards to the individual county caseload projections and expanding for a seven to one supervisory ratio. Additional FTEs are included in order to continue each county's prior year FTE level.
- The annual SW cost in each county is applied to the total number of FTEs in each county to derive staff costs for each county.

Child Welfare Services – Basic Costs*

METHODOLOGY (CONTINUED):

- Direct costs are projected from FY 2010-11 actual expenditures and statewide average caseload change from FY 2009-10 to FY 2010-11. Total direct costs, excluding county-operated emergency shelter care (ESC), are $80.1 million. The projected county-operated ESC costs are $38.5 million for those counties with county-operated emergency shelters based on actual expenditures from FY 2010-11.
- Once the total CWS basic costs are derived, costs for the Emergency Assistance (EA) Temporary Assistance for Needy Families (TANF) program are subtracted and displayed separately under the EA TANF premise. The EA program costs are determined based on the FY 2011-12 funding level and any caseload change.
- In order to reflect an appropriate level of federal spending authority, additional Title IV-E and Title XIX funds are added to the estimate.
- An additional $1.7 million General Fund (GF) is shifted to this premise from CWS/CMS System Support Staff to comply with federal Statewide Automated Child Welfare Information System requirements and is matched with federal Title IV-E funds.

FUNDING:

FY 2012-13

- The federal share of costs is a combination of funding from Title IV-B, Title IV-E, Title XIX, and Title XX of the SSA. The Title IV-B funds are limited by the capped federal allocation.
- The estimated local assistance Title IV-B funds available are $31.1 million.
- The Title IV-E amount reflects the actual expenditures from FY 2010-11 that 35.5 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 $55.0 million.
- Nonfederal costs are shared at 70 percent GF and 30 percent county.
- The Title XIX amount is calculated using individual county usage rates based on FY 2010-11 expenditure data which reflect that 11.2 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 $40.5 million.
- After the GF amount is calculated, 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 2012-13, the Title XX eligible amount is $36.2 million.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

Child Welfare Services – Basic Costs*

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The FY 2012-13 decrease reflects updated projected Title XIX expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects updated projected Title XIX expenditures.

CASELOAD:

(Average Monthly for non-Title IV-E Waiver counties)

	FY 2011-12	FY 2012-13
ER	26,205	26,338
ERA	12,980	13,612
FM	11,266	11,295
FR	13,109	13,560
PP	22,741	21,562

EXPENDITURES:

(in 000s)

		FY 2011-12	FY 2012-13
Item 151 – CWS Administration			
	Total	$824,694	$782,368
	Federal	312,223	294,480
	State	278,506	266,037
	County	109,344	103,821
	Reimbursements	124,621	118,030

Child Welfare Services – Basic Costs*

EXPENDITURES (CONTINUED):

(in 000s)

	FY 2011-12	FY 2012-13
Federal Funds Reconciliation		
Total Federal Funding	$436,844	$412,510
Title IV-B	32,880	31,133
Title IV-E	245,711	232,555
Title XIX	124,621	118,030
Title XX	33,632	30,792

	FY 2011-12	FY 2012-13
Specialized Care		
Total	$3,531	$3,480
Federal	0	0
State	3,531	3,480
County	0	0

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Augmentation to Child Welfare Services*

DESCRIPTION:

This premise reflects the costs 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 matching their CWS Basic General Fund (GF) allocation; and fully utilizing the CWS/Case Management System. There is no county match required for these funds.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; CWS; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise, formerly known as “Emergency Workload Relief,” implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 1656 (Chapter 324, Statutes of 1998) and AB 1740 (Chapter 52, Statutes of 2000).
- This estimate reflects costs for the 56 non-Title IV-E Waiver counties.
- AB 1656 authorized $40 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 $17.2 million due to lower revenues and other demands on the available GF.
- This premise assumes 68 percent of the costs are federally eligible for Fiscal Year (FY) 2011-12 and FY 2012-13.
- The amount of federal financial participation (FFP) is based on the Federal Medical Percentage (FMAP) of 50 percent.

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 $17.2 million.

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 remaining federal and nonfederal costs is 100 percent GF.
- Statewide contract costs are funded 100 percent GF.

Augmentation to Child Welfare Services*

FUNDING (CONTINUED):

- 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 2011-12 and FY 2012-13, the Title XX eligible amount is $5.4 million.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The FY 2012-13 change reflects an increase in the available Title XX funds.

REASON FOR YEAR-TO-YEAR CHANGE:

The change reflects an increase in the available Title XX funds.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CWS Administration		
Total	$55,646	$55,646
Federal	24,315	24,357
State	31,331	31,289
County	0	0
Reimbursements	0	0

Child Welfare Services/Case Management System – System Support Staff*

DESCRIPTION:

This premise reflects the costs for county administrative staff needed to support the Child Welfare Services (CWS)/Case Management System which was implemented as a result of Senate Bill 370 (Chapter 1294, Statutes of 1989). The staff is needed for the ongoing operations of the system.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; CWS; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

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.
- This estimate reflects costs for the 56 non-Title IV-E Waiver counties.
- The base amount is $25,119,682, consistent with the FY 2005-06 Appropriation.
- Of the base amount, budgeted funds are based on actual expenditures. The remaining General Fund is budgeted as part of CWS.

METHODOLOGY:

The estimate is based on actual expenditures.

FUNDING:

- Costs are shared according to California’s federally approved Cost Allocation Plan, which allocates costs to all benefiting CWS programs based on statewide county worker time study hours.
- This premise is funded with Title IV-E and Title XIX of the Social Security Act and Temporary Assistance for Needy Families; the rates are shared under their respective programs.

  * The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2011-12. The FY 2012-13 change reflects an increase in actual expenditures.

Child Welfare Services/Case Management System – System Support Staff*

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2012-13 change reflects an increase in actual expenditures.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CWS Administration		
Total	$18,109	$19,758
Federal	8,929	9,821
State	5,506	5,870
County	2,704	2,953
Reimbursements	970	1,114

Child Welfare Services – Emergency Assistance Program (TANF)*

DESCRIPTION:

This premise reflects the costs associated with the Child Welfare Services (CWS) Emergency Assistance (EA) program funded through federal Temporary Assistance for Needy Families (TANF).

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 that provides funding for emergency shelter care (ESC) to children determined to be at risk due to abuse, neglect, abandonment, or exploitation.

In 1994, CDSS implemented crisis resolution (CR) and emergency response (ER) as the CWS components of EA. The CR 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 are available for ER activities such as receiving and assessing referrals, investigating emergency allegations, and gathering and evaluating relevant information.

Title IV-A funding for the EA program was eliminated by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law [PL] 104-193), but permitted use of TANF dollars for EA funding. The PL 104-193 implemented the Welfare Reform Act which established the TANF program in lieu of Title IV-A. Based on an interpretation of the final TANF regulations, effective October 1, 1999, EA General Fund (GF) expenditures are not countable toward the TANF Maintenance of Effort requirement. Therefore, the GF was replaced with TANF funding. In 2001, EA case management (CM) activities were funded with Title IV-E funds in order to free-up TANF dollars. In 2008, the federal Administration for Children and Families issued instructions that EA is not eligible for Title IV-E funds. Based on this, beginning Fiscal Year (FY) 2010-11 funding for EA was shifted back to TANF. Also beginning FY 2010-11, EA CM costs were shifted into CWS Basic.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; CWS; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

The ESC component implemented on September 1, 1993, the CR component implemented on August 1, 1994, and the ER component implemented on August 1, 1994.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 15204.25.
- There is no caseload growth projected for FY 2012-13.
- This estimate reflects costs for 58 counties.

Child Welfare Services – Emergency Assistance Program (TANF)*

METHODOLOGY:

The total costs are based on the prior year and adjusted by any individual county caseload changes. The appropriate sharing ratios are then applied to the total costs.

FUNDING:

- The EA TANF funding, although eliminated by PL 104-193, was used in the TANF block grant calculation and is, therefore, part of the TANF funding schedule.
- The sharing ratio for EA ESC cases under 30 days, ER, and CR is 85 percent TANF and 15 percent county. For EA ESC cases over 30 days, the sharing ratio is 50 percent TANF and 50 percent county.

  * The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CWS Administration		
Total	$209,563	$209,563
Federal	173,500	173,500
State	0	0
County	36,063	36,063
Reimbursements	0	0

CWS Consolidated Federal Grants and Matching Funds*

DESCRIPTION:

This purpose of this premise is solely to consolidate the following Child Welfare Services (CWS) federal grants and matching state funds: State Family Preservation (SFP); Promoting Safe and Stable Families (PSSF); PSSF Grant for Increased Funding for Caseworker Visits; Independent Living Program (ILP); Extended ILP; and Chafee Post Secondary Education and Training Voucher in an effort to simplify the presentation and minimize workload.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care (FC); CWS; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. The PSSF and ILP federal grants are not realigned. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

Each program within the CWS Consolidated Federal Grants and Matching Funds has its own implementation date.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 106909.3 through 10609.95, 16500.5 through 16500.7, 16600 through 16604.5, and Senate Bill 436 (Chapter 629, Statutes of 2005), The FC Independence Act of 1999, Public Law 107-133, Social Security Act section 477 as amended.
- The base year established for this estimate is the 2011 Budget Act.

METHODOLOGY:

The premise reflects the federal grant awards and additional matching funds provided by the General Fund (GF).

FUNDING:

Funding is based on the federal grant allocations, less State Operations costs. The matching funds are 100 percent GF.

* The state funds in this premise have been realigned to local governments. The PSSF and ILP federal grants will not be realigned. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

The Fiscal Year (FY) 2011-12 and FY 2012-13 increase reflects updated federal grant allocations.

CWS Consolidated Federal Grants and Matching Funds*

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects updated federal grant allocations.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CWS Administration		
Total	$114,335	$114,157
Federal	62,364	62,186
State	42,359	42,359
County	8,916	8,916
Reimbursements	696	696

CWS Consolidated Federal Grants and Matching Funds*

FY 2011-12
APPROPRIATION
(in 000s)

	Total	Federal	State	County	Reimb.
CWS Consolidated Federal Grants and Matching Funds Total	**$114,612**	**$62,641**	**$42,359**	**$8,916**	**$696**
SFP	34,645	3,540	21,493	8,916	696
PSSF	32,551	32,551	0	0	0
PSSF Grant for Increased Funding for Caseworker Visits	2,004	2,004	0	0	0
ILP	18,060	18,060	0	0	0
Extended ILP	15,166	0	15,166	0	0
Chafee Post Secondary Education and Training Voucher	12,186	6,486	5,700	0	0

FY 2011-12
2012 MAY REVISION
(in 000s)

	Total	Federal	State	County	Reimb.
CWS Consolidated Federal Grants and Matching Funds Total	**$114,335**	**$62,364**	**$42,359**	**$8,916**	**$696**
SFP	34,645	3,540	21,493	8,916	696
PSSF	32,502	32,502	0	0	0
PSSF Grant for Increased Funding for Caseworker Visits	2,006	2,006	0	0	0
ILP	17,971	17,971	0	0	0
Extended ILP	15,166	0	15,166	0	0
Chafee Post Secondary Education and Training Voucher	12,045	6,345	5,700	0	0

CWS Consolidated Federal Grants and Matching Funds*

FY 2012-13 2012 MAY REVISION (in 000s)					
	Total	**Federal**	**State**	**County**	**Reimb.**
CWS Consolidated Federal Grants and Matching Funds Total	**$114,157**	**$62,186**	**$42,359**	**$8,916**	**$696**
SFP	34,645	3,540	21,493	8,916	696
PSSF	32,502	32,502	0	0	0
PSSF Grant for Increased Funding for Caseworker Visits	2,006	2,006	0	0	0
ILP	17,847	17,847	0		
Extended ILP	15,166	0	15,166	0	0
Chafee Post Secondary Education and Training Voucher	11,991	6,291	5,700	0	0

CWS Consolidated Programs*

DESCRIPTION:

In an effort to streamline the budget presentation, this premise consolidates 39 Child Welfare Services (CWS) programs into one. The funding for each of the programs is shown in the tables immediately following this premise.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program (AAP); Adoptions Program; Foster Care (FC); CWS; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

Each program within the CWS Consolidated Programs premise has its own implementation date.

KEY DATA/ASSUMPTIONS:

- This premise consolidates 39 separate programs.
- This estimate reflects costs for both the 56 non-Title IV-E Waiver counties and 58 county estimates.
- The base year established for this estimate is the 2011 Budget Act.
- This premise assumes 68 percent of the costs are federally eligible in Fiscal Year (FY) 2011-12 and FY 2012-13 for the 56 non-Title IV-E Waiver county estimates.
- This premise assumes in FY 2011-12, 66 percent and in FY 2012-13, 67 percent of the costs are federally eligible for the 58 county estimates.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent, and 75 percent for training.

METHODOLOGY:

- The FY 2011-12 estimates reflect the 2011 Budget Act, with an update to the Health Oversight and Coordination program.
- The FY 2012-13 estimates reflect updated caseloads, actual expenditures, and federally eligible cases as compared to the base.

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 and programs meeting eligibility criteria. Funding for the remaining federal and nonfederal costs varies depending on the program.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CWS Consolidated Programs*

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 increase reflects the increased caseload for the Health Oversight and Coordination program. The FY 2012-13 increase reflects the increased caseload for the Health Oversight and Coordination and the Foster Youth Identity Theft programs.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects shifting of the Transitional Housing for Foster Youth program funds to the Extend FC, Kinship Guardianship Assistance Payment, and AAP Benefits program implemented by AB 12 (Chapter 559, Statutes of 2010), partially offset by an increased caseload for the Foster Youth Identity Theft program.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CWS Administration		
Total	$174,721	$164,892
Federal	39,676	39,239
State	110,597	101,533
County	24,448	24,120
Reimbursements	0	0

FY 2011-12 APPROPRIATION (in 000s)

CWS Consolidated Programs	Total $172,584	Federal $39,676	State $108,460	County $24,448	Reimb. $0
Adam Walsh	396	131	186	79	0
Background Checks	2,181	720	1,461	0	0
Caregiver Court Filings	82	28	54	0	0
Child Fatality & Near Fatality	245	81	115	49	0
County Self-Assessment & SIP Development	10,079	3,427	4,656	1,996	0
Criminal Records Check for FR	944	321	623	0	0
Data Requirements for New Activities	478	162	221	95	0
Dual Agency Supplement to the Rate	81	28	37	16	0
Emancipated Foster Youth Stipend	3,602	0	3,602	0	0
FC Infant Rate	22	8	10	4	0
FC Placement/Proximity to School of Origin	156	53	72	31	0
Federal Budget Bill – Loss of FFP	0	-224	157	67	0
Federal Child & Family Services Review	300	99	201	0	0
Foster/Adoptive Family Recruitment Campaign	185	62	123	0	0
Foster Youth Identity Theft	0	0	0	0	0
Gomez v. Saenz	1,848	0	1,294	554	0
Grievance Review for Relatives	491	162	230	99	0
Group Home Monthly Visits	8,863	3,014	5,849	0	0
Health Oversight and Coordination	6,487	0	6,487	0	0
Increase Family Case Planning Meetings	5,072	1,725	2,343	1,004	0
Increase Relative Search & Engagement	11,448	3,892	5,289	2,267	0
Kinship/FC Emergency Funds	1,422	483	939	0	0
Kinship Support Services	4,000	0	4,000	0	0
Live Scan Technology	1,200	396	804	0	0
Minor Parent Services	7,097	3,549	2,483	1,065	0
Multiple Relative Home Approvals	6,365	2,100	2,985	1,280	0
Notification of Relatives	2,720	925	1,257	538	0
Personalized Transition Plan	255	87	118	50	0
Recruitment and Retention of SW	269	89	180	0	0
Registered Sex Offender Check	514	170	344	0	0
Relative Home Approvals Annual	3,097	1,022	1,453	622	0
Relative Home Approvals Initial	8,683	2,866	4,072	1,745	0
Safe & Timely Interstate Placements	969	329	448	192	0
Sibling Placement	149	51	69	29	0
SSI/SSP FC Application	590	201	389	0	0
Statewide Standardized Training	14,215	7,036	5,025	2,154	0
Substance Abuse/HIV Infant Program	5,022	1,495	2,469	1,058	0
Supportive & Therapeutic Options Program	14,220	0	9,954	4,266	0
Transitional Housing for Foster Youth	48,837	5,188	38,461	5,188	0

FY 2011-12 2012 MAY REVISION (in 000s)					
CWS Consolidated Programs	**Total $174,721**	**Federal $39,676**	**State $110,597**	**County $24,448**	**Reimb. $0**
Adam Walsh	396	131	186	79	0
Background Checks	2,181	720	1,461	0	0
Caregiver Court Filings	82	28	54	0	0
Child Fatality & Near Fatality	245	81	115	49	0
County Self-Assessment & SIP Development	10,079	3,427	4,656	1,996	0
Criminal Records Check for FR	944	321	623	0	0
Data Requirements for New Activities	478	162	221	95	0
Dual Agency Supplement to the Rate	81	28	37	16	0
Emancipated Foster Youth Stipend	3,602	0	3,602	0	0
FC Infant Rate	22	8	10	4	0
FC Placement/Proximity to School of Origin	156	53	72	31	0
Federal Budget Bill – Loss of FFP	0	-224	157	67	0
Federal Child & Family Services Review	300	99	201	0	0
Foster/Adoptive Family Recruitment Campaign	185	62	123	0	0
Foster Youth Identity Theft	0	0	0	0	0
Gomez v. Saenz	1,848	0	1,294	554	0
Grievance Review for Relatives	491	162	230	99	0
Group Home Monthly Visits	8,863	3,014	5,849	0	0
Health Oversight and Coordination	8,624	0	8,624	0	0
Increase Family Case Planning Meetings	5,072	1,725	2,343	1,004	0
Increase Relative Search & Engagement	11,448	3,892	5,289	2,267	0
Kinship/FC Emergency Funds	1,422	483	939	0	0
Kinship Support Services	4,000	0	4,000	0	0
Live Scan Technology	1,200	396	804	0	0
Minor Parent Services	7,097	3,549	2,483	1,065	0
Multiple Relative Home Approvals	6,365	2,100	2,985	1,280	0
Notification of Relatives	2,720	925	1,257	538	0
Personalized Transition Plan	255	87	118	50	0
Recruitment and Retention of SW	269	89	180	0	0
Registered Sex Offender Check	514	170	344	0	0
Relative Home Approvals Annual	3,097	1,022	1,453	622	0
Relative Home Approvals Initial	8,683	2,866	4,072	1,745	0
Safe & Timely Interstate Placements	969	329	448	192	0
Sibling Placement	149	51	69	29	0
SSI/SSP FC Application	590	201	389	0	0
Statewide Standardized Training	14,215	7,036	5,025	2,154	0
Substance Abuse/HIV Infant Program	5,022	1,495	2,469	1,058	0
Supportive & Therapeutic Options Program	14,220	0	9,954	4,266	0
Transitional Housing for Foster Youth	48,837	5,188	38,461	5,188	0

FY 2012-13 2012 MAY REVISION (in 000s)

CWS Consolidated Programs	**Total $164,892**	**Federal $39,239**	**State $101,533**	**County $24,120**	**Reimb. $0**
Adam Walsh	408	137	190	81	0
Background Checks	2,247	753	1,494	0	0
Caregiver Court Filings	62	21	41	0	0
Child Fatality & Near Fatality	245	82	114	49	0
County Self-Assessment & SIP Development	10,079	3,427	4,656	1,996	0
Criminal Records Check for FR	976	332	644	0	0
Data Requirements for New Activities	501	170	232	99	0
Dual Agency Supplement to the Rate	81	28	37	16	0
Emancipated Foster Youth Stipend	3,602	0	3,602	0	0
FC Infant Rate	22	8	10	4	0
FC Placement/Proximity to School of Origin	153	52	71	30	0
Federal Budget Bill – Loss of FFP	0	-224	157	67	0
Federal Child & Family Services Review	300	100	200	0	0
Foster/Adoptive Family Recruitment Campaign	185	62	123	0	0
Foster Youth Identity Theft	223	76	103	44	0
Gomez v. Saenz	1,509	0	1,056	453	0
Grievance Review for Relatives	506	170	235	101	0
Group Home Monthly Visits	8,242	2,802	5,440	0	0
Health Oversight and Coordination	8,381	0	8,381	0	0
Increase Family Case Planning Meetings	4,498	1,529	2,078	891	0
Increase Relative Search & Engagement	10,585	3,599	4,890	2,096	0
Kinship/FC Emergency Funds	1,422	483	939	0	0
Kinship Support Services	4,000	0	4,000	0	0
Live Scan Technology	1,200	402	798	0	0
Minor Parent Services	7,097	3,549	2,483	1,065	0
Multiple Relative Home Approvals	6,556	2,196	3,052	1,308	0
Notification of Relatives	2,852	969	1,318	565	0
Personalized Transition Plan	160	54	74	32	0
Recruitment and Retention of SW	269	90	179	0	0
Registered Sex Offender Check	529	177	352	0	0
Relative Home Approvals Annual	2,851	955	1,327	569	0
Relative Home Approvals Initial	8,944	2,997	4,163	1,784	0
Safe & Timely Interstate Placements	947	322	438	187	0
Sibling Placement	121	42	57	22	0
SSI/SSP FC Application	414	141	273	0	0
Statewide Standardized Training	14,215	7,143	4,950	2,122	0
Substance Abuse/HIV Infant Program	5,023	1,407	2,531	1,085	0
Supportive & Therapeutic Options Program	14,220	0	9,954	4,266	0
Transitional Housing for Foster Youth	41,267	5,188	30,891	5,188	0

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Federal Grant to Reduce Long-Term Foster Care

DESCRIPTION:

This premise reflects a five-year grant from the federal Administration for Children and Families for the California Department of Social Services for a total of up to $14.5 million. The federal grant funds local demonstration projects that support the implementation and test the effectiveness of innovative intervention strategies to improve permanency outcomes of foster children in California, in particular for African-American and Native-American youth who have been identified as having the most significant barriers to permanency. Projects funded by the grant will address site-specific issues in order to help children move from Foster Care in less than three years.

Five grant awards have been distributed to California, with a maximum annual per award amount of $2.5 million for year one, and increasing to $3 million per year, for up to four additional years. The grant requires ten percent state fund matching, which will come from existing unmatched General Fund (GF) budgeted in the State Family Preservation (SFP) premise.

IMPLEMENTATION DATE:

This premise implemented on October 1, 2010.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Social Security Act section 426.
- Program and financial status reports are due 30 days after the end of the second and fourth quarters (six-month intervals) throughout the total approved project period.
- The implementation counties are: Fresno, Humboldt, Los Angeles and Santa Clara.
- Ten replication counties may participate in early planning and development activities and implement during years four and five of the project. These counties include: Contra Costa, Napa, Monterey, Orange, Sacramento, San Bernardino, San Francisco, Santa Cruz, Solano, and Yolo.

METHODOLOGY:

The estimate is based on the Federal Fiscal Year (FFY) federal grant amount. The FFY 2011 and FFY 2012 grant amount is estimated to be $3.0 million in federal funds, less $368,000 for state operation costs.

FUNDING:

Federal funding is provided by Title IV-B of the Social Security Act, and funded at 100 percent. There is a ten percent GF match provided through the SFP premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change

Federal Grant to Reduce Long-Term Foster Care

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CWS Grants		
Total	$2,632	$2,632
Federal	2,632	2,632
State	0	0
County	0	0
Reimbursements	0	0

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.
- This estimate reflects costs for 58 counties.
- The implementation of regional training academies started in 1996.
- Funding is based on contract amounts entered into by the California Department of Social Services.
- This premise assumes in Fiscal Year (FY) 2011-12, 66 percent and in FY 2012-13, 67 percent of the costs are federally eligible.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 75 percent.

METHODOLOGY:

The estimate is based on contract 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 remaining federal and nonfederal costs are 100 percent General Fund, with the exception of various contracts which utilize in-kind matches.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The FY 2012-13 increase reflects updated contract amounts.

Total Child Welfare Training Program

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects updated contract amounts.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CWS Administration		
Total	$23,497	$22,021
Federal	14,608	13,132
State	8,889	8,889
County	0	0
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, social worker training, other public agency administrative costs, county counsel costs, and foster and kinship care education program as described below.

IMPLEMENTATION DATE:

Probation Costs	June 1991
Social Work Training	Fiscal Year (FY) 1992-93
Other Public Agencies	FY 2003-04
Social Worker (SW)/County Counsel Training	FY 2005-06
Foster and Kinship Care Education Program* (Community College Chancellor's Office)	FY 2005-06

*Incorporates the Foster Parent Training Fund (FY 1990-91) and the Foster Parent Training Program (FY 1998-99).

KEY DATA/ASSUMPTIONS:

- The probation costs estimate reflects actual costs for the 56 non-Title IV-E Waiver counties.
- The amount of federal financial participation is based on the Federal Medical Assistance Percentage of 100 percent.

METHODOLOGY:

This premise includes the combined estimated expenditures for the following five Title IV-E pass-through costs:

- **Probation Costs** – The state received federal approval to pass-through Title IV-E administrative 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 is passed through to the county probation departments for their federally-eligible activities related to probation supervised cases in Foster Care (FC). It is also passed-through for the Title IV-E eligible training of probation staff that complete case management activities on behalf of these children based on actual expenditures.
- **Social Worker Training** – An agreement between the California Department of Social Services (CDSS), the Universities of California, and the California State Universities was implemented for a statewide training program to increase the number of SWs 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 20 schools of social work participating. Funding is provided with Title IV-E federal funds and in-kind matches provided by the California State Universities.

Child Welfare Services – Pass-Through Title IV-E Costs

METHODOLOGY (CONTINUED):

- **Other Public Agencies** – The federal government allows Title IV-E reimbursement for administrative activities associated with pre-placement prevention. Under current CDSS regulations and specified conditions, counties may pass-through Title IV-E funds to other county public agencies, such as education or mental health, which perform eligible administrative activities for children at risk of, or currently placed in FC. This pass-through provision does not apply to similar activities performed by private non-profit organizations based on actual expenditures.
- **Social Work/County Counsel Training** – The training is 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 SW and county counsel's understanding of the judicial determination process and necessary court findings on behalf of children in FC.
- **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 are 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 relating to the type of education and training this program delivers include: 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).

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The FY 2012-13 decrease reflects updated actual expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects updated expenditures and contract amounts.

Child Welfare Services – Pass-Through Title IV-E Costs

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CWS Total Administration		
Total	$152,833	$138,380
Federal	152,833	138,380
State	0	0
County	0	0
Reimbursements	0	0

DETAILED TOTALS:

	FY 2011-12	FY 2012-13
Item 151 – CWS Probation		
Total	$110,228	$96,865
Federal	110,228	96,865
State	0	0
County	0	0
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 151 – CWS Foster and Kinship Care Education Program		
Total	$4,833	$4,833
Federal	4,833	4,833
State	0	0
County	0	0
Reimbursements	0	0

Child Welfare Services – Pass-Through Title IV-E Costs

EXPENDITURES (CONTINUED):

DETAILED TOTALS (CONTINUED):

Item 151 – CWS AOC SW/County Counsel Training

	FY 2011-12	FY 2012-13
Total	$685	$736
Federal	685	736
State	0	0
County	0	0
Reimbursements	0	0

Item 151 – CWS Other Public Agencies Administration

	FY 2011-12	FY 2012-13
Total	$2,915	$2,915
Federal	2,915	2,915
State	0	0
County	0	0
Reimbursements	0	0

Item 151 – CWS SW Training Administration

	FY 2011-12	FY 2012-13
Total	$34,172	$33,031
Federal	34,172	33,031
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 (FC) 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.

*Effective July 1, 2011, AB 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; FC; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

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 the 56 non-Title IV-E Waiver counties.
- This estimate includes $8,000 in additional General Fund (GF), Title IV-E Waiver costs for Alameda.
- This premise assumes 68 percent of the costs are federally eligible in Fiscal Year (FY) 2011-12 and FY 2012-13.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent, and 75 percent for recruitment.

METHODOLOGY:

The estimate is based on the 2011-12 Appropriation level.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of FFP based on the FMAP those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs are 100 percent GF. Funds are evenly distributed to each component of the program.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

Foster Parent Training and Recruitment*

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CWS Administration		
Total	$2,410	$2,410
Federal	1,041	1,041
State	1,369	1,369
County	0	0
Reimbursements	0	0

Child Welfare Services/Case Management System Staff Development*

DESCRIPTION:

This premise reflects the costs 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.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; CWS; Adult Protective Services; and Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- This estimate reflects costs for 58 counties.
- The estimate includes training costs for all new users as a result of user growth and staff turnover.
- The cost per hour of training is $48.07 for each Fiscal Year (FY).
- The estimate assumes an 11.5 percent staff turnover rate.
- There are 15,819 budgeted users for each FY.
- 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.
  - 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.

FUNDING:

- Costs are shared according to California's federally approved Cost Allocation Plan, which allocates costs to all benefiting CWS programs based on statewide county worker time study hours.
- This premise is funded with Title IV-E and Title XIX of the Social Security Act and Temporary Assistance for Needy Families; the rates are shared under their respective programs.

  * The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The FY 2012-13 change reflects updated federally eligible costs.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2012-13 change reflects updated federally eligible costs.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CWS Administration		
Total	$8,294	$8,294
Federal	4,099	4,183
State	2,961	2,862
County	790	781
Reimbursements	444	468

Child Welfare Services/Case Management System (CWS/CMS) Maintenance and Operation (M&O) Office

DESCRIPTION:

This premise reflects the costs related to the ongoing and administrative support of the Child Welfare System/Case Management System (CWS/CMS). As mandated by Senate Bill 370 (Chapter 1294, Statutes of 1989), the CWS/CMS provides a comprehensive database, case management tool, and reporting system for the CWS Program. It contains both current and historical information for all children statewide in emergency response, family maintenance, family reunification, and permanent placement. The CWS/CMS also includes information regarding adoptions to produce the semiannual adoption and foster care analysis reporting system reports.

The 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). The OSI administers the CWS/CMS under an interagency agreement with the California Department of Social Services (CDSS).

IMPLEMENTATION DATE:

This premise became effective in 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 and infrastructure hosting services provided by the state data center, OSI administrative support, and vendor costs related to contracted application and technical architecture support services.

METHODOLOGY:

Costs are based on the FY 2011-12 Spring Finance Letter and the Department of Finance's Budget Letters: 11-02, 11-27, 11-28, 11-30, and 11-31.

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 PRIOR SUBVENTION:

The FY 2011-12 allocation of costs to benefiting programs has been updated. The FY 2012-13 costs decreased due to cost reductions associated with the prime vendor services contract.

Child Welfare Services/Case Management System (CWS/CMS) Maintenance and Operation (M&O) Office

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2012-13 costs decreased due to baseline adjustments (retirement, employee compensation, and pro rata).

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 - Child Welfare Services Automation		
Total	$79,351	$79,072
Federal	38,987	38,859
State	36,115	35,978
County	0	0
Reimbursements	4,249	4,235

CDSS/OSI PARTNERSHIP:

(in 000s)

	FY 2011-12	FY 2012-13
Total	$79,351	$79,072
CDSS	36,193	36,193
OSI	43,158	42,879

Child Welfare Services/Case Management System (CWS/CMS) New System Project

DESCRIPTION:

This premise reflects the costs associated with the CWS New System Project (NSP), formerly known as the CWS Child Welfare Services Association Study Team (CAST), established after the indefinite suspension of the Child Welfare Services/Web (CWS/Web) Project. The CWS NSP was assembled with representatives from the California Department of Social Services (CDSS), in cooperation with the Office of Systems Integration, County Welfare Director's Association, California Technology Agency and county and other stakeholders in order to determine the best approach to replace the current Child Welfare Services/Case Management System (CWS/CMS). Prior to the CWS NSP, the CWS/Web was to be the solution developed using a web service-based technical architecture infrastructure to replace the CWS/CMS.

In the Spring of 2012, a report will be provided to the Legislature containing the following: an assessment of the business needs of CWS, an assessment of the existing system, an analysis of viable automated system options to meet critical business needs, communication from the federal government regarding Statewide Automated Child Welfare Information System (SACWIS) redesign requirements, and a recommendation on next steps, including a timeline and implementation approach.

IMPLEMENTATION DATE:

This premise became effective Fiscal Year (FY) 2011-12.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5
- Costs presented are associated with the support and oversight of the CWS NSP.

METHODOLOGY:

Costs are based on the staffing, operating expenses and equipment, facilities, contract services, pro rata, Department of General Services' fees, and administrative overhead in support of the CWS NSP.

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 PRIOR SUBVENTION:

There is no change. However, the FY 2011-12 costs include a one-time reduction of $61,000 General Fund captured per Control Section 3.91(b), Budget Act of 2011.*

Child Welfare Services/Case Management System (CWS/CMS) New System Project

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2012-13 costs decreased due to baseline adjustments (retirement, employee compensation, and pro rata).

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 - Child Welfare Services Automation		
Total	$2,562	$2,520
Federal	1,267	1,247
State	1,157	1,138
County	0	0
Reimbursements	138	135

CDSS/OSI PARTNERSHIP:

(in 000s)

	FY 2011-12	FY 2012-13
Total	$2,562	$2,520
CDSS	184	184
OSI	2,378	2,336

*Savings captured per Control Section 3.91(b):

	FY 2011-12	FY 2012-13
Total	$61	$0
Federal	0	0
State	61	0
County	0	0
Reimbursements	0	0

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' "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) 2009-10 was $4,074,000 and for FY 2010-11 was $3,980,000.

METHODOLOGY:

- Using FY 2009-10 actual revenue as the estimate for FY 2011-12 plates' revenue, 22.5 percent will be transferred to the counties for child abuse prevention activities.
- Using FY 2010-11 actual revenue as the estimate for FY 2012-13 plates' revenue, 22.5 percent will be transferred to the counties for child abuse prevention activities.

FUNDING:

All funds are provided by the CHSF.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects updated actual revenues.

Child Health and Safety Fund

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CWS Administration		
Total	$917	$896
Federal	0	0
State	917	896
County	0	0
Reimbursements	0	0

Peer Quality Case Reviews*

DESCRIPTION:

This premise reflects the cost associated with backfilling staff time and travel and per diem costs for social workers (SWs) and probation officers participating in Peer Quality Case Reviews (PQCRs) as required by Assembly Bill (AB) 636 (Chapter 678, Statutes of 2001). The purpose of PQCRs is to learn, through intensive examination of county child welfare practice, how to improve Child Welfare Services (CWS) and practices in California, both in the participating county and in other jurisdictions. The PQCRs provide an additional layer of information for validating the quantitative data contained within each county's County Data Report and Self Assessment. Specifically, PQCRs are another mechanism for understanding the key to the child welfare system and SW practice. While the quantitative data provides integral, population-based information, PQCRs provide a rich and deep understanding of actual practice in the field. In addition, PQCRs go beyond the County Self-Assessment (CSA) by incorporating outside expertise, including county peers, to help identify the strengths and weaknesses of county CWS delivery systems and SW and probation officer practices.

*Effective July 1, 2011, AB 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; CWS; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10601.2.
- This estimate reflects costs for the 56 non-Title IV-E Waiver counties.
- It is assumed there will be ten non-Title IV-E Waiver counties and one Waiver county required to complete a CSA in Fiscal Year (FY) 2011-12 that will also complete County Welfare Department (CWD) and County Probation Department (CPD) reviews during the same period.
- Based on information from the County Welfare Directors Association, a total of 712 hours of SW time is required for each CWD review, which includes staff time for preparation, coordination and training for the reviews and completion and review of reports. Included in the total hours are five full days for eight staff in the county being reviewed, and eight staff from other counties participating in the reviews.
- A total of 427 hours of probation worker time will be required for each CPD review, which includes staff time for preparation, coordination and training for the reviews and completion and review of reports. It is assumed that each CPD review will take approximately three-fifths the time of a CWD review.
- The hourly SW cost is $72.60.
- The eight workers from other counties will require travel and per diem costs of $124 per day.

Peer Quality Case Reviews*

KEY DATA/ASSUMPTIONS (CONTINUED):

- State support of $40,000 total funds is included in the premise.

METHODOLOGY:

The total number of SW hours per review is multiplied by the number of reviews and then by the SW cost per hour. Costs are added for travel and per diem for eight visiting workers for each of the reviews at $124 per day. Costs for state support are also included.

FUNDING:

- Costs are shared according to California's federally approved Cost Allocation Plan, which allocates costs to all benefiting CWS programs based on statewide county worker time study hours.
- This premise is funded through Title IV-E and Title XIX of the Social Security Act and Temporary Assistance for Needy Families; the rates are shared under their respective programs.

  * The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2011-12. The FY 2012-13 decrease reflects fewer counties participating in PQCRs than estimated in the 2012-13 Governor's Budget.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects fewer counties participating in PQCRs, as the process has changed from a three to a five year cycle.

EXPENDITURES:

(in 000s)

		FY 2011-12	FY 2012-13
Item 151- CWS Administration			
	Total	$1,853	$943
	Federal	630	469
	State	864	280
	County	359	141
	Reimbursements	0	53

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 support that promotes positive outcomes for children and families.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2005.

KEY DATA/ASSUMPTIONS:

- Donated funds are eligible for federal Title IV-E enhanced training matching funds.
- This estimate reflects costs for 58 counties.
- This premise assumes 66 percent of the costs are federally eligible in Fiscal Year (FY) 2011-12 and 67 percent of the costs are federally eligible in FY 2012-13.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 75 percent.

METHODOLOGY:

The expected donations total $4 million General Fund (GF) each year.

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 remaining federal and nonfederal costs is 100 percent GF, payable from the CWS Program Improvement Fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The FY 2012-13 increase reflects an increase in federally eligible costs.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects an increase in federally eligible costs.

CWS Program Improvement Fund

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CWS Administration		
Total	$7,921	$8,040
Federal	3,921	4,040
State	4,000	4,000
County	0	0
Reimbursements	0	0

CWS Differential Response (DR), Safety Assessment (SA) and Permanency & Youth Services (PYS)*

DESCRIPTION:

This premise reflects funding for activities related to Differential Response (DR), Safety Assessment (SA), and Permanency and Youth Services (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. The PYS are aimed at increasing permanence and stability for children in the CWS system as well as supporting foster youth as they transition to adulthood.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; CWS; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2005.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 636 (Chapter 678, Statutes of 2001).
- This estimate reflects costs for the 56 non-Title IV-E Waiver counties.
- This premise provides funding for continued implementation in ten 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.
- This premise assumes 68 percent of the costs are federally eligible for FY 2011-12 and FY 2012-13.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 75 percent for training and 50 percent for administration.
- 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 ten counties is $6,436,000. An additional $364,000 GF is provided for state contracts.

CWS Differential Response (DR), Safety Assessment (SA) and Permanency & Youth Services (PYS)*

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 remaining federal and nonfederal costs is 100 percent GF.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CWS Administration		
Total	$10,518	$10,518
Federal	3,718	3,718
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 (SIPs) approved by each county's Board of Supervisors. These plans are required under the California Child and Family Services Review, pursuant to Assembly Bill (AB) 636 (Chapter 678, Statutes of 2001). 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 Differential Response, Standardized Safety Assessment System, and Permanency and Youth Services programs. The California Department of Social Services anticipates 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, 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 SIPs.

*Effective July 1, 2011, AB 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; CWS; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2005.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 1808.
- This estimate reflects costs for the 56 non-Title IV-E Waiver counties.
- The General Fund (GF) for county welfare department CWS Outcome Improvement Project (CWSOIP) activities is $10.6 million.
- The GF for county probation department CWSOIP activities is $1.2 million.
- AB 1808 provides an augmentation of $39.4 million GF.
- For county welfare department CWSOIP activities, 44 percent of the activities are eligible 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.
- This premise assumes 68 percent of the costs are federally eligible in Fiscal Year (FY) 2011-12 and FY 2012-13.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Parentage (FMAP) of 50 percent.

CWS Outcome Improvement Project*

METHODOLOGY:

The CWSOIP funding is added with the CWSOIP augmentation funding.

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 remaining federal and nonfederal costs is 100 percent GF. The CWSOIP Augmentation funding was determined by AB 1808.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

		FY 2011-12	FY 2012-13
Item 151 – CWS Administration			
	Total	$73,938	$73,938
	Federal	22,750	22,750
	State	51,188	51,188
	County	0	0
	Reimbursements	0	0

CWS Outcome Improvement Project*

EXPENDITURES (CONTINUED):

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CWSOIP Grant		
Total	$14,291	$14,291
Federal	2,470	2,470
State	11,821	11,821
County	0	0
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 151 – CWSOIP Augmentation		
Total	$59,647	$59,647
Federal	20,280	20,280
State	39,367	39,367
County	0	0
Reimbursements	0	0

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Child Relationships
(AB 408 Amended by AB 1412)*

DESCRIPTION:

This premise reflects the costs for social workers (SWs) to perform additional activities on every initial and six month case plan and court report on children ten 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). The SW must 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 are included in the child's Transitional Independent Living Plan (TILP).

Effective January 1, 2006, the provisions of AB 408 were 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 SW must 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.

*Effective July 1, 2011, AB 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2004, with AB 1412 provisions implementing July 1, 2006.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 349, 366-366.35, 391, 16001.9, and 16206 – 16501.1.
- This estimate reflects costs for the 56 non-Title IV-E Waiver counties.
- This premise assumes 68 percent of the costs are federally eligible for FY (FY) 2011-12 and FY 2012-13.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

FY 2011-12

The estimate is held to the 2011 Budget Act.

Child Relationships
(AB 408 Amended by AB 1412)*

KEY DATA/ASSUMPTIONS (CONTINUED):

FY 2012-13

- There will be approximately 7,433 new children ten years of age and older and who have been in out-of-home placement for six months or longer. The SW will spend four hours per case to assess the placement of the child and an additional one-half hour per case for the six month case plan/court report.
- 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 SW time.
- There will be approximately 7,499 out-of-home placement cases for the six month case plan/court report for ongoing cases. The SW will spend 15 minutes per case.
- Background checks will be performed on each initial and additional assessment case at a cost of $87.00 per case.
- There will be approximately 6,199 foster children age 16 and older in out-of-home placement who will complete a TILP. The SW will spend one hour per case, twice a year.
- There will be approximately 5,517 children age 8 to 11 years old who are developmentally appropriate who will participate in their case plan development. The SW will spend 15 minutes per case, twice a year.
- There will be approximately 12,310 children age 12 and older who will review and sign their case plan. The SW will spend 30 minutes per case, twice a year.
- The SW cost per hour is $72.60.

METHODOLOGY:

For FY 2011-12, the estimate is held to the 2011 Budget Act. For FY 2012-13, the estimate is calculated by multiplying the amount of time per activity by the frequency of the activity per year by the SW rate and then by the number of cases. Background check costs are calculated by multiplying the cost per case by the caseload.

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 remaining federal and non federal costs are 70 percent General Fund and 30 percent county.

*The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

Child Relationships
(AB 408 Amended by AB 1412)*

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The FY 2012-13 increase reflects updated caseload assumptions for each activity.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects updated caseload assumptions for each activity.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CWS Administration		
Total	$5,299	$5,907
Federal	1,802	2,008
State	2,448	2,729
County	1,049	1,170
Reimbursements	0	0

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Resource Family Approval Pilot (AB 340)*

DESCRIPTION:

This premise reflects costs associated with Assembly Bill (AB) 340 (Chapter 464, Statutes of 2007) which requires the California Department of Social Services, 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 (FC) and Adoptions. This single process would replace the existing separate processes for licensing Foster Family Homes (FFH), approving relatives and non-related extended family members (NREFM), and approving adoptive families.

*Effective July 1, 2011, AB 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; FC; Child Welfare Services (CWS); Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. The Community Care Licensing (CCL) portion of this premise is not realigned. The Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2012.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16519 and 16519.5.
- The five pilot counties are: Fresno, San Luis Obispo, Santa Barbara, Santa Clara, and Yuba.
- The number of hours necessary to perform home approvals for relative/NREFM and licensing has been increased to 24 hours, which is equivalent 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 FFH cases, thus creating savings.
- State administrative hearing reviews for licensing cases, denied and appealed, are replaced by less-costly county grievance reviews. It is assumed that 20 percent of FFH cases that are denied will appeal, requiring eight hours of social worker (SW) time per grievance review.
- First year costs include one-time SW training and county start-up costs of $356,000. On-going annual training for new staff as a result of turnover is estimated at $3,162.
- After the initial year of implementation, FFH cases will require three hours of SW time to perform annual reassessments.

<u>CWS</u>

- Based on actual data for Fiscal Year (FY) 2009-10, the relative/NREFM caseload for the five pilot counties for FY 2011-12 is estimated to be 2,390. Based on actual data for Calendar Year 2011, the relative/NREFM caseload for the five pilot counties for FY 2012-13 is estimated to be 1,467.

Resource Family Approval Pilot (AB 340)*

KEY DATA/ASSUMPTIONS (CONTINUED):

CWS (continued)

- Based on information from the California Welfare Directors Association, an average of 1.56 children are placed per home.
- This premise assumes that 66 percent of the costs are federally eligible.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.
- The hourly cost of a SW 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. The SWs typically spend 18 hours on activities associated with finding an alternate placement for these cases.

Adoptions

- Based on actual data for FY 2009-10, the estimated number of adoption cases going through the home approval process for the five pilot counties for FY 2011-12 was 79. Based on actual data for FY 2010-11, the estimated number of adoption cases going through the home approval process for the five pilot counties for FY 2012-13 is 54.
- The hourly cost of an adoption worker is $72.31.
- The number of hours to perform an adoptive home approval is 24 hours.
- The sharing ratio for FY 2011-12 is 44.03 percent federal and 55.97 percent General Fund (GF). The sharing ratio for FY 2012-13 is 43.95 percent federal and 56.05 percent GF.
- The cost to conduct background checks is $87 per check.
- Two persons per home will require a background check.

CCL

- Based on actual data for Calendar Year 2010, the number of CCL cases going through the home approval process for the five pilot counties total 159, of which 154 were approved and five were denied. Based on actual data for FY 2010-11, the number of CCL cases going through the home approval process for the five pilot counties total 139, of which 137 were approved and two were denied.
- The hourly cost of a licensing worker is $70.68.
- The number of hours to perform a FFH home approval is 15.47 hours.

Resource Family Approval Pilot (AB 340)*

METHODOLOGY:

CWS

- For relative/NREFM approval costs, calculate the difference between the hours per approval previously required, versus an adoption home approval. The difference is multiplied by the caseload and the hourly cost of a SW.

- For FFH approval costs, multiply the caseload times the hours per approval, times the hourly cost of a SW.

- Following the initial year of implementation, annual reassessment costs for the FFH cases are calculated by taking the number of approved new licenses, multiplied by the number of hours for each approval, multiplied by the hourly cost of a SW.

- Grievance review costs for the FFH cases are calculated by taking 20 percent of the denied cases, multiplied by the number of hours per review, multiplied by the hourly cost of a SW.

- Training and start-up costs are then added, respectively.

Adoptions

Savings are calculated for the elimination of approval and background check processes.

CCL

Savings are calculated for the elimination of approval processes.

FUNDING:

CWS

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 remaining costs federal and nonfederal costs are 70 percent GF and 30 percent county.

Adoptions

Savings are shared based on actual sharing ratios in the Adoptions Program.

CCL

- Savings are shared based on actual FFH sharing ratios. The sharing ratio for FY 2011-12 is 36.23 percent federal and 63.77 percent GF. The sharing ratio for FY 2012-13 is 34.83 percent federal and 65.17 percent GF.

* The state funds in this premise have been realigned to local governments. The CCL portion of this premise is not realigned. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2011-12. The FY 2012-13 change in caseload reflects a decrease in CWS costs and an increase in savings to Adoptions.

Resource Family Approval Pilot (AB 340)*

REASON FOR YEAR-TO-YEAR CHANGE:

The change is due to a full year implementation.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CWS Administration		
Total	$933	$1,223
Federal	323	468
State	427	481
County	183	274
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 151 – Adoptions Administration		
Total	-$75	-$104
Federal	-33	-46
State	-42	-58
County	0	0
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 151 – CCL Administration		
Total	-$86	-$152
Federal	-31	-53
State	-55	-99
County	0	0
Reimbursements	0	0

Health Benefit Determination (AB 1512)*

DESCRIPTION:

Assembly Bill (AB) 1512 (Chapter 467, Statutes of 2007) requires the county child welfare agency or probation department responsible for the child's placement to determine, in consultation with the foster parent, whether a foster child who is currently enrolled in a county organized health system (COHS) and is to be 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 decision is to disenroll the child from the COHS, the placing county is also required to request the disenrollment within two working days after the out-of-county placement begins.

*Effective July 1, 2011, AB 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2009.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 14093.09.
- There are currently 13 counties that have adopted the COHS for Fiscal Year (FY) 2012-13. They are: Marin, Mendocino, Merced, Monterey, Napa, Orange, San Luis Obispo, San Mateo, Santa Barbara, Santa Cruz, Solano, Sonoma, and Yolo.
- Social workers (SW) will spend two hours on determination and disenrollment activities.
- For FY 2011-12, there will be 1,753 out-of-county placements (based on actual data from January 2011). For FY 2012-13, there will be 1,658 out-of-county placements (based on actual data from December 2011).
- The hourly cost of a SW is $72.60.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The cost is derived by multiplying the caseload by the two hours it will take the SW to make the determination, by the SW hourly cost.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining costs are 100 percent General Fund.

Health Benefit Determination (AB 1512)*

FUNDING (CONTINUED):

*The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The FY 2012-13 decrease reflects Ventura County no longer participating.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects Ventura County no longer participating.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 - CWS Administration		
Total	$254	$240
Federal	0	0
State	127	120
County	0	0
Reimbursements	127	120

Increase Funding for Caseworker Visits*

DESCRIPTION:

This premise reflects the costs associated with increasing the percentage of monthly Foster Care (FC) visits to 90 percent. Public Law (PL) 109-288, known as the Child and Family Services Improvement Act of 2006, requires states to increase the percentage of foster children that are visited monthly to 90 percent by the year 2011 in order to continue receiving full Title IV-B funding. The PL 109-288 also requires that the California Department of Social Services implement guidelines on what constitutes a quality visit with a foster child. In addition, a majority of those visits are required to take place in the child's home. States are required to submit a plan for approval by the federal Department of Health and Human Services that indicates their goals for improvement each Federal Fiscal Year (FFY). Federal penalties will be assessed on states that do not meet their annual goals. These penalties consist of a reduction in the Title IV-B federal financial participation (FFP) rate. The penalty increases each successive year the state does not meet its goals. In order to capture information about Probation Officer (PO) visits, this premise also funds PO access to the Child Welfare Services/Case Management System (CWS/CMS).

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; FC; CWS; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2009.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: PL 109-288 and Welfare and Institutions Code section 16501.1.
- This estimate reflects costs for the 56 non-Title IV-E Waiver counties.
- This estimate assumes 15 minutes for the social worker (SW) to input the Foster Family Agency (FFA) monthly visit information into CWS/CMS.
- This estimate assumes two hours per month for the SW to visit each Foster Family Home (FFH) placement and record the information into CWS/CMS.
- This estimate assumes four hours per month for the SW to visit out-of-county FFH placements and record the information into CWS/CMS.
- This estimate assumes an additional 30 minutes for all family reunification (FR) and permanent placement (PP) visits, or a total of 421,465 visits in Fiscal Year (FY) 2012-13, to improve the quality of the visit and reduce the number of missed visits.
- The missed visits are calculated by using FFY 2007 as the base year, and updating the missed visits based on the percentage change in the FC caseload as of FFY 2010.
- The number of missed visits is 59,495 with 8,994 being out-of-county for FY 2011-12 and 57,178, with 8,682 being out-of county for FY 2012-13.

Increase Funding for Caseworker Visits*

KEY DATA/ASSUMPTIONS (CONTINUED):

- There are 22,251 FFA visits in FY 2011-12 and 21,384 FFA visits in FY 2012-13 that will be entered into CWS/CMS.
- The SW hourly cost is $72.60.
- There are 175 POs who need access to CWS/CMS with a monthly fee for a token of $27.00 each.
- This premise assumes 68 percent of the costs are federally eligible in FY 2011-12 and FY 2012-13.
- The amount of FFP is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The caseload is multiplied by the number of hours, and by the hourly cost of a SW. The number of POs is multiplied by the monthly fee for a token, multiplied by 12 months.

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 remaining federal and nonfederal costs are 70 percent General Fund (GF) and 30 percent county. The nonfederal costs for the tokens are 100 percent GF. A portion of the Promoting Safe and Stable Families funding is available for this mandate (see the CWS Consolidated Federal Grants and Matching Funds premise for additional information).

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The FY 2012-13 change reflects the additional 30 minutes for all FR and PP visits, not just the additional 30 minutes for missed visits.

REASON FOR YEAR-TO-YEAR CHANGE:

The change reflects the additional 30 minutes for all FR and PP visits, not just missed visits.

Increase Funding for Caseworker Visits*

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CWS Administration		
Total	$9,891	$22,633
Federal	2,267	6,599
State	5,348	11,235
County	2,276	4,799
Reimbursements	0	0

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Chafee Federal National Youth in Transition Database*

DESCRIPTION:

This premise reflects the costs associated with collecting and submitting to the federal Administration for Children and Families (ACF) demographic and outcome data on foster youth who receive Independent Living Program services and on youth who age out of Foster Care (FC). All states are required to submit this data pursuant to ACF regulations regarding implementation of the National Youth in Transition Database (NYTD). The principle data collection method for NYTD is a survey of current and former foster youth at ages 17, 19, and 21 years old. The surveys were conducted through a contract with University of California Davis and the contract concluded on December 31, 2011. Currently, the California Department of Social Services in collaboration with the Child Welfare Data Analysis Bureau are constructing a website for youth to complete the survey. Counties are required to inform 17 year olds in FC of the purpose and scope of the survey, maintain periodic contact with former foster youth to meet federal response requirements, and secure consent forms from youth for participation in the follow-up survey. Surveys must be conducted continuously on a new cohort of 17 year olds every three years.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; FC; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2009.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Code of Federal Regulations, Title 45, and Part 1356.
- This estimate reflects costs for the 56 non-Title IV-E Waiver counties.
- The number of youth projected to take the survey is 3,945, based on actual caseload data of 17 year old FC youth.
- In Fiscal Year (FY) 2011-12 and FY 2012-13, social workers (SW) will spend four hours tracking and maintaining contact with each former foster youth.
- Total contract costs are $280,106 for FY 2011-12.
- Total costs of $200,000 for FY 2012-13 will include a process to locate and survey the youth, ensure data quality, improve response rates and equally offer and distribute incentives to all eligible participants. Of the total cost, $125,079 reflects the non-Title IV-E Waiver counties costs.
- The hourly cost of a SW is $72.60.
- This premise assumes 68 percent of the costs are federally eligible in FY 2011-12 and FY 2012-13.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

Chafee Federal National Youth in Transition Database*

METHODOLOGY:

The costs are determined by multiplying the caseload by the number of hours, and then by the hourly cost of a SW. Total costs include SW cost, plus university contract costs, and incentives for youth to complete the survey.

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 remaining federal and non federal costs are 70 percent General Fund and 30 percent county.

*The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The FY 2012-13 decrease reflects updated incentive costs for the non-Title IV-E Waiver counties.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects updated caseload and incentive costs.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CWS Administration		
Total	$1,426	$1,271
Federal	485	432
State	714	612
County	227	227
Reimbursements	0	0

Child Welfare Services Reduction*

DESCRIPTION:

The Child Welfare Services (CWS) programs provide case management and 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 a reduction to the total General Fund (GF) for CWS.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; CWS; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2009.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The 2009 Budget Act (Chapter 1, Statutes of 2009).
- This estimate reflects costs for 58 counties. However, the Waiver counties are displayed separately.
- The GF reduction amount for the 56 non-Title IV-E Waiver counties is $60,881,000.
- The GF reduction amount for the Title IV-E Waiver counties is $19,075,000.

METHODOLOGY:

The GF reduction for Fiscal Year (FY) 2011-12 and FY 2012-13 is held at prior year levels.

FUNDING:

The reduction is 100 percent GF.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Child Welfare Services Reduction*

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CWS Administration		
Total	-$60,881	-$60,881
Federal	0	0
State	-60,881	-60,881
County	0	0
Reimbursements	0	0

	FY 2011-12	FY 2012-13
Item 153 – Waiver Administration		
Total	-$19,075	-$19,075
Federal	0	0
State	-19,075	-19,075
County	0	0
Reimbursements	0	0

Probation Access to CWS/CMS*

DESCRIPTION:

This premise reflects the ongoing costs of training probation staff regarding accessing the Child Welfare Services (CWS)/Case Management System. Probation staff require access in order to fulfill their case management responsibilities related to entering data and ensuring that the correct fields are populated for state collection and reporting to the federal Administration for Children and Families.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; CWS; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2011.

KEY DATA/ASSUMPTIONS:

- Annual training costs are $800,000 total funds.
- This estimate reflects costs for 58 counties.
- The premise assumes 66 percent of the costs are federally eligible in Fiscal Year (FY) 2011-12 and 67 percent in FY 2012-13.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

Costs are included for ongoing annual training.

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 remaining federal and nonfederal costs is 100 percent General Fund.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The FY 2012-13 change reflects an increase in federally eligible costs.

REASON FOR YEAR-TO-YEAR CHANGE:

The change reflects an increase in federally eligible costs.

Probation Access to CWS/CMS*

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CWS Administration		
Total	$800	$800
Federal	396	402
State	404	398
County	0	0
Reimbursements	0	0

Adoptions Program – Basic Costs*

DESCRIPTION:

This premise reflects the funding provided to 30 participating counties for costs of adoption social workers (SWs) associated with the two adoption programs, Agency (Relinquishment) Adoptions and Independent Adoptions. There are only 28 counties that provide adoption services and these costs include funding for Independent Adoptions and services in two adjacent counties. Agency (Relinquishment) Adoptions services and Independent Adoptions 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. Parental rights have been terminated by court action due to abuse or neglect.

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 (Initiative) Assembly Bill (AB) 1524, (Chapter 1083, Statutes of 1996) was introduced to maximize adoption opportunities for children in Foster Care (FC) and reduce the FC 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 Initiative, the annual number of foster children who were placed in an adoptive home increased from 3,000 to over 7,200.

Originally a separate Adoptions Initiative premise was shown to segregate the fiscal impact of the Initiative. However, since achieving the goal of doubling the number of statewide adoptions, the Adoption Program basic costs now includes the Initiative costs. This basic premise funds 560.55 full-time equivalent (FTE) positions. This premise also reflects the costs associated with AB 687 (Chapter 462, Statutes of 2011) where an adoption finalization has been delayed beyond the child's 18th birthday due to factors beyond the control of the prospective adoptive family and the proposed adoptee. A court may issue an order of adoption and declare that it shall be entered nunc pro tunc when it will serve public policy and the best interests of the adoptee.

*Effective July 1, 2011, AB 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; FC; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. The Independent Adoptions Program will not be realigned. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16100 through 16106.
- The FTEs for each county were established based on the counties' Fiscal Year (FY) 1996 -1997 performance agreements.

Adoptions Program – Basic Costs*

KEY DATA/ASSUMPTIONS (CONTINUED):

- The statewide annual total cost for an adoption social worker ($128,564) is based on the capped unit cost level per the performance FTEs for FY 2001-2002.
- Additional federal fund authority is provided to match county spending and is based on each county's FY 2010-11 actual federal expenditures.

METHODOLOGY:

- The Improving Adoptions Outcomes Appropriation of $11,206,375 has been rolled into the Adoptions Basic Costs.
- Cost estimates are individually calculated for each county that performs its own adoptive services by multiplying the number of adoption SW FTEs by the county's annual adoption SW unit cost. All county costs are then summed to arrive at the total projected costs for adoption SWs.
- Additional federal fund authority is added to bring the total federal spending authority to the actual prior year expenditure levels. The additional federal funding is $5.3 million for FY 2012-13 and $6.6 million for FY 2011-12.

FUNDING:

The sharing ratio for FY 2012-13 is 41.43 percent federal and 58.57 percent nonfederal based on actual expenditure data from FY 2010-11. The sharing ratio for FY 2011-12 is 41.38 percent federal and 58.62 percent nonfederal based on actual expenditure data from FY 2009-10. The nonfederal share is 100 percent General Fund. Additional federal fund authority is provided in the amount of $5,352,920 for FY 2012-13 and $6,610,887 for FY 2011-12 to bring total federal spending authority to the level of prior year actual expenditures.

* The state funds in this premise have been realigned to local governments. The Independent Adoptions Program has not been realigned. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The FY 2012-13 change reflects a decrease in actual expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to a decrease in the amount of additional federal funds as tied to federal expenditures.

Adoptions Program – Basic Costs*

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – Adoptions		
Administration		
Total	$89,884	$88,626
Federal	41,256	39,979
State	48,628	48,647
County	0	0
Reimbursements	0	0

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Private Agency Adoption Reimbursement Payments*

DESCRIPTION:

This premise reflects the costs of providing Private Agency Adoption Reimbursement Payments (PAARP) 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. 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 for an individual child is submitted to the California Department of Social Services (CDSS) by the private adoption agency. The 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.

*Effective July 1, 2011, AB 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1992.

AB 1225 reimbursement payment increase went into effect on July 1, 1999.

SB 84 reimbursement payment increase went 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) 2011-12, based on actual caseload and expenditure data, the PAARP caseload is projected at 3,309, with a cost of $7,837 per adoptive placement. For FY 2012-13, based on actual caseload and expenditure data, the PAARP caseload is projected at 3,636, with a cost of $7,736 per adoptive placement.

METHODOLOGY:

The projected number of private agency adoptive placements is multiplied by the reimbursement cost per placement.

Private Agency Adoption Reimbursement Payments*

FUNDING:

Costs are shared at 44.3 percent federal funds and 55.7 percent General Fund based on actual expenditures.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The FY 2012-13 change is due to updated actual data.

REASON FOR YEAR-TO-YEAR CHANGE:

The change reflects an increase in the projected caseload, and an increase in the cost per case.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – Adoptions Administration		
Total	$25,934	$28,125
Federal	11,480	12,452
State	14,454	15,673
County	0	0
Reimbursement	0	0

Foster and Adoptive Home Recruitment*

DESCRIPTION:

This premise reflects the costs associated with using the services of local community organizations to increase the pool of minority adoptive families in an effort 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.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1982.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Federal Multiethnic Placement Act.
- For Fiscal Year (FY) 2011-12 the Foster and Adoptive Home Recruitment program funded three contracts with private providers and for FY 2012-13 it will fund one contract.
- This estimate reflects costs for 58 counties.
- This premise assumes in FY 2011-12, 66 percent and in FY 2012-13, 67 percent of the costs are federally eligible.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The estimate is based on anticipated and actual executed contract amounts.

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 remaining federal and nonfederal costs are 100 percent General Fund.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2011-12. The decrease to FY 2012-13 reflects updated contract amounts.

Foster and Adoptive Home Recruitment*

REASON FOR YEAR-TO-YEAR CHANGE:

The change is due to a decrease in updated contract amounts.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item – 151 Adoptions Administration		
Total	$483	$336
Federal	159	112
State	324	224
County	0	0
Reimbursements	0	0

County Counsel Costs*

DESCRIPTION:

This premise reflects the costs of the 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.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1990.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16100 through 16106.
- For Fiscal Year (FY) 2011-12, the average cost per case is $6,860 which is based on actual data from Calendar Year 2010.
- For FY 2012-13, the average cost per case is $8,075 which is based on actual data from Calendar Year 2011.
- For those counties that report expenditures, the projected number of children freed for adoption by county counsels is 295 for FY 2011-12 and 272 for FY 2012-13.

METHODOLOGY:

The average cost per case is derived by dividing the expenditures by the number of children freed during that same period. The average cost per case is then multiplied by the projected number of children to be legally freed for adoption.

FUNDING:

The state and federal share is based on the actual sharing ratios for FY 2012-13 expenditures. The actual federal sharing ratio is 49.96 percent and 50.04 percent non-federal.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

County Counsel Costs*

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2011-12. The FY 2012-13 increase reflects an increase in the cost per case partially offset by a decrease in caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The change is due to an increase in the cost per case partially offset by a decrease in caseload.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – Adoptions Administration		
Total	$2,024	$2,196
Federal	1,012	1,097
State	1,012	1,099
County	0	0
Reimbursements	0	0

Nonrecurring Adoption Expenses*

DESCRIPTION:

This premise reflects costs to reimburse 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 (AB) 2129 (Chapter 1089, Statutes of 1993) made this cap permanent.

*Effective July 1, 2011, AB 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1990.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16120.1.
- The projected caseload for Fiscal Year (FY) 2011-12 and FY 2012-13 is 5,197 each year.
- 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 38.94 percent will submit claims in FY 2011-12 and 37.07 percent will submit claims in FY 2012-13.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The estimate is developed by multiplying the projected number of adoptions by the percentage that qualify as a special needs case. This number is then multiplied by the average percentage of submitted claims, and then by the maximum reimbursement amount.

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 remaining costs are 100 percent General Fund.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

Nonrecurring Adoption Expenses*

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The FY 2012-13 decrease reflects updated actual expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to updated actual expenditures.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – Adoptions Administration		
Total	$712	$524
Federal	356	262
State	356	262
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 Human Immunodeficiency Virus (HIV) positive or who have a condition of symptoms resulting from substance abuse by the mother. Specifically, this funding provides 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 (CWS) Substance Abuse/HIV Infant Program (Options for Recovery) authorized by AB 67 (Chapter 606, Statutes of 1997).

*Effective July 1, 2011, AB 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care (FC); CWS; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16135 through 16135.30.
- This program is available to any county requesting participation pursuant to established procedures and to the extent funds are available. There are currently seven counties (El Dorado, Monterey, Riverside, San Francisco, San Luis Obispo, Santa Cruz, and Shasta) that are participating in this program.
- This premise assumes that for Fiscal Year (FY) 2011-12, 66 percent of the costs are federally eligible and for FY 2012-13, 67 percent of the costs are federally eligible.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent. Of the $1.0 million General Fund (GF) appropriation established through AB 2198, recruitment is set at $289,100, training at $105,900, and respite at $605,000.

METHODOLOGY:

The estimate for this program is developed by calculating the GF costs for each of the three separate components (recruitment, training, and respite care), and holding to these GF values as shares of the $1.0 million GF appropriation established through AB 2198. The other shares and the total funding change is a result of fluctuations in the FC population that is federally eligible.

Specialized Training for Adoptive Parents (STAP)*

FUNDING:

- Recruitment and Training activities - 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 remaining federal and nonfederal costs are 70 percent GF and 30 percent county.
- Respite Care – Funding is 70 percent GF and 30 percent county funds.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2011-12. The increase for FY 2012-13 is due to an increase in federally eligible participants.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item – 151 Adoptions Administration		
Total	$1,781	$1,790
Federal	352	361
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.

*Effective July 1, 2011, AB 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment Program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code sections 8714 through 8715, 8802, and 8807.
- AB 746 resulted in an increase of 33 more out-of-state adoptions.
- Each new case requires, on average, two and a half visits per year.
- It takes 16 hours, including travel, to conduct each visit.
- Travel costs are estimated to be $624 (including per diem) per visit.
- For Fiscal Year (FY) 2011-12, the federal share of costs is 41.38 percent and the General Fund (GF) share is 58.62 percent based on FY 2009-10 actual expenditures for the Adoptions Basic program.
- For FY 2012-13, the federal share of costs is 41.43 percent and the GF share is 58.57 percent based on FY 2010-11 actual expenditures for the Adoptions Basic program.
- The average hourly cost for a social worker (SW) is $72.60.

METHODOLOGY:

The estimate is developed by multiplying the number of new cases by the average number of visits required. The average cost of the SW is added to the travel costs and this total cost is then multiplied by the number of total visits.

Nonresident Petitions for Adoption (AB 746)*

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act. Funding for the remaining costs is 100 percent GF.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – Adoptions Administration		
Total	$147	$147
Federal	61	61
State	86	86
County	0	0
Reimbursements	0	0

Safe and Timely Interstate Placement of Foster Children Act of 2006*

DESCRIPTION:

This premise reflects the costs associated with Child Welfare Services (CWS) and adoptions social workers (SW) meeting the 60-day home study time frame requirement of the House of Representatives (HR) 5403, Safe and Timely Interstate Placement of the Foster Care Act of 2006. Within the 60-days, county SW 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.

This premise also reflects the cost to support data collection and tracking on an annual basis for out-of-state home study requests to satisfy federal reporting requirements.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; CWS; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment Program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: HR 5403, pursuant to Senate Bill 703 (Chapter 583, Statutes of 2007), the Family Code section 7906.5 was amended to ensure that state law included the new federal requirements.
- In early 2009, the California Department of Social Services received instructions from the federal Department of Health and Human Services that the Title IV-B Child and Family Services Plan for Federal Fiscal Years 2010-2014 should include data regarding California's compliance with the out-of-state home study time line requirements imposed by the federal law.
- The Adoptions caseload from out-of state homes studies performed by counties is estimated at 158 for Fiscal Year (FY) 2011-12 and 130 for FY 2012-13.
- Each adoptions home study will take an average of 24 hours. Beginning in FY 2010-11, data collection and tracking will take an average of 0.5 hours per case.
- The adoptions costs are shared 58.62 percent General Fund (GF) for FY 2011-12 and 58.57 percent GF for FY 2012-13.
- The average hourly cost of a SW is $72.60.
- The CWS portion of this estimate is included in the CWS Consolidated Programs premise write-up.

Safe and Timely Interstate Placement of Foster Children Act of 2006*

METHODOLOGY:

The caseload is multiplied by the hours and then by the hourly SW cost.

FUNDING:

- Federal funding is provided by Title IV-E of the Social Security Act. Funding for the remaining costs are 100 percent GF. The CWS portion of this estimate is consolidated in the CWS Consolidated Programs premise write-up.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The change is due to a decrease in caseload.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – Adoptions Administration		
Total	$281	$231
Federal	116	96
State	165	135
County	0	0
Reimbursements	0	0

Adam Walsh Child Protection and Safety Act of 2006*

DESCRIPTION:

This premise reflects the costs associated with Public Law (PL) 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 non-relative extended family members (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.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) andABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; Child Welfare Services (CWS); Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. The Community Care Licensing (CCL) portion will not be realigned. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2008.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: PL 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 and have a child abuse and neglect registry check will have a history of child abuse and neglect.
- Social workers, adoption 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 eight hours will be required to investigate and review the facts of the case.
- The CWS portion of this estimate is included in the CWS Consolidated Programs premise write-up.

Adoptions

- The number of potentially approved families is 6,837 for Fiscal Year (FY) 2011-12 based on new placement data for FY 2009-10 and 5,471 for FY 2012-13 based on new placement data for FY 2010-11.
- It is assumed that an average of two children will be adopted per home.

Adam Walsh Child Protection and Safety Act of 2006*

KEY DATA/ASSUMPTIONS (CONTINUED):

Adoptions (continued)

- 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.
- It is assumed that ten percent of the potentially approved families will have lived out of state.
- 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.
- Adoption workers will spend eight hours responding to incoming requests for underlying case information.
- The sharing ratio for FY 2011-12 is 41.38 percent federal and 58.62 percent General Fund (GF) based on FY 2009-10 actual expenditures for the Adoptions Basic Program.
- The sharing ratio for FY 2012-13 is 41.43 percent federal and 58.57 percent GF based on FY 2010-11 actual expenditures for the Adoptions Basic Program.
- The hourly cost of an adoption worker is $72.31.

Community Care Licensing (CCL)

- The Foster Family Home (FFH) caseload for FY 2011-12 is 1,314 based on new licensing activity for Calendar Year 2010. The FFH caseload for FY 2012-13 is 1,245 based on new licensing activity for Calendar Year 2011.
- 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.
- A total of 3,285 registry checks will be performed in FY 2011-12 and 3,113 in FY 2012-13.
- The sharing ratio for FY 2011-12 is 35.03 percent federal and 64.97 percent GF based on actual expenditures from Calendar Year 2010.
- The sharing ratio for FY 2012-13 is 35.09 percent federal and 64.91 percent GF based on actual expenditures from Calendar Year 2011.
- The hourly cost of a licensing worker is $70.68.

Child Welfare Services (CWS)

- The CWS portion of this estimate is included in the CWS Consolidated Programs premise write-up.

Adam Walsh Child Protection and Safety Act of 2006*

METHODOLOGY:

Adoptions

- The caseload is multiplied by the percentage of those living in another state, multiplied by the number of hours required to complete a registry check, multiplied by the hourly cost of an adoption 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 for investigative activity, multiplied by the hourly cost of an adoption worker. The number of incoming requests for underlying case information 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 an adoption worker.

CCL

- The number of registry checks is multiplied by the percentage of those living in another state, multiplied by the number of hours required to complete 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.

CWS

- The CWS portion of this estimate is included in the CWS Consolidated Programs premise.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act. Funding for the remaining costs are 100 percent GF.

* The state funds in this premise have been realigned to local governments. The CCL portion will not be realigned. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The change in FY 2012-13 reflects a decrease in caseload to Adoptions and CCL.

REASON FOR YEAR-TO-YEAR CHANGE:

The change is due to a net decrease in caseload in Adoptions and CCL.

Adam Walsh Child Protection and Safety Act of 2006*

EXPENDITURES:
(in 000s)

Item 151 – Adoptions Administration	FY 2011-12	FY 2012-13
Total	$105	$84
Federal	44	35
State	61	49
County	0	0
Reimbursements	0	0

Item 151 - CCL Administration	FY 2011-12	FY 2012-13
Total	$39	$37
Federal	14	13
State	25	24
County	0	0
Reimbursements	0	0

Adoptions Incentives (PL 110-351)

DESCRIPTION:

This premise, formerly known as "Improving Adoptions Incentives (House of Representatives 6893)", represents the amount of federal funding that the state is eligible to receive as a result of Public Law (PL) 110-351 the federal Fostering Connections to Success and Increasing Adoptions Act, which was signed into law on October 7, 2008. This program is designed to reward states with incentive funds for increasing their finalized adoptions in the Federal Fiscal Year (FFY). The amount of incentive funds is determined by the Adoption and Foster Care Analysis and Reporting System (AFCARS). The AFCARS data is submitted to the federal government twice a year. The federal incentive money is capped at $43 million for the states cumulatively for each FFY. The qualifying states receive the incentive payment one year later and have 24 months to expend the funds. The incentive money must be used to provide basic adoptive services.

There is an additional incentive payment available to states if the state's adoption rate exceeds its highest recorded foster child adoption rate since 2002.

Assembly Bill (AB) 665 (Chapter 250, Statutes of 2009) requires the state to reinvest adoption incentive payments, received through the implementation of specified provisions of federal law, into the child welfare system, in order to provide legal permanency outcomes for older children, including, but not limited to, adoption, guardianship, and reunification of children whose reunification services were previously terminated.

IMPLEMENTATION DATE:

This premise implemented on October 1, 2008.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: PL 110-351.
- AB 665 amended Welfare and Institutions Code section 16131.5 to specify how Adoption Incentive funds should be used. This includes a requirement that a portion of the funds be allocated to the California Department of Social Services (CDSS) Adoption District Offices in counties where they serve as the adoption agency.
- The number of finalized adoptions for FFY 2007 was 7,622. This was the comparison year in order to qualify for incentives.
- California's share of the $43 million in each FFY is based on the number of increased adoptions from the base year.
- In FFY 2008, California received a $1.5 million grant. These funds were available to spend through December 31, 2011.
- The Adoption District Offices were allocated approximately $60,000 based on an agreement reached between the CDSS Adoption District Offices and the counties.
- California was not awarded any funds for FFY 2009 and FFY 2010.

Adoptions Incentives (PL 110-351)

METHODOLOGY:

The incentive is based on the federal grant amount.

FUNDING:

The incentives are 100 percent federal funds.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item – 151 Adoptions Administration		
Total	$0	$0
Federal	0	0
State	0	0
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 (AB) 1733 (Chapter 1398, Statutes of 1982) established CAPIT to fund prevention and intervention services for children at risk of abuse and/or neglect. Contracts with community-based public and private agencies utilize CAPIT funds to provide services to high-risk children and their families, as well as training and technical assistance to funded agencies. The program includes a local assistance contract component of approximately $1.0 million which funds innovative, child-centered approaches for the prevention of child abuse and neglect.

*Effective July 1, 2011, AB 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; Child Welfare Services; Adult Protective Services; and the CAPIT program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

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 grant matching and leveraging requirements.

METHODOLOGY:

Total funding is divided among county allocations and training and technical assistance/state support as follows:

- <u>County Allocations</u>: Counties are allocated a total of $13,395,000 through Fiscal Year (FY) 2012-13. Small counties receive a preset minimum funding level; the remaining distribution uses a formula that considers a county's child population (under age 18), children receiving public assistance, and child abuse reports.
- <u>Training and Technical Assistance (T&TA)/State Support</u>: There 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.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

County Third Party Contracts*

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CAPIT 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 grant. In Fiscal Year (FY) 2006-07 the California Department of Social Services (CDSS) received the Linkages Grant. The CDSS, in collaboration with the Child and Family Policy Institute of California enhances, expands, and measures the impacts of Linkages. Linkages are a strategic effort involving nearly 30 counties in California to improve coordination between the California Work Opportunity and Responsibility to Kids (CalWORKs) and Child Welfare Services (CWS) programs. 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 also works towards increasing the number of counties co-locating services, supports counties in developing strategies to serve at least one identified underserved population, and strengthens 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.
- The CBCAP grant awards are contingent upon using Child Abuse Prevention, Intervention, and Treatment (CAPIT) funds to fulfill nonfederal matching and leveraging requirements.
- Through an interagency agreement between the California Department of Public Health (CDPH) and CDSS, and a contract between CDSS and Rady Hospital, there is a pass-through of money from a federal grant to CDPH, then to CDSS as a reimbursement, and ultimately to Rady Hospital. The total reimbursement to Rady Hospital is $772,308 in FY 2011-12 and $735,421 in FY 2012-13.

METHODOLOGY:

- For FY 2012-13 the CAPTA federal grants average approximately $3.0 million annually and have a 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 was approximately $400,000 annually and has a limit of five years to fully expend the annual grant. Funding for the Linkages Grant expired on September 30, 2011, and funding is provided from CAPTA.

Federal Grants

METHODOLOGY (CONTINUED):

The total reflects the following federal grants:

	FY 2011-12	FY 2012-13
CAPTA Title I Grants	$4,740,000	$3,000,000
CAPTA Title II – CBCAP Grants	$3,340,103	$4,187,625
	$8,080,103	$7,187,625
Linkages Grant	$306,064	$250,000

FUNDING:

Funding for these projects are 100 percent federal grant funds. For FY 2011-12 the Linkages grant is 90 percent federal grant funds with a 10 percent match using CAPIT funds. Funding for the Linkages Grant expired on September 30, 2011. For FY 2012-13, the Linkages grant will be funded with CAPTA funds.

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 change is due to a slight increase in reimbursement funds. The FY 2012-13 change reflects an increase in the CBCAP Grants.

REASON FOR YEAR-TO-YEAR CHANGE:

The change is due to a decrease in the spending plan.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CAPTA		
Grant		
Total	$9,158	$ 7,923
Federal	8,386	7,188
State	0	0
County	0	0
Reimbursements	772	735

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).

The SCTF is used to research, evaluate, and disseminate information to the public, to establish 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.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18969 and Assembly Bill 2036 (Chapter 647, Statutes of 2002).
- The State Controller's Office accounts for deposits generated from birth certificate surcharges, state income tax designations, and private donations.

METHODOLOGY:

This premise reflects the current funding available for the SCTF, as provided by OCAP.

FUNDING:

The State Controller's Office accounts for deposits to the SCTF and advises CDSS as to the availability of funds.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The change is due to the projection of spending down funds in order to decrease expenditures and match actual incoming revenue.

State Children’s Trust Fund Program

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – OCAP Grants		
Total	$3,600	$1,600
Federal	0	0
State	3,600	1,600
County	0	0
Reimbursements	0	0

Adult Protective Services – Basic Costs*

DESCRIPTION:

This premise reflects the costs for providing Adult Protective Services (APS), APS administrative activities, and related optional services and activities. The APS program 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. Senate Bill (SB) 2199 (Chapter 946, Statutes of 1998) established a statewide mandated APS program and provided funds for expanded APS activities. It required the reporting of elder dependent adult abuse on a 24-hour emergency response basis, completing investigation and needs assessments, and providing case management services. SB 2199 also required the provision of necessary tangible resources such as food, emergency shelter care, in-home protection, transportation, and the use of multidisciplinary teams.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; Child Welfare Services; APS; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

The APS program implemented on July 1, 1997, enhancements to APS which resulted from SB 2199 implemented on May 1, 1999, and the reduction implemented on July 1, 2008.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code (W&IC) sections 13004 through 13007 as tied to the County Services Block Grant (CSBG); commencing with W&IC section 15600 as tied to the Elder Abuse and Dependent Adult Civil Protection Act as tied to APS.
- The Financial Elder Abuse Reporting Act of 2005 added W&IC section 15630.1, which established that all officers and employees of financial institutions serve as "mandated reporters of suspected financial abuse of an elder or dependent adult." The mandated reporter shall report any known or suspected financial abuse as soon as possible. The statewide activities resulting from SB 1018 (Chapter 140, Statutes of 2005) include training and the provision of educational materials and technical assistance in APS reporting. Training for financial institutions by county APS staff is ongoing.
- The APS program has been funded in whole or in part under CSBG since the 1984 Budget Act.
- The CSBG provides a General Fund (GF) block grant of $10.5 million.
- The APS program provided a $20.0 million GF augmentation in the 1998 Budget Act, plus an additional $25.3 million GF augmentation in the 1999 Budget Act for the enhanced activities.
- The county match of $10.9 million reflects the Fiscal Year (FY) 1996-97 CSBG county expenditure level. SB 2199 required the counties to maintain their FY 1996-97 APS expenditure level for CSBG purposes.

Adult Protective Services – Basic Costs*

KEY DATA/ASSUMPTIONS (CONTINUED):

- The APS funding was reduced by ten percent effective July 1, 2008, necessitated by a budget balancing reduction. The county match of $10.9 million required by SB 2199 is not impacted.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The estimated costs are computed by adding the GF grants, the county match, and the Title XIX reimbursements based on actual expenditures. Federal and GF funding is then reduced by ten percent.

FUNDING:

- The GF and county funding for both CSBG and APS are as follows:
  - The CSBG GF is a block grant of $10.5 million with county participation at the Maintenance of Effort level of $10.9 million.
  - The APS GF is provided through a grant of $50.2 million.
- The FFP Title XIX reimbursements for both CSBG and APS are as follows:
  - Health-related activities performed by skilled professional medical personnel (SPMP) are eligible for Title XIX reimbursement at 75 percent.
  - Health-related activities performed by non-SPMP are eligible for Title XIX reimbursement at 50 percent.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 increase reflects the GF impact of shifting the reduction portion of the State Supplementary Payment (SSP) Non-Medical Out-of-Home Care administrative cost to the SSP Administration premise and updated federal expenditure data. The FY 2012-13 increase reflects updated federal expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2012-13 estimate reflects updated federal expenditure data.

Adult Protective Services – Basic Costs*

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – APS Services		
Total	$138,577	$136,828
Federal	0	0
State	54,596	54,596
County	10,936	10,936
Reimbursements	73,045	71,296

Adult Protective Services – Basic Costs*

FY 2011-12
APPROPRIATION
(in 000s)

	Total	Federal	State	County	Reimb.
Adult Protective Services (APS) – Basic Costs	**$136,029**	**$0**	**$54,888**	**$10,936**	**$70,205**
County Services Block Grant (CSBG)	46,782	0	10,825	10,936	25,021
APS	103,166	0	50,179	0	52,987
Reduce APS by Ten Percent	-13,919	0	-6,116	0	-7,803

FY 2011-12
2012 MAY REVISION
(in 000s)

	Total	Federal	State	County	Reimb.
APS – Basic Costs	**$138,577**	**$0**	**$54,596**	**$10,936**	**$73,045**
CSBG	49,613	0	10,500	10,936	28,177
APS	103,166	0	50,179	0	52,987
Reduce APS by Ten Percent	-14,202	0	-6,083		-8,119

FY 2012-13
2012 MAY REVISION
(in 000s)

	Total	Federal	State	County	Reimb.
APS – Basic Costs	**$136,828**	**$0**	**$54,596**	**$10,936**	**$71,296**
CSBG	49,613	0	10,500	10,936	28,177
APS	101,222	0	50,179	0	51,043
Reduce APS by Ten Percent	-14,007	0	-6,083	0	-7,924

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, which includes scheduling and arranging training in all regions of the state and producing all required training materials; and periodically update the curriculum and its content to reflect changes to APS laws, policies and practices, and provide updated training to APS workers.

The purpose of the training is to educate county APS workers on the 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 in Welfare and Institutions Code section 15600.
- The annual cost for ongoing training activities is estimated to be $176,000.

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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

APS Contract for Training Curriculum

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CSBG Grants		
Total	$176	$176
Federal	0	0
State	154	154
County	0	0
Reimbursements	22	22

Community Care Licensing - Foster Family Homes

DESCRIPTION:

This premise reflects the costs of providing basic funding for Foster Family Home (FFH) licensing and recruitment services. The California Community Care Facilities Act authorizes counties to provide FFH licensing services. There are currently 39 counties providing FFH licensing and recruitment services. The FFHs in the remaining 19 counties are licensed by the California Department of Social Services' (CDSS) Community Care Licensing (CCL) program. For these counties, funds are provided for the purpose of recruiting FFH providers.

Effective 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 2009-10) 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 (FTEs) for targeted visits is 120 cases per worker.
- The worker to supervisor ratio used to determine the total number of FTEs is 6.25 to 1.
- The average statewide unit cost for a Licensing Program Analyst (LPA) is held at the FY 2002-03 unit cost of $125,663.
- For FY 2011-12 the projected caseload is 7,156 and for FY 2012-13 the projected caseload is 7,083.
- The recruitment-only amount is held at the FY 2005-06 funding level of $877,764 total funds.
- In order to reflect an appropriate level of federal spending authority based on actual expenditures, additional Title IV-E funds are budgeted in FY 2011-12 in the amount of $3,632,926 and in FY 2012-13 in the amount of $3,174,456.
- A total of $27,000 is included for the *Gresher v. Anderson* court case which requires notification to applicants of conviction information received and a summary of reasons for denial.
- Based on actual expenditure data from Calendar Year 2010, the sharing ratio for FY 2011-12 is 35.03 percent federal and 64.97 percent General Fund (GF) and based on Calendar Year 2011, the sharing ratio for FY 2012-13 is 35.09 percent federal and 64.91 percent GF.

METHODOLOGY:

The estimate is developed by dividing the caseload by the workload standards to derive the number of non-supervisory FTEs. The FTEs are expanded to include supervisors at a ratio of 6.25 to 1 to determine the total number of FTEs. The total number of FTEs is then multiplied by the LPA unit cost. The total estimate is derived by adding the recruitment-only allocation, additional federal spending authority, and *Gresher v. Anderson* costs.

Community Care Licensing - Foster Family Homes

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act. Funding for the remaining costs are 100 percent GF. Additional federal spending authority is included based on actual expenditures.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The FY 2012-13 change reflects an increase in caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The change reflects a decrease in caseload.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 - CCL Administration		
Total	$13,236	$12,683
Federal	7,057	6,573
State	6,179	6,110
County	0	0
Reimbursements	0	0

Family Child Care Homes – Basic Costs

DESCRIPTION:

This premise reflects the costs of providing basic funding to three counties for Family Child Care Home (FCCH) licensing services and processing serious incident reports. The FCCH programs in the remaining 55 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.

Effective 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 2009-10) 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.
- For FY 2011-12 the projected caseload is 3,843 and for FY 2012-13 the projected caseload is 3,822.
- The workload standard used to determine Full Time Equivalents (FTEs) for targeted monitoring visits is 257 cases per Licensing Program Analyst (LPA) worker.
- The worker to supervisor ratio used to determine FTEs is 6.25 to 1.
- The average statewide unit cost of LPA is held at the FY 2002-03 level of $117,885.
- A total of $80,000 General Fund (GF) is included for the Serious Incident Reporting premise to fulfill the reporting requirements for any injury, medical treatment, death, absence, or unusual incident that threatens any child in the care of the licensee of a FCCH.
- A total of $10,000 is included for the *Gresher v. Anderson* court case which requires notification to applicants of conviction information received and a summary of reasons for denial.

METHODOLOGY:

- The estimate is developed by dividing the caseload by the workload to determine the number of nonsupervisory FTEs. The FTEs are then expanded to include supervisors at a ratio of 6.25:1 to derive the total number of FTEs. The average statewide unit cost is then multiplied by total FTEs.
- The total estimate is derived by adding the Serious Incident Reporting and G*resher v. Anderson* costs to the FCCH – Basic Costs.

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 GF.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The FY 2012-13 change reflects an increase in caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The change reflects a caseload decrease.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 - CCL Administration		
Total	$2,135	$2,124
Federal	0	0
State	1,817	1,806
County	0	0
Reimbursements	318	318

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 and licensed fee-exempt providers.

The Community Care Licensing (CCL) Division is responsible for processing the applications pursuant to AB 753 (Chapter 843, Statutes of 1997). The CCL Division 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, CCL Division 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:

It is assumed that the funding will be suspended for Fiscal Year (FY) 2011-12 and FY 2012-13.

FUNDING:

This premise is funded with 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Fee-Exempt Live Scan

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CCL Contracts		
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Registered Sex Offender Check

DESCRIPTION:

This premise reflects costs to minimize the risk of predictable and preventable harm to vulnerable children in out-of-home care by detecting the presence/residence of a Registered Sex Offender in prospective and approved licensed facilities and prospective and approved relative/Nonrelative Extended Family Member (NREFM) homes.

On an annual basis the California Department of Social Services, Community Care Licensing (CCL) Division will compare transmitted Department of Justice sex offender files against the Child Welfare Services/Case Management System placement information for county-licensed Foster Family Homes (FFH), Family Child Care Homes (FCCH), and county-approved relative and NREFM homes. County welfare departments will then be responsible for investigating any address matches, with the exception of relatives and NREFM homes, for the 20 small counties which will be investigated by CCL Division.

County welfare departments (CWDs) will also check all prospective licensure applicants and relative/NREFM homes against the Megan's Law Public Website and investigate all address matches. When a match resulting from the annual or prospective check is verified, CWDs will take appropriate action, which may include licensure and placement denial, removal of children and finding a new placement, and grievance reviews for relatives/NREFMs.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2009.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The annual Budget Act.
- The hourly cost of an FFH licensing worker is $70.68.
- The hourly cost of an FCCH licensing worker is $66.30.
- It is assumed that it will take an FFH licensing worker 31 hours for each administrative action and it will take an FCCH worker 33 hours for each administrative action.
- It is assumed that it will take an FFH licensing worker 30.90 hours and an FCCH licensing worker 33 hours to investigate each address match.
- The match rate is 0.10 percent based on the Bureau of State Audits May 2008 report.
- It is assumed that 41 percent of the matches will require administrative action.
- The sharing ratio for FFH for Fiscal Year (FY) 2011-12 is 35.03 percent federal and 64.97 percent General Fund (GF) based on actual expenditures from FY 2010-11.
- The sharing ratio for FFH for FY 2012-13 is 35.09 percent federal and 64.91 percent GF based on actual expenditures for Calendar Year 2011.
- The Child Welfare Services (CWS) portion of this premise is in CWS Consolidated Programs.

Registered Sex Offender Check

KEY DATA/ASSUMPTIONS (CONTINUED):

Annual Check

- The FFH caseload for FY 2011-12 is 7,156 and for FY 2012-13 it is 7,083.
- The FCCH caseload for FY 2011-12 is 3,843 and for FY 2012-13 it is 3,822.

Application Check

- For FY 2011-12, there are 2,156 FFH and 242 FCCH applications received in FY 2009-10.
- For FY 2012-13, there are 1997 FFH and 269 FCCH applications received in FY 2010-11.
- It is assumed that it will take a licensing worker 20 minutes to check an address against the Megan's Law Public Website.

METHODOLOGY:

- For annual checks, the caseload is multiplied by the match rate, multiplied by the total hours required per investigation, plus the number of administrative actions, multiplied by the number of hours per action, and all multiplied by the hourly cost of an FFH/FCCH licensing worker.
- For applications received, the caseload is multiplied by the match rate, multiplied by the total hours required per investigation, plus the number of administrative actions, multiplied by the number of hours per action, plus the caseload multiplied by the time it will take to check an address against the Megan's Law Public Website and all multiplied by the hourly cost of an FFH/FCCH licensing worker.

FUNDING:

Federal funding for an FFH is provided by Title IV-E of the Social Security Act. Funding for the remaining costs are 100 percent GF. The FCCH costs are 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2011-12. The change in FY 2012-13 reflects a decrease in the caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The change is due to decreased caseload.

Registered Sex Offender Check

EXPENDITURES:
(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – CCL Administration		
Total	$105	$98
Federal	30	27
State	75	71
County	0	0
Reimbursements	0	0

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Court Cases*

DESCRIPTION:

This premise reflects the costs for attorney fees and settlement costs resulting from lawsuits pertaining to the California Department of Social Services, Budget Item 151 – Social Service Programs, specifically, Child Welfare Services (CWS), Special Programs, and Community Care Licensing (CCL).

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; CWS; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

IMPLEMENTATION DATE:

The attorney fees and settlement costs for these court cases are anticipated to be paid in Fiscal Year (FY) 2011-12 and FY 2012-13.

KEY DATA/ASSUMPTIONS:

The estimate for attorney fees and settlement costs is based, in part, on actual payments for specific cases in the FY 2011-12, and a projection of costs that are anticipated to be paid in the FY 2011-12 and FY 2012-13.

FUNDING:

The legal fees and settlement costs are funded 100 percent General Fund.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

The decrease in FY 2011-12 is based on updated actual cost information. The increase in FY 2012-13 is based on updated projection of costs that are anticipated to be paid.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is based on updated actual cost information.

Court Cases*

EXPENDITURES:

(in 000's)

	FY 2011-12	FY 2012-13
Item 151 - CWS/CCL Court Cases		
Total	$146	$156
Federal	0	0
State	146	156
County	0	0
Reimbursements	0	0

Special Programs – Other Specialized Services

DESCRIPTION:

This premise reflects the costs for the Foster Care Burial Program. 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 who is receiving foster care at the time of death.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11212.
- The Repatriated Americans Program was previously included in this premise. Funding for this program is no longer included in this premise because counties send their claims directly to the federal Office of Refugee Resettlement for reimbursement, which would budget for any associated costs.

METHODOLOGY:

The estimated costs for Fiscal Year (FY) 2011-12 and FY 2012-13 are held at the FY 1999-00 General Fund (GF) expenditure level of $186,000.

FUNDING:

The Foster Care Burial program is funded with 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – Special Programs Services		
Total	$186	$186
Federal	0	0
State	186	186
County	0	0
Reimbursements	0	0

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Assistance Dog Special Allowance (ADSA) Program

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 Payment, and In-Home Supportive Services 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 to receive a dog food allowance of $50 per month.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12553 and 12554.
- Recipients will receive a monthly dog food allowance of $50 per month.

METHODOLOGY:

The Fiscal Year (FY) 2011-12 and FY 2012-13 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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – Special Programs Services		
Total	$554	$554
Federal	0	0
State	554	554
County	0	0
Reimbursements	0	0

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Access Assistance/Deaf Program: Basic Costs

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. 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.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10621.
- In order to expand the program, the $3.3 million total funding was augmented by $2.5 million for a total of $5.8 million in Fiscal Year (FY) 1998-99.
- Currently, eight regional contractors provide services to the hearing-impaired.
- Assumes 193,983 services will be provided to deaf and hearing-impaired Californians in FY 2011-12 and FY 2012-13.
- In FY 2011-12 and FY 2012-13, the program will also be funded with $3.0 million in Title XX funds, which offsets General Fund (GF) costs by that same amount. The Title XX funds are included on a separate line and are not included here. For more detail, see the Title XX premise description.

METHODOLOGY:

The estimated costs for both FY 2011-12 and FY 2012-13 are held at the Budget Act of 1998-99 level.

FUNDING:

This program is funded with GF and Title XX funds. The Title XX block grant reduces the amount of GF in the program. Title XX funding appears on a separate line as an adjustment.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Access Assistance/Deaf Program: Basic Costs

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – Special Programs		
Services		
Total	$5,804	$5,804
Federal	0	0
State	5,804	5,804
County	0	0
Reimbursements	0	0

Access Assistance/Deaf Program - Reduce Services by Ten Percent

DESCRIPTION:

This premise reflects savings from reducing the Office of Deaf Access, Access Assistance/Deaf Program costs by ten percent effective July 1, 2008.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2008.

KEY DATA/ASSUMPTIONS:

This premise reflects savings from reducing Fiscal Year (FY) 2011-12 and FY 2012-13 expenditures. For details regarding funding for this program, please see the Access Assistance/Deaf Program: Basic Costs premise description.

METHODOLOGY:

The estimated savings is ten percent of the FY 2011-12 and FY 2012-13 projected expenditures, as applied to the Access Assistance/Deaf Program – Basic Costs line and corresponding Title XX funding block grant line.

FUNDING:

The savings for this premise reflects a ten percent reduction to the General Fund and the Title XX block grant.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – Special Programs		
Services		
Total	-$581	-$581
Federal	-300	-300
State	-281	-281
County	0	0
Reimbursements	0	0

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Refugee Social Services

DESCRIPTION:

Refugee Social Services (RSS) 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 based on arrival information from the last two years. The funds are used to provide employment-related services, such as employability assessment, on-the-job training, English language training, and vocational training.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1981.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13275-13282.
- The federal grant includes $10.0 million in standard funds.
- $1.6 million of this amount was distributed to qualifying refugees through the Wilson/Fish Alternative Project.
- A contract for $6.5 million in Fiscal Year (FY) 2011-12 and for $7.9 million in FY 2012-13 to serve Unaccompanied Refugee Minors (URM) is included in the total funding.

METHODOLOGY:

The funding is based on the sum of the standard federal grant award for RSS and the URM contract less the portion of the Wilson/Fish grant.

FUNDING:

This program is 100 percent federally funded.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to the expansion of both the Northern and Southern URM contracts to include an additional 43 minors in the program.

Refugee Social Services

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – Special Programs Grants		
Total	$14,860	$16,296
Federal	14,860	16,296
State	0	0
County	0	0
Reimbursements	0	0

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, and skills upgrading. 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 implemented on October 1, 1983.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13275-13282.
- The TA program was granted $5.77 million for Fiscal Year (FY) 2011-12. Of this amount, $1.07 million was distributed to qualifying refugees through the Wilson/Fish Alternative Project.
- It is assumed that it will also be granted the same amount for FY 2012-13.
- The TA Discretionary Grant that was awarded for Federal Fiscal Year 2011 for $350,000 is included in the total amount. This grant is available for a two-year project period with funding for subsequent years contingent upon the availability of federal funds and the project's progress.
- The FY 2011-12 and FY 2012-13 allocations also include $263,125 in discretionary funding to serve elderly refugees.

METHODOLOGY:

The funding is the sum of federal grants for the TA program and discretionary funding to serve elderly refugees.

FUNDING:

This program is 100 percent federally funded.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Refugee Programs – Targeted Assistance

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – Special Programs Grants		
Total	$5,312	$5,312
Federal	5,312	5,312
State	0	0
County	0	0
Reimbursements	0	0

Refugee School Impact Grant

DESCRIPTION:

This premise reflects the federal funding granted to the California Department of Social Services (CDSS) by the federal Office of Refugee Resettlement to provide services to school-age refugee children and their families. The funding for this grant provides a pass-through from the CDSS to the California Department of Education (CDE). Services provided through local educational agencies include intensive and innovative educational interventions to assist refugee children with improving English fluency and progressing toward grade-level proficiency.

IMPLEMENTATION DATE:

This premise implemented on August 15, 2005.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Code of Federal Regulations, Title 45, Part 92.
- A federal grant provides $950,000 per year to serve school-age refugee children and their families. This funding has been granted for Fiscal Year (FY) 2011-12 and FY 2012-13 for a two-year grant cycle.
- A Memorandum of Understanding between CDE and CDSS outlines the working relationship between the two departments and assigns responsibilities to each regarding the implementation of the grant.
- The CDSS may request a carryover of unused grant money from a previous year to be added to its grant for the next year (within a grant cycle), however unspent grant funds may not be carried over from the end of a grant cycle to the beginning of a new cycle.
- The grant includes $60,000 in administrative money for state support costs.

METHODOLOGY:

The funding is based on a federal award, adjusted for carryover of unused funds.

FUNDING:

This program is 100 percent federally funded.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Refugee School Impact Grant

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 151 – Special Programs Grants		
Total	$950	$950
Federal	950	950
State	0	0
County	0	0
Reimbursements	0	0

Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project*

DESCRIPTION:

On March 31, 2006, the federal Department of Health and Human Services 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 board and care costs and Child Welfare Services (CWS) Administration, to be used for services and support, to avoid over reliance on out-of-home care, and expeditiously reunify families. 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 collaborated with the County Welfare Directors Association, and interested counties, to refine a practice and fiscal model which could be implemented under the waiver. The CAP allows up to 20 counties to participate in the five year demonstration project. This premise was originally set to sunset June 30, 2012. Due to the approval of the Title IV-E CAP extension, it is now scheduled to sunset June 30, 2013.

*Effective July 1, 2011, Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care (FC); CWS; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

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 GF has been established.
- Participating counties are required to provide funding equal to their Fiscal Year (FY) 2005-06 actual expenditures.
- An annual increase of two percent is added to the federal base allocation for administration and assistance.
- An annual increase of two percent is added to the GF capped allocation for CWS and FC Administration.
- The CAP has been granted a one-year extension through June 30, 2013.

METHODOLOGY:

- The federal base allocations are based on each county's average Title IV-E actual expenditure claims for administration and assistance submitted for Federal Fiscal Year (FFY) 2003, FFY 2004, and FFY 2005. An annual two percent federal funds growth for administration and assistance is provided beginning in FFY 2006.

Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project*

METHODOLOGY (CONTINUED):

- The GF base allocation for FC Assistance is capped based on actual expenditures for FY 2005-06.
- The GF base allocations for CWS and FC Administration are based on specified FY 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 Title IV-E Waiver Adjustment line.
- 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 101 Non-Base Premises line for FY 2011-12 and FY 2012-13 reflects costs for Dual Agency, Five Percent FC Rate Increase, Supplement to the Dual Agency Rate, Educational Stability, Ten Percent Foster Family Agency Rate Reduction, and Reassessment Eligibility Relief – AB 1905.
- For FC Administration, the 141 Non-Base Premises line for FY 2011-12 and FY 2012-13 reflects costs for FC Supplemental Security Income/State Supplementary Payment (SSI/SSP) Application and Reassessment Eligibility Relief – AB 1905.
- For CWS Administration, the 151 Non-Base Premises line for FY 2011-12 and FY 2012-13 reflects costs for *Gomez v. Saenz*; State Family Preservation; Dual Agency Supplement to the Rate; Criminal Record Check for Family Reunification; Caregiver Court Filing; Peer Quality Case Reviews; CWS Differential Response, Safety Assessment, and Permanency and Youth Services; CWS Outcome Improvement Project; FC SSI/SSP Application; Safe and Timely Interstate Placement Act of 2006; Personalized Transition Plan; Foster Youth Identity Theft; Increase Funding for Caseworker Visits; Chafee Federal National Youth in Transition Database; Increase Family Case Planning; Notification of Relatives; Increase Relative Search and Engagement; Educational Stability; FC Placement and Proximity to School of Origin; and Sibling Placement.
- The methodology for CWS 151 – CWS Reduction is located in the CWS Reduction premise.

Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project*

FUNDING:

Funding consists of the federal Title IV-E of the Social Security Act 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. In addition, the FC Item 101 Group Home (GH) Rate Increase includes $3.5 million in Title XX. The CWS base allocation consists of $24.2 million in Title XX funds that are used in lieu of GF.

* The state funds in this premise have been realigned to local governments. For more information, refer to the Description section of this premise.

CHANGE FROM PRIOR SUBVENTION:

The FY 2011-12 decrease reflects no longer accounting for a county share in the FC 101 – GH Rate Increase premise. The FY 2012-13 net decrease reflects no longer accounting for a county share in the FC 101 – GH Rate Increase premise, offset by increases in the non-base waiver programs and the carryover from FY 2009-10. The FC 101 – Non-Base Premises increase reflects the increased Title IV-E caseload from the Education Stability premise. The CWS 151 – Non-Base Premises increase reflects the additional 30 minutes for all Title IV-E Waiver family reunification and permanent placement visits, not just the additional 30 minutes for missed visits from the Increased Funding for Caseworker Visits premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects less carryover funding offset by the additional two percent growth from the Title IV-E Waiver Adjustment line and changes to the non-base waiver programs.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
Item 153 – Waiver Total Funding		
Total	$1,282,602	$1,241,369
Federal	529,239	510,837
State	357,848	352,344
County	395,515	378,188
Reimbursements	0	0

Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project*

EXPENDITURES (CONTINUED):
(in 000s)

Item 153 – Waiver Adjustment	FY 2011-12	FY 2012-13
Total	$76,626	$89,782
Federal	57,344	66,508
State	19,282	23,274
County	0	0
Reimbursements	0	0

Item 153 – Waiver FC 101 – Base Grants	FY 2011-12	FY 2012-13
Total	$505,933	$505,933
Federal	177,536	177,536
State	121,805	121,805
County	206,592	206,592
Reimbursements	0	0

Item 153 – Waiver FC 141 - Base Administration	FY 2011-12	FY 2012-13
Total	$38,061	$38,061
Federal	19,845	19,845
State	12,432	12,432
County	5,784	5,784
Reimbursements	0	0

Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project*

EXPENDITURES (CONTINUED):
(in 000s)

Item 153 - Waiver CWS 151 - Base Administration	FY 2011-12	FY 2012-13
Total	$557,438	$557,438
Federal	244,484	244,484
State	148,678	148,678
County	164,276	164,276
Reimbursements	0	0

Item 153 – Waiver FC 101 – Non-Base Grants	FY 2011-12	FY 2012-13
Total	$6,018	$7,920
Federal	0	0
State	6,018	7,920
County	0	0
Reimbursements	0	0

Item 153 – Waiver FC 141 – Non-Base Administration	FY 2011-12	FY 2012-13
Total	$ 132	$ 132
Federal	0	0
State	132	132
County	0	0
Reimbursements	0	0

Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project*

EXPENDITURES (CONTINUED):

(in 000s)

Item 153 – Waiver CWS 151 - Non-Base Administration	FY 2011-12	FY 2012-13
Total	$33,520	$37,824
Federal	0	0
State	33,520	37,824
County	0	0
Reimbursements	0	0

Item 153 – Waiver FC 101 – GH Rate Increase Grants	FY 2011-12	FY 2012-13
Total	$11,378	$12,757
Federal	0	0
State	11,378	12,757
County	0	0
Reimbursements	0	0

Item 153 – Waiver CWS 151 – CWS Reduction Administration	FY 2011-12	FY 2012-13
Total	-$19,075	-$19,075
Federal	0	0
State	-19,075	-19,075
County	0	0
Reimbursements	0	0

Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project*

EXPENDITURES (CONTINUED):

(in 000s)

Item 153 – Waiver Carryover from FY 2008-09	FY 2011-12	FY 2012-13
Total	$72,571	$0
Federal	30,030	0
State	23,678	0
County	18,863	0
Reimbursements	0	0

Item 153 – Waiver Carryover from FY 2009-10	FY 2011-12	FY 2012-13
Total	$0	$10,597
Federal	0	2,464
State	0	6,597
County	0	1,536
Reimbursements	0	0

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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 (PL) 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) 2010-11, an adjustment has been made to reflect that California is not expected to meet the federal work participation rate (WPR) for the CalWORKs program in Federal Fiscal Year (FFY) 2009. When the state fails to meet the WPR, the MOE level increases from 75 percent to 80 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 $2.8 billion in FY 2011-12 and FY 2012-13.

The state may count both local and state expenditures made by the California Department of Social Services (CDSS) and 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 TANF MOE.

IMPLEMENTATION DATE:

This premise implemented on 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 $26.7 million in FY 2011-12 and FY 2012-13.
- These funds are required to be expended for educational-related services for CalWORKs program eligible recipients only.

Other Departments' TANF MOE Eligible Expenditures Community Colleges – Expansion of Services to TANF Eligibles

METHODOLOGY:

For FY 2011-12 and FY 2012-13, the estimate reflects the anticipated MOE-eligible expenditures.

FUNDING:

This program is funded with 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
TANF Reconciliation - MOE Eligible Expenditures		
Total	$26,695	$26,695
Federal	0	0
State	26,695	26,695
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 (PL) 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) 2010-11, an adjustment has been made to reflect that California is not expected to meet the federal work participation rate (WPR) for the CalWORKs program in Federal Fiscal Year (FFY) 2009. When the state fails to meet this rate, the MOE level increases to 80 percent from 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 $2.8 billion in FY 2010-11 and FY 2011-12.

The state may count both local and state expenditures made by the California Department of Social Services (CDSS) and 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.

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 PL 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.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

Other Departments' TANF MOE Eligible Expenditures CDE Child Care Programs

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 that eligible MOE expenditures totaling $640.6 million in FY 2011-12 and $536.9 million in FY 2012-13 will be counted towards the state's base TANF MOE requirement.
- 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 FY 2011-12 and FY 2012-13, the estimate reflects the anticipated amount of MOE-eligible expenditures to be counted towards the base MOE requirement.

FUNDING:

This program is funded with 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2011-12. For FY 2012-13, the increase in countable MOE is due to increased base funding for CDE child care programs.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to proposed reductions to the CDE Child Care programs.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
TANF Reconciliation – MOE Eligible Expenditures		
Total	$640,639	$536,925
Federal	0	0
State	640,639	536,925
County	0	0
Reimbursements	0	0

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 (PL) 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) 2010-11, an adjustment has been made to reflect that California is not expected to meet the federal work participation rate (WPR) for the CalWORKs program in Federal Fiscal Year (FFY) 2009. As a result of the state failing to meet the WPR rate, the MOE level increases from 75 percent to 80 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 $2.8 billion in FY 2011-12 and in FY 2012-13.

The state may count both local and state expenditures made by the California Department of Social Services (CDSS) and 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, then countable current year expenditures are limited to the amount by which allowable current year expenditures exceed the total state program expenditures in FFY 1995. State expenditures that are used as a match to draw down other federal funding are generally not countable toward the TANF MOE.

In addition to the 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 (PL 104-193). With the passage of the federal Deficit Reduction Act (DRA) (PL 109-171), FFP has been reinstated as of October 1, 2008. 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 to fund the state portion of the $50 disregard payment to the custodial parent.

IMPLEMENTATION DATE:

This program was originally implemented in FY 1984-85.

Other Departments' TANF MOE Eligible Expenditures State Disregard Payment to Families

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 $15.3 million in FY 2011-12 and FY 2012-13. 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.
- The $50 disregard share of cost will be shared 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 PRIOR SUBVENTION:

The decrease in both years is due to decreased projected expenditures for FY 2011-12 as reported by DCSS.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to decreased projected expenditures for FY 2012-13 as reported by DCSS.

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
TANF Reconciliation - MOE Eligible Expenditures		
Total	$15,286	$15,336
Federal	0	0
State	15,286	15,336
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.

The 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 if California met the WPR requirement for the prior year. California is not expected to meet the WPR for FFY 2010 or FFY 2011; therefore, the state will have to meet the 80 percent MOE requirement in Fiscal Year (FY) 2011-12 and FY 2012-13.

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:

California is not expected to meet the WPR in FFY 2010 or FFY 2011; therefore, the state will have to meet the 80 percent MOE requirement in FY 2011-12 and FY 2012-13.

FUNDING:

The funding is 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

General Fund Maintenance of Effort Work Participation Rate Adjustment

EXPENDITURES:

(in 000s)

	FY 2011-12	FY 2012-13
TANF Reconciliation		
Total	$0	$0
Federal	0	0
State	0	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 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 on 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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

RESERVE:

(in 000s)

	FY 2011-12	FY 2012-13
TANF Reconciliation		
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

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Cost-of-Doing-Business

DESCRIPTION:

This premise reflects the provision contained in Assembly Bill 1808 (Chapter 75, Statutes of 2006) which requires the California Department of Social Services (CDSS) to estimate the costs for county administration using county-specific cost factors in the programs' budgeting methodology and requires county certification of "reasonable" costs for California Work Opportunity and Responsibility to Kids (CalWORKs) Administration, CalFresh Administration, Foster Care, In-Home Supportive Services (IHSS), and Child Welfare Services (CWS).

The statute requires CDSS to develop, in consultation with the County Welfare Directors Association (CWDA), a survey process to collect reasonable county specific cost data. CDSS shall identify in its budget documents the estimates developed and the difference between these estimates and proposed funding levels.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2007.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 10507.

METHODOLOGY:

Due to the implementation of Realignment with the passage of AB 118 (Chapter 40, Statues of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statutes of 2011), in conjunction with CWDA, CDSS has suspended the Fiscal Year (FY) 2012-13 survey process.

This premise reflects the estimated difference between the raw data as reported on the counties' cost-of-doing-business survey in May 2011 Revision process and the proposed funding levels for FY 2012-13.

For the Adoptions program, the costs reflect the FY 2012-13 estimated difference between the proposed funding level and the projected program costs of the 28 counties who are providing adoption services. The projected Adoptions program costs are based on FY 2010-11 actual expenditures updated with the California Necessities Index.

FUNDING:

Funding will vary depending on program area.

CHANGE FROM PRIOR SUBVENTION:

Cost-of-doing-business data is only displayed in the May Revision process. The FY 2012-13 estimated difference between the data as reported by the counties' cost-doing-business survey in May 2011 Revision and the proposed funding levels is inclusive of each program's associated premise.

Cost-of-Doing-Business

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2012-13 estimate is based on the data as reported in the cost-of-doing-business survey submitted by the counties in the May 2011 Revision process. Year-to-year changes are primarily due to the impact of changes in caseload and county staffing.

May 2011 County Request vs. May 2012 Budget
(Dollars in thousands)

FY 2012-13	TOTAL	FEDERAL	STATE/ TANF	* 2011 REALIGNMENT	COUNTY	REIMB (Title XIX)
CalWORKs-Admin	$457,337	$0	$457,337	$ 0	$ 0	$ 0
CalWORKs-EmpSvcs	$298,726	$0	$298,726	$ 0	$ 0	$ 0
CalFresh Admin	-$89,027	$24,378	-$111,259	$ 0	-$2,146	$0
IHSS Admin	$84,633	$0	$41,295	$ 0	$3,490	$39,848
Foster Care Admin	-$14,074	-$15,742	$0	-$2,531	$4,199	$0
CWS	$34,535	-$72,854	$0	$100,012	$12,817	-$5,440
Adoptions **	$19,399	$5,005	$0	$14,394	$0	$0
NET DIFFERENCE	**$791,529**	**($59,213)**	**$686,099**	**$111,875**	**$18,360**	**$34,408**

Note: Costs reflect the statewide difference between the data as reported in the county surveys and the proposed funding levels.

* AB 118 Realignment - Effective July 2011, AB 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statutes of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; Child Welfare Services; Adult Protective Services; and the Child Abuse Prevention, Intervention, and Treatment Program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

** Adoptions – the costs represent only the 28 counties that provide Agency (Relinquishment) Adoptions Services.