



CDSS

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EDMUND G. BROWN JR.
GOVERNOR

September 30, 2013

COUNTY FISCAL LETTER (CFL) NO. 13/14-22

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY FISCAL OFFICERS
ALL COUNTY AUDITOR CONTROLLERS
ALL COUNTY PROBATION OFFICERS

SUBJECT: COUNTY EXPENSE CLAIM (CEC) TIME STUDY AND CLAIMING
INSTRUCTIONS FOR THE IMPLEMENTATION OF CALIFORNIA
WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS
(CalWORKs) EXPANDED SUBSIDIZED EMPLOYMENT (ESE)
PROGRAM

REFERENCES: [ALL COUNTY LETTER \(ACL\) NO. 13-81, DATED
SEPTEMBER 30, 2013](#)
[CFL NO. 13/14-23, DATED SEPTEMBER 30, 2013](#)
[CFL NO. 10/11-65, DATED MAY 3, 2011](#)
[CFL NO. 10/11-65E, DATED AUGUST 19, 2011](#)
[ASSEMBLY BILL \(AB\) 74, CHAPTER 21, STATUTES OF 2013](#)
[WELFARE AND INSTITUTIONS CODE \(WIC\) SECTIONS 11322.63
AND 11322.64](#)
[TITLE 45 CODE OF FEDERAL REGULATIONS \(CFR\)
SECTION 263\(b\)\(2\)](#)

This CFL provides wage subsidy and administrative claiming instructions for the implementation of the CalWORKs ESE Program, which is a component of the 24-Month Early Engagement Redesign strategies being implemented as a result of AB 74 and is described in detail in [ACL No. 13-81](#). AB 74 amended WIC section 11322.63 and added section 11322.64 to implement the ESE Program on July 1, 2013.

In addition to wage and non-wage costs for job placements, ESE funds may be used to cover all expenditures related to the operational costs of the ESE Program, including the cost of overseeing the program, developing work sites and providing training to participants. New Program Codes (PCs) and Time Study Codes (TSCs) have been established to allow counties to claim costs related to the ESE Program on the CEC.

Although the PCs and Program Identifier Numbers (PINs) will be effective with the September 2013 quarter, TSCs and Direct-to-Program (DTP) codes will not be effective until the December 2013 quarter due to the timing of the claiming instructions. Counties cannot recreate time studies retroactively and time study instructions were not issued in advance of the September 2013 claiming quarter for counties to be able to track activities and time study to these codes.

Time Study Instructions

1. CODE 3721 – ESE Administration Federal

Includes activities necessary for the proper administration of the ESE Program (i.e., general administration, which includes salaries and benefits of staff performing administration and coordination functions of monitoring programs and projects, costs for the goods and services, contract costs, etc.) performed on behalf of the federally-eligible population.

2. CODE 3741 – ESE Non-Administration Federal

Includes activities related to a county's direct costs for the federally-eligible participants of the ESE Program (i.e., salaries and benefit costs for staff providing program services and contracts devoted entirely to such activities. Program services include, but are not limited to, program case management, providing information to clients, screening and assessments, development of employability plans, work site recruitment, placement, etc.). It is not considered to be general administration and/or coordination of the ESE Program.

3. CODE 3761 – ESE Administration Non-Federal

Includes activities necessary for the proper administration of the ESE Program (i.e., general administration, which includes salaries and benefits of staff performing administration and coordination functions of monitoring programs and projects, costs for the goods and services, contract costs, etc.) performed on behalf of the non-federally-eligible population. These include, but are not limited to, activities related to a county's ESE Program, such as coordination and preparation of program plans and program oversight.

The nonfederal population is only the recent non-citizen entrant population, where the individual has resided in the country for less than five years and is ineligible to receive Temporary Assistance to Needy Families (TANF) assistance and services. Under federal law, persons who legally entered the United States are ineligible for any means-tested public benefit for a period of five years, unless that person meets an exception based on his/her immigration status (i.e., this excludes refugees and asylees).

4. CODE 3781 – ESE Non-Administration Non-Federal

Includes activities related to a county's direct costs for the non-federally-eligible participants of the ESE Program (i.e., salaries and benefit costs for staff providing program services and contracts devoted entirely to such activities. Program services include, but are not limited to, program case management, providing information to clients, screening and assessments, development of employability plans, work site recruitment, placement, etc.). It is not considered to be general administration and/or coordination of the ESE Program. These include, but are not limited to, activities related to a county's ESE Program, such as work site recruitment and development, placement and case management.

The nonfederal population is only the recent non-citizen entrant population, where the individual has resided in the country for less than five years and is ineligible to receive TANF assistance and services. Under federal law, persons who legally entered the United States are ineligible for any means-tested public benefit for a period of five years, unless that person meets an exception based on his/her immigration status (i.e., this excludes refugees and asylees).

Claiming Instructions

Counties may claim their administration and direct costs for the ESE Program using the new PCs provided in this letter or they may claim them to the CalWORKs Single Allocation using existing PC 451 - Welfare-to-Work (WTW) Non-Federal or PC 633 - WTW General. Additionally, counties will be able to claim ESE expenditures concurrently with AB 98 Subsidized Employment expenditures. The funds allocated for ESE cannot be used by County Welfare Departments to fund or supplement the AB 98 Subsidized Employment Program. AB 98 expenditures should continue to be claimed to the Subsidized Employment PCs as described in [CFL No. 10/11-65](#) and [CFL No. 10/11-65E](#).

Costs claimed in excess of each county's ESE allocation, as described in [CFL No. 13/14-23](#), will be shifted to county-only share using state-use-only (SUO) PC 373 – SUO ESE OVERMATCH. Additionally, [ACL No. 13-81](#) explains that counties that accept additional funding for the ESE Program may have a base funding requirement similar to a Maintenance of Effort requirement. A forthcoming CFL will contain more information regarding how this base funding requirement will be structured and how it will affect claiming of ESE Program expenditures.

Retroactive claiming for CalWORKs ESE Program expenditures may be reported to the following PCs and PINs beginning with the September 2013 quarter. Note that TSCs and DTP codes will not become effective until the December 2013 quarter.

PC	372	ESE Admin Fed
TSC	3721	ESE Administration Federal
PIN	372070	Contractor Admin
	372088-91*	Support/Operating
	372094	Startup/Non-recurring Costs
	372098	Work Subsidy
DTP	B2	ESE Federal
Costs for PC 372 will be funded at 100/00/00/00 (Federal/State/Health/County).		

PC	374	ESE Non-Admin Fed
TSC	3741	ESE Non-Administration Federal
PIN	374071	Contractor Non-Admin
	374088-91*	Support/Operating
	374094	Startup/Non-recurring Costs
	374098	Work Subsidy
DTP	B2	ESE Federal
Costs for PC 374 will be funded at 100/00/00/00 (Federal/State/Health/County).		

PC	376	ESE Admin Non-Fed
TSC	3761	ESE Administration Non-Federal
PIN	376070	Contractor Admin
	376088-91*	Support/Operating
	376094	Startup/Non-recurring Costs
	376098	Work Subsidy
DTP	B3	ESE Non-Federal
Costs for PC 376 will be funded at 00/100/00/00 (Federal/State/Health/County).		

PC	378	ESE Non-Admin Non-Fed
TSC	3781	ESE Non-Administration Non-Federal
PIN	378071	Contractor Non-Admin
	378088-91*	Support/Operating
	378094	Startup/Non-recurring Costs
	378098	Work Subsidy
DTP	B3	ESE Non-Federal
Costs for PC 378 will be funded at 00/100/00/00 (Federal/State/Health/County).		

* The County must have a Letter of Intent on file with the California Department of Social Services to use Support/Operating PIN Codes (88-91).

Federal Definitions of Administration and Non-Administration

The federal definition of “**Administration**” is located at [45 CFR Section 263\(b\)\(2\)](#). This section outlines that Administration costs are associated with coordination and oversight of the program and do not involve the provision of program services to recipients (this includes face-to-face contact with clients). Administration includes salary and benefit costs of county staff performing general coordination and oversight activities, eligibility determinations, preparation of program plans, budgets, schedules and monitoring of programs and projects. It also includes fraud abuse units, procurement activities, public relations, audits accounting, litigation, management of property, payroll, and personnel for county operations and any associated county Administration costs (lease/rent, supplies, utilities, etc.). It also includes the cost of any contract provided if the county contracts out any of the above county operation activities, including the appropriate share of the contractor’s overhead costs.

This regulation also defines “**Non-Administration**” to include county staff or contractors who provide benefits and services directly to the clients such as case management, screening and assessments, developing employability plans, work activities, post-employment services, work supports and providing diversion benefits and services. The salary and benefits of county staff providing direct services to clients and any associated overhead costs such as lease/rent, supplies, utilities, etc. and the cost of any contract providers if the county contracts out any of the direct service delivery activities, including the appropriate share of the contractor’s overhead costs, are considered to be non-administration costs.

If the county has staff that performs both Administration and Non-Administration activities, then the staff would report their time spent on each type of activity to the appropriate Administration/Non-Administration time study code. The same would apply to the contractors. If a contractor will be performing both Administration and

Non-Administration activities, he/she would have to account for his/her time spent performing each type of activity. The contractor needs to identify the costs for each category separately on the invoice sent to the county. The county will then report the costs to the appropriate direct cost PIN on the CEC.

If you have any questions regarding this letter, please direct them to the Fiscal Systems Bureau at Fiscal.Systems@dss.ca.gov.

Sincerely,

Original Document Signed By:

FRAN MUELLER
Deputy Director
Administration Division