



CDSS

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**DEPARTMENT OF SOCIAL SERVICES**

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ARNOLD SCHWARZENEGGER  
GOVERNOR

July 6, 2010

TO: ALL COUNTY WELFARE DIRECTORS

FROM: FRAN MUELLER   
Deputy Director  
Administration Division

SUBJECT: FISCAL YEAR (FY) 2010-11 PAYMENTS TO COUNTIES

The purpose of this letter is to provide information and direction regarding Assembly Bill (AB) X8 5 (Chapter 1, Statutes of 2010) that amended California's Government Code (GC) sections 16325-16326 to defer General Fund (GF) payments to counties, and the impact of late enactment of the state budget on programs supervised by the California Department of Social Services (CDSS).

AB X8 5 - GC Sections 16325-16326

Regardless of payments for federally-mandated programs during the budget impasse or the enactment of a state budget, effective July 2010, CDSS has been directed to defer GF payments to counties with populations of 50,000 or more in accordance with GC sections 16325-16326. The deferral affects all GF payments beginning in July 2010, October 2010, and March 2011, for no more than 60, 90, and 60 days, respectively. This deferral could occur a month earlier or later upon concurrence with the Controller, Treasurer, Director of Finance, and the state's 30-day notification to the Joint Legislative Budget Committee. However, if the state has prudent cash reserves, any deferred payments could be made in-part or in-full as originally scheduled or within the deferred time period.

Late Enactment of the State Budget

During a state budget impasse, the state may only make payments that are authorized by the state Constitution, by a continuous appropriation, or that are required in order to comply with federal law. Therefore, federal funds for benefits or aid grants, administration, and employment and supportive services will continue to be provided in the absence of a state budget for programs mandated by federal law. This includes any related American Recovery and Reinvestment Act funds for federally-mandated

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programs. For counties with populations of 50,000 or more, no GF payments will be made initially for these federally-mandated programs because those payments are being deferred under the provisions of AB X8 5. No state or federal funds will be provided for the programs not mandated by federal law.

Programs not mandated by federal law are subject to funds being appropriated through an enacted state budget. Therefore, until a budget is enacted, no state or federal funds can be provided for these programs. In addition, under the provisions of section 11207 of the Welfare and Institutions Code, counties have an independent obligation to continue administering the state-only Foster Care (FC) and Adoption Assistance (AA) programs even though CDSS cannot legally advance the funds. Counties should take all necessary steps to ensure that the state-only FC and AA programs continue.

For purposes of this letter, federally-mandated programs include:

- California Work Opportunity and Responsibility to Kids
- Federal FC
- Child Welfare Services
- In-Home Supportive Services
- Federal AA
- Food Stamp Administration, which includes the California Food Assistance Program
- Probation IV-E Pass Through
- Refugee Cash Assistance

For purposes of this letter, the programs not mandated by federal law include:

- County Services Block Grant, which includes Adult Protective Services
- Community Care Licensing
- Emancipated Foster Youth Stipends
- Foster Parent Training and Recruitment
- Group Home Monthly Visits
- Independent Living Program
- Kinship Support Services, Kinship and FC Emergency Funds
- Substance Abuse/HIV Infant Program
- Specialized Training for Adoptive Parents
- Supportive and Therapeutic Options Programs
- State-only AA
- Cash Assistance Program for Immigrants
- State-only FC
- Child Abuse Prevention Intervention and Treatment

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- State Family Preservation
- Seriously Emotionally Disturbed Children
- Promoting Safe and Stable Families

The CDSS will continue to provide additional information and direction regarding budget negotiations or the GF payment deferrals as it becomes available.

If you have any questions, please contact Didi Okamoto, Chief of the Fiscal Systems and Accounting Branch, at (916) 324-1000.

c: County Welfare Directors Association