

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



December 19, 2001

COUNTY FISCAL LETTER (CFL) NO. 01/02-41

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

SUBJECT: TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)
COUNTY PERFORMANCE INCENTIVES

REFERENCES: CFL No. 99/00-46, dated December 30, 1999

This CFL provides information regarding TANF Performance Incentives, as we have discussed with the County Welfare Director's Association (CWDA).

The California Department of Social Services (CDSS) has been notified by the Department of Health and Human Services (DHHS), Administration for Children and Families (ACF), that California must return unexpended TANF funds, including interest earned, which were paid under our county Performance Incentive program. ACF determined that the Performance Incentive payments to counties are not expenditures; instead, they are additional grant authority to be spent by the counties in the future. Accordingly, the payments are considered drawdowns in advance of actual expenditures and, as such, are in violation of 45 Code of Federal Regulations (CFR) 92.20(b)(7), 45 CFR 92.21, and 31 CFR 205.

These findings do not affect the State's budget authority with regard to TANF block grant funds. The current process for reporting earnings is unchanged. The only impact to California is the timing of federal cash drawdowns.

CDSS has negotiated approval from ACF for the use of an offset process to recoup the Performance Incentives previously paid to counties. However, the Federal Government requires that any interest earned on those funds be remitted separately. Therefore, CDSS does not have the option to combine the interest with incentive payments when recouping through the offset process. Instead, consistent with instructions in CFL No. 99/00-46, counties are instructed to review their financial records maintained for interest earnings, report the amount of interest earned through September 30, 2001, and remit a check, payable to California Department of Social Services (CDSS), no later than *January 31, 2002*. The check must be accompanied by the certification in Attachment I, signed by the county welfare department director or his/her designee, and submitted to the following address:

California Department of Social Services
Financial Services Bureau
744 P Street, M.S. 13-72
Sacramento, CA 95814
Attention: Terrie O'Connor

A check for the remaining interest, calculated on the unexpended balance from October 1, 2001 through June 30, 2002, is due to CDSS by *July 31, 2002*. The latter check must also be accompanied by a certification (Attachment II), signed as indicated previously, and submitted to the above address.

Recoupment of the unexpended performance incentives will be accomplished by offsetting monthly cash advances beginning with the February 2002 advance. We anticipate that this implementation date should allow counties to make any cash flow arrangements that may be necessary. The amount of each county's offset will be determined based on the historic monthly average advance and applied against the unexpended balance until all funds have been recouped. Attachment III displays each county's total payments, expenditures through September 30, 2001, unexpended balances, and projected monthly recoupment. Please note that these are projected amounts only and will be adjusted to reflect actual expenditures (as reported on the County Expense Claim) and balances, as needed. Until the balance of the Performance Incentives has been collected in total, there will not be any advances for TANF eligible cases.

If the schedule for either the offset against advances, repayment of interest, or both, creates an undue hardship for your county, please contact Terrie O'Connor, Chief of the Financial Services Bureau at (916) 657-3390, as soon as possible. Alternative arrangements or adjustments to the repayment schedule will be evaluated on a case-by-case basis.

If you have any questions regarding this letter, please call Carla Lenerd, Chief of the Fiscal Policy Bureau at (916) 657-3440.

***Original Document Signed by
MARGE DILLARD on 12/19/01***

MARGE DILLARD, Chief
Fiscal Systems and Accounting Branch

Attachments

c: CWDA

**CERTIFICATION
INTEREST EARNED ON
CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS
PERFORMANCE INCENTIVE PAYMENTS
FIRST PAYMENT**

I hereby certify that I am the officer responsible for the California Work Opportunity and Responsibility to Kids (CalWORKs) program in _____ County and that the attached Warrant Number _____ in the amount of \$ _____ represents interest earned on Performance Incentive payments made under the CalWORKs program for the period from _____ through September 30, 2001.

<i>Name (Please Print)</i>	<i>Signature</i>
<i>Title</i>	<i>Date</i>

**CERTIFICATION
INTEREST EARNED ON
CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS
PERFORMANCE INCENTIVE PAYMENTS
SECOND/FINAL PAYMENT**

I hereby certify that I am the officer responsible for the California Work Opportunity and Responsibility to Kids (CalWORKs) program in _____ County and that the attached Warrant Number _____ in the amount of \$ _____ represents interest earned on Performance Incentive payments made under the CalWORKs program for the period from October 1, 2001 through June 30, 2002.

<i>Name (Please Print)</i>	<i>Signature</i>
<i>Title</i>	<i>Date</i>

COUNTY PERFORMANCE INCENTIVES

(As of September 2001 Quarter)

ATTACHMENT III

COUNTY	TOTAL PAYMENT MADE AS OF 01/31/01	TOTAL EXPENDITURES AS OF 09/01 QUARTER	TOTAL EARNED INCENTIVES AVAILABLE	*PROJECTED MONTHLY RECOUPMENT
Alameda	\$30,499,189.68	\$5,322,204.00	\$25,176,985.68	\$7,802,260.58
Alpine	\$59,530.85	\$31,827.00	\$27,703.85	\$12,414.15
Amador	\$612,410.85	\$76,757.00	\$535,653.85	\$91,612.58
Butte	\$8,561,448.72	\$2,593,363.00	\$5,968,085.72	\$1,896,971.13
Calaveras	\$1,124,443.85	\$225,635.00	\$898,808.85	\$159,571.87
Colusa	\$305,822.00	\$106,914.00	\$198,908.00	\$86,078.87
Contra Costa	\$17,668,968.93	\$4,965,811.00	\$12,703,157.93	\$3,324,211.54
Del Norte	\$1,097,761.99	\$17,031.00	\$1,080,730.99	\$358,287.40
El Dorado	\$2,007,459.99	\$0.00	\$2,007,459.99	\$416,822.34
Fresno	\$58,084,292.22	\$3,690,874.00	\$54,393,418.22	\$10,294,104.24
Glenn	\$1,148,976.34	\$80,120.00	\$1,068,856.34	\$175,186.00
Humboldt	\$3,697,211.49	\$999,035.00	\$2,698,176.49	\$929,085.24
Imperial	\$9,529,002.89	\$1,726,615.00	\$7,802,387.89	\$1,793,107.42
Inyo	\$494,341.12	\$0.00	\$494,341.12	\$53,704.91
Kern	\$29,617,253.00	\$5,162,307.00	\$24,454,946.00	\$7,116,344.04
Kings	\$4,082,573.29	\$156,923.00	\$3,925,650.29	\$995,777.98
Lake	\$2,807,909.79	\$1,411,581.00	\$1,396,328.79	\$597,776.97
Lassen	\$1,050,851.24	\$191,568.00	\$859,283.24	\$186,416.26
Los Angeles	\$384,837,646.26	\$48,769,549.00	\$336,068,097.26	\$94,854,809.00
Madera	\$4,724,104.94	\$868,147.00	\$3,855,957.94	\$1,248,797.47
Marin	\$1,536,667.18	\$262,401.00	\$1,274,266.18	\$285,565.73
Mariposa	\$414,276.14	\$0.00	\$414,276.14	\$80,361.12
Mendocino	\$3,037,584.88	\$0.00	\$3,037,584.88	\$578,920.36
Merced	\$12,181,293.70	\$663,523.00	\$11,517,770.70	\$2,592,248.72
Modoc	\$539,779.39	\$216,832.00	\$322,947.39	\$70,556.81
Mono	\$205,563.83	\$135,113.00	\$70,450.83	\$15,493.30
Monterey	\$10,304,755.32	\$1,944,219.00	\$8,360,536.32	\$1,807,689.26
Napa	\$1,030,815.00	\$207,332.00	\$823,483.00	\$183,092.53
Nevada	\$1,019,754.00	\$423,673.00	\$596,081.00	\$212,933.01
Orange	\$52,649,208.61	\$3,781,508.00	\$48,867,700.61	\$8,045,897.61
Placer	\$3,280,694.16	\$346,574.00	\$2,934,120.16	\$513,130.86
Plumas	\$287,367.10	\$129,974.00	\$157,393.10	\$72,933.24
Riverside	\$46,536,303.94	\$0.00	\$46,536,303.94	\$8,466,885.19
Sacramento	\$67,562,413.20	\$10,798,926.00	\$56,763,487.20	\$12,723,982.93
San Benito	\$1,171,838.83	\$138,752.00	\$1,033,086.83	\$181,617.72
San Bernardino	\$77,860,728.30	\$7,812,032.00	\$70,048,696.30	\$16,204,920.15
San Diego	\$74,664,037.16	\$24,736,964.00	\$49,927,073.16	\$11,999,818.54
San Francisco	\$12,426,646.68	\$0.00	\$12,426,646.68	\$2,250,505.00
San Joaquin	\$22,709,284.96	\$1,344,599.00	\$21,364,685.96	\$5,692,935.46
San Luis Obispo	\$4,180,752.95	\$389,884.00	\$3,790,868.95	\$734,432.48
San Mateo	\$3,491,910.70	\$1,790,708.00	\$1,701,202.70	\$761,756.65
Santa Barbara	\$8,424,443.32	\$2,107,521.00	\$6,316,922.32	\$1,587,619.33
Santa Clara	\$32,777,007.71	\$4,858,363.00	\$27,918,644.71	\$4,741,592.78
Santa Cruz	\$3,400,812.43	\$1,411,680.00	\$1,989,132.43	\$721,989.69
Shasta	\$6,977,137.35	\$1,355,854.00	\$5,621,283.35	\$1,485,741.76
Sierra	\$48,129.34	\$0.00	\$48,129.34	\$8,908.81
Siskiyou	\$1,478,040.52	\$322,309.00	\$1,155,731.52	\$353,069.00
Solano	\$8,809,153.14	\$937,699.00	\$7,871,454.14	\$1,821,761.00
Sonoma	\$4,867,450.72	\$1,073,241.00	\$3,794,209.72	\$892,862.64
Stanislaus	\$11,450,536.90	\$1,534,923.00	\$9,915,613.90	\$3,720,587.48
Sutter	\$2,484,642.98	\$935,418.00	\$1,549,224.98	\$432,810.00
Tehama	\$2,111,782.20	\$7,500.00	\$2,104,282.20	\$479,649.71
Trinity	\$309,258.39	\$0.00	\$309,258.39	\$86,630.08
Tulare	\$24,754,127.81	\$9,266,720.00	\$15,487,407.81	\$4,959,379.30
Tuolumne	\$1,647,245.31	\$139,649.00	\$1,507,596.31	\$264,410.55
Ventura	\$13,306,016.09	\$1,714,180.00	\$11,591,836.09	\$2,276,043.00
Yolo	\$6,427,541.27	\$1,990,857.00	\$4,436,684.27	\$930,785.98
Yuba	\$3,744,144.11	\$1,566,806.00	\$2,177,338.11	\$932,068.85
Total	\$1,092,120,345.06	\$160,741,995.00	\$931,378,350.06	\$231,564,926.62

*Estimate is based on October 2001 actual expenditures. This amount subject to change based on subsequent monthly actuals.