

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, CA 95814



September 11, 2002

TO: ALL COUNTY WELFARE DIRECTORS

FROM: *Original Signed by Marge Dillard for*  
GLORIA MERK, Deputy Director  
Administration DivisionSUBJECT: **HIGHLIGHTS OF THE FINAL 2002-03 BUDGET**

The purpose of this memo is to provide information on the major program funding adjustments that were included in the California Department of Social Services (CDSS) Budget for the 2002-03 Fiscal Year. Governor Davis signed the Budget on September 5, 2002.

**Local Assistance****California Work Opportunity and Responsibility to Kids (CalWORKs) Program**

The final budget provides \$5.9 billion (all funds) for the CalWORKs Program. This includes \$3.4 billion for CalWORKs Assistance Payments, \$1.3 billion for CalWORKs Services, \$421.5 million for CalWORKs Administration, \$460.5 million for Stage One Child Care/Health and Safety Requirements, \$201.0 million for County Probation Facilities, and \$76.0 million for the Kinship Guardianship Payment (Kin-GAP) Program.

Major features in the CalWORKs budget include the following:

**CalWORKs Assistance**

- ◆ The budget assumes a caseload increase of 3.4 percent in 2002-03.
- ◆ A cost-of-living-adjustment (COLA) of 3.74 percent is included for the Maximum Aid Payment (MAP), effective June 1, 2003, at a cost of \$12.8 million.
- ◆ Additional grant costs of \$46.1 million are included as a result of the implementation of Prospective Budgeting for the CalWORKs Program.
- ◆ A net savings of \$88.9 million is included as a result of cases reaching the 60-month CalWORKs time-limit. A savings of \$305.0 million is projected as cases are removed from the CalWORKs Program, and a cost of \$216.1 is projected to continue to fund children in the Safety Net Program.
- ◆ Grant savings in the amount of \$10.9 million reflect the reinstatement of the Senior Parent Deeming Rule. Associated administrative savings are included in CalWORKs Administration.

### CalWORKs Services

- ◆ Basic funding for services is reflected at the same level as 2001-02.
- ◆ A net savings associated with cases reaching the 60-month CalWORKs time limit amounts to \$98 million. This includes the cost for 12 months of job retention services for the 58 percent of cases with working adults.
- ◆ Funding of \$120 million is budgeted in 2002-03 for CalWORKs Mental Health and Substance Abuse Services.
- ◆ The Youth Development Services Project is funded at \$1.5 million.

### CalWORKs Administration

- ◆ Funding for CalWORKs Administration Basic is \$631.1 million in 2002-03.
- ◆ Administrative savings of \$28.1 million are included as a result of implementation of Prospective Budgeting for the CalWORKs Program.

### CalWORKs Child Care

- ◆ Stage One Child Care is fully funded at \$455.3 million.
- ◆ TANF funds of \$351.7 million are transferred to the California Department of Education for Stage Two Child Care.
- ◆ A net savings associated with cases reaching the CalWORKs 60-month time limit amount to \$30.0 million. This includes \$41.5 million in costs associated with providing child care to the 58 percent of the cases with working adults.
- ◆ A Child Care Reserve of \$108.4 million is included for either Stage One or Stage Two, \$50.0 million of which is above the projected need.

### General TANF Reserve

- ◆ The budget provides a reserve of \$60.0 million.

### Kin-GAP Program

- ◆ Total funding for Kin-GAP in FY 2002-03 is \$76.2 million (\$16.6 million more than the 2001-02 budget).
- ◆ The budget assumes the average monthly Kin-GAP caseload will grow from 9,576 in 2001-02 to 12,207 in 2002-03, an increase of 27 percent.

### Foster Care Program

- ◆ The total funding for foster care payments budgeted in FY 2002-03 is \$1.5 billion (\$1.5 million more than the 2001-02 budget).

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- ◆ The budget assumes the average monthly foster care caseload will decline from 76,055 in 2001-02 to 73,188 in 2002-03, a decrease of less than 1 percent.

Adoption Assistance Program

- ◆ Total funding for Adoption Assistance Payments for FY 2002-03 is \$427.6 million (\$54.3 million more than the 2001-02 budget).
- ◆ The budget assumes the average monthly Adoption Assistance caseload will grow from 48,003 in 2001-02 to 54,823 in 2002-03, an increase of 14 percent.

California Food Assistance Program

- ◆ The Budget reflects the impact of federal legislation (H.R. 2646 Farm Bill) effective October 1, 2002, which will make disabled legal noncitizens eligible for the Federal Food Stamp Program effective October 2002, and those who have lived in the U.S. five years or more will be eligible effective April 2003. The total CFAP funding for FY 2002-03 is \$92.4 million General Fund (GF), which represents a \$17.6 million GF decrease from FY 2001-02.

**Supplemental Security Income/State Supplementary Payment (SSI/SSP)/In-Home Supportive Services (IHSS)**

SSI/SSP

- ◆ In addition to the \$4.585 billion in federal funds, \$3.058 billion in GF is budgeted for SSI/SSP in 2002-03, an increase of 7.6 percent (\$216.3 million) over the 2001-02 Appropriation.
- ◆ The budget assumes caseload growth in SSI/SSP of 2.1 percent in 2002-03, from 1,102,983 to 1,126,400.
- ◆ The budget includes \$318.4 million GF for a January 2002 COLA of 5.31 percent.
- ◆ The budget includes \$22.3 million GF for a 3.74 percent COLA effective June 1, 2003.
- ◆ \$102.2 million GF is included for the Cash Assistance Program for Immigrants.

In Home Supportive Services (IHSS) Program

- ◆ The budget includes \$915.6 million GF for IHSS Services, an increase of 8.7 percent (\$73.6 million) over the 2001-02 Appropriation.
- ◆ The budget assumes caseload growth in IHSS of 8.3 percent in 2002-03, from 274,011 to 296,765.
- ◆ The budget includes \$69.7 million GF for Public Authority (PA) wages and benefits over the minimum wage.
- ◆ The budget includes \$2.6 million GF for non-PA provider rate increases.

- ◆ The budget also includes \$2.2 million GF for contract mode increases.
- ◆ The budget includes \$80.0 million GF for IHSS administrative activities, an increase of 9.9 percent (\$7.2 million) from the 2001-02 Appropriation.

## **County Administration and Automation Projects**

### Food Stamps Administration

- ◆ The budget includes \$11.6 million representing the State's share of the \$116.0 million Food Stamp Sanction for FFY 2001.
- ◆ The budget includes \$5.2 million (\$1.8 million State GF) in net savings associated with implementing a Prospective Budgeting system for the Food Stamp Program.
- ◆ A net savings of \$4.2 million (\$1.8 million State GF) has been budgeted to reflect the impact of implementing an Electronic Benefit Transfer system for food stamp issuance.
- ◆ Basic funding for Foster Care administration is reflected at the same level as 2001-02.
- ◆ Basic funding for Food Stamp administration is budgeted at \$369.7 million (\$140.0 million in GF). This reflects an increase of \$4.0 million (\$3.2 million in GF) over 2001-02.
- ◆ Total funding for the Automated projects was reduced by \$800,000 to \$273.6 million. This decrease is attributed to the SAWS projects. Costs in the SAWS projects have been revised to reduce funding for SAWS oversight consulting services.

## **Social Service Programs**

### Children's Services

- ◆ Total funding for Children's Services amounts to \$2.040 billion in 2002-03 (\$74.0 million more than the 2001-02 Appropriation).
- ◆ In Child Welfare Services (CWS), an additional \$12.3 million (\$4.5 million GF) has been included for CWS/CMS additional resource charges that are not funded in the base contract.
- ◆ The Emergency Assistance (EA) Program reflects the shift of EA Case Management funding from TANF to Title IV -E. The freed-up TANF funds will be shifted to Title XX funds resulting in net GF savings of \$23.5 million in the current year and \$32.5 million in the budget year.
- ◆ The Adoptions Program was reduced by \$12.9 million (\$8.1 million GF) from the 2001-02 Appropriation. The reduction is a result of \$7.3 million in federal incentives being used in lieu of GF and the Governor's suspension of the recent CODB augmentation.

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Special Programs

- ◆ The budget includes \$11.7 million GF for County Services Block Grant (CSBG).
- ◆ Outside of CSBG, the budget contains \$50.2 million GF for Adult Protective Services, a reduction of \$6.0 million from the 2001-02 appropriation.
- ◆ Funding of \$4.5 million GF for the Special Circumstances Program was eliminated in FY 2002-03 (no change from may Revise).