Table of Contents

101 – TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)/CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs) PROGRAMS

101 CalWORKs ASSISTANCE

101 CalWORKs SERVICES

101 CalWORKs SERVICES (continued):

101 TEEN PROGRAMS

101 CalWORKs - ADMINISTRATION

101 CalWORKs CHILD CARE PROGRAMS

101 TANF FUNDED PROBATION SERVICES

101 KIN-GAP PROGRAM

101 FOSTER CARE PROGRAM

101 FOSTER CARE PROGRAM (continued):

101 ADOPTION ASSISTANCE PROGRAM

101 REFUGEE CASH ASSISTANCE

101 CALIFORNIA FOOD ASSISTANCE PROGRAM

111 - SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTARY PAYMENT (SSI/SSP)/IN-HOME SUPPORTIVE SERVICES

111 SSI/SSP

111 IN-HOME SUPPORTIVE SERVICES (IHSS)

111 IN-HOME SUPPORTIVE SERVICES (IHSS) (continued):

111 IHSS ADMINISTRATION

141 - COUNTY ADMINISTRATION

141 FOSTER CARE

141 FOOD STAMPS ADMINISTRATION

141 FOOD STAMPS ADMINISTRATION (continued):

141 REFUGEE CASH ASSISTANCE

141 AUTOMATION UPDATES

141 AUTOMATION PROJECTS

141 AUTOMATION PROJECTS (continued):

151 SOCIAL SERVICE PROGRAMS

151 CHILD WELFARE SERVICES

151 CHILD WELFARE SERVICES (continued):

151 ADOPTIONS PROGRAM

151 CHILD ABUSE PREVENTION PROGRAM

151 COUNTY SERVICES BLOCK GRANT

151 COMMUNITY CARE LICENSING

151 SPECIAL PROGRAMS

153 TRANSITIONAL HOUSING FUND

TANF
OTHER DEPARTMENTS' TANF MOE ELIGIBLE EXPENDITURES

ADDITIONAL TANF/MOE

General Fund Maintenance of Effort Adjustment

DESCRIPTION:

This premise reflects the State expenditures necessary to meet the State's maintenance of effort (MOE) level. Under the Temporary Assistance for Needy Families (TANF) Program, the states are required to meet MOE funding levels. California's MOE level is approximately $2.9 billion, which is equal to 80 percent of California's Federal Fiscal Year (FFY) 1994 expenditures. For State Fiscal Years (FYs) 2004-05 and 2005-06, an adjustment has been added, which reflects the fact that California met the federal work participation rate for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program in FFYs 2002 and 2003. When the State meets this rate, the MOE level falls from 80 percent to 75 percent. In addition, adjustments are made to the MOE as a result of Tribal TANF. Therefore, with the Work Participation Rate and Tribal TANF MOE Adjustments, the final MOE level is $2.7 billion.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1996.

METHODOLOGY:

To determine the State General Fund (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 those 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 federal funds amount. Other state department or county 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 current year and budget year 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 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:

Countable MOE expenditures within CDSS have been updated to reflect any new premises, as well as adjustments for premises in which only a portion of the total expenditures is countable. In addition, countable expenditures within other state departments have been updated to reflect changes in their proposed budget levels or the portion of total cost countable toward the TANF MOE. For specific explanations of these changes, please refer to the specific premise descriptions for each of these items.

REASON FOR YEAR-TO-YEAR CHANGE:

The adjustment amount has been updated based upon projected expenditures and new premise items for FY 2005-06.

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$0	$0
Federal	-1,155,555	-987,708
State	1,155,555	987,708
County	0	0
Reimbursements	0	0

Two-Parent Program

DESCRIPTION:

The Two-Parent Program reflects the funding shift from Temporary Assistance for Needy Families (TANF) to State General Fund (GF). The Two-Parent Program is a separately funded state program for two-parent families in the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. With the implementation of this program, federal TANF funds will no longer be used to provide CalWORKs cash assistance or welfare-to-work (WTW) services, including child care and work support services, to two-parent assistance units (AUs) who meet the definition of a two-parent family. A two-parent family is defined as an 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. The eligibility and work participation requirements for two-parent families will remain unchanged from the CalWORKs Program.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10553.
- Within the existing CalWORKs Program areas of grants, services, administration and childcare, a portion of the cost or savings for each premise item impacted by the Two-Parent Program will be charged to the State-Only Two-Parent Program. A separate auxiliary table reflects the individual premise items impacted by the Two-Parent Program.
- The grant ratio for two-parent families was developed based on the actual grant costs for Fiscal Year (FY) 2003-04. The administrative ratios are based on the current year (CY) and budget year (BY) All Other Families and Two-Parent caseload projections.
- For Stage One Child Care, the two-parent ratio is five percent based on child care expenditure data from FY 2003-04.
- For Employment Services, the ratio for two-parents participating in WTW activities is 5.84 percent and is based on expenditure data for FY 2002-03.
- The ratio for two-parents participating in the CalWORKs Mental Health and Substance Abuse programs is 14 percent and is based on WTW 25 and WTW 25A caseload data for calendar year 2002.

METHODOLOGY:

For each premise item impacted by the Two-Parent Program, the total cost/savings was multiplied by the appropriate ratio for two-parent families. The two-parent families' share from all of the premises were added together to determine the total. Refer to the auxiliary table for the "Two-Parent Program" for more detailed information.

Two-Parent Program

FUNDING:

The Two-Parent Program funding for administration, services, and child care costs is 100 percent GF. Funding for Two-Parent Program grants are 97.5 percent GF and 2.5 percent county.

CHANGE FROM PRIOR SUBVENTION:

This premise has been updated for the costs and savings associated with premise items impacted by the Two-Parent Program. The methodology to determine the amount to shift from TANF to State GF for CalWORKs Administration Basic has been revised to be consistent with county claiming instructions for Two-Parent cases.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise has been updated with the most recent data.

CASELOAD:

	2004-05	2005-06
Average Monthly Caseload	40,329	38,867

EXPENDITURES:

(in 000's)

	2004-05		2005-06	
	State	County	State	County
Total	$397,839	$6,500	$340,784	$5,422
Grants	305,469	6,500	258,603	5,422
Administration	20,738	0	17,031	0
Services	53,783	0	49,960	0
Child Care	17,849	0	15,190	0

CalWORKs – Basic 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 premises include: “Cal Learn Bonuses,” “Cal Learn Sanctioned Grants,” “Recent Noncitizen Entrants,” and “Tribal TANF,” that are already in the trend. These adjustments are necessary in order to avoid counting the impact twice. This premise also includes an adjustment for Proposition L, which will raise the minimum wage level for people working in San Francisco County to $7.75 effective January 2005, and then to $8.50 in January 2006.

This premise has been updated to reflect the anticipated impact of Hmong refugees who will be resettling in California in the current year (CY).

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11450.
- For Fiscal Year (FY) 2004-05, a total of 13,638,903 All Other Families (AF) personmonths and 2,463,262 Two-Parent (TP) personmonths are anticipated. For FY 2005-06, 13,405,807 AF personmonths and 2,437,830 TP personmonths are projected.
- An estimated 5,024 new persons (502 AF and 4,522 TP) are expected to establish eligibility in the CY as a result of the Hmong refugees who will be resettling in California. The first refugees arrived in July 2004 with additional arrivals expected through the end of June 2005.
- Adjustments are made for the estimated costs of current premises which are already included in the base period. These premises include: “Cal Learn Bonuses,” “Cal Learn Sanctioned Grants,” and “Recent Noncitizen Entrants.” Also, an adjustment is made for the costs associated with new tribes establishing Tribal TANF programs.
- 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 92 with an average cost per case of $1,446 for the CY, and an average monthly caseload of 91 with an average cost per case of $1,446 for the budget year (BY).
- The AF cost per person is $216.35 for both the CY and the BY. The TP cost per person is $140.86 for both the CY and BY.
- AF and TP basic costs are adjusted for the OASDI COLA. The Consumer Price Index (CPI) COLAs are 2.7 percent effective January 1, 2005, and 2.6 percent effective January 1, 2006.
- 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 2004-05 reduction of $2,145,376 and a FY 2005-06 reduction of $3,704,044.

CalWORKs – Basic Grants

KEY DATA/ASSUMPTIONS (continued):

- Proposition L, the minimum wage increase for San Francisco County, will result in approximately $433,170 in grant savings in FY 2004-05, and $1,262,342 in grant savings in FY 2005-06 due to nearly 1,700 recipients having additional earnings.
- The CY and BY reflect a shift of funds from the Recent Noncitizen Entrants (RNE) program associated with persons in mixed cases that are TANF-eligible.

METHODOLOGY:

- The personmonths are multiplied by the cost per person to determine AF and TP basic costs.
- 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.
- AF and TP basic costs are reduced for the OASDI COLA adjustment.
- The total AF and TP basic costs are reduced by the amounts of the costs for “Cal Learn Bonuses,” “Cal Learn Sanctioned Grants,” “Recent Noncitizen Entrants, new tribes establishing Tribal TANF programs, and Proposition L to reflect the basic grant costs.
- Grant Costs for the Hmong Refugees are calculated by multiplying the average persons per month by the cost per person.

DATA COMPARISON CHART:

FY 2004-05	AF	TP
Projected Personmonths	13,638,903	2,463,262
Projected Casemonths	5,441,332	570,400
Persons Per Case	2.51	4.32

FY 2005-06	AF	TP
Projected Personmonths	13,405,807	2,437,830
Projected Casemonths	5,398,306	570,053
Persons Per Case	2.48	4.28

FUNDING:

The funding is 87.71 percent federal/TANF, 9.88 percent State General Fund (GF) and 2.50 percent county for both the CY and BY. The state share reflects the GF cost for the State-Only Two-Parent Program that implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State’s maintenance of effort.

The CY and BY reflect a shift of funds from the RNE program associated with persons in mixed cases that are TANF-eligible.

CHANGE FROM PRIOR SUBVENTION:

The caseload and persons per case have been updated using the most current available data. This premise has been updated to include the extended resettlement period for the Hmong Refugees through June 2004.

CalWORKs – Basic Grants

REASON FOR YEAR-TO-YEAR CHANGE:

The overall caseload and the average monthly persons are projected to decrease in FY 2005-06, by 0.72 percent and 1.61 percent, respectively. The BY includes increased savings as a result of Proposition L (San Francisco County minimum wage increase) to reflect the January 2006 increase. The BY also reflects the full year impact of the Hmong refugees.

CASELOAD:

	2004-05	2005-06
Average Monthly Caseload	500,978	497,363
Average Monthly Persons	1,341,847	1,320,303

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$3,251,430	$3,206,783
Federal	2,825,812	2,787,980
State	347,259	341,544
County	78,359	77,259
Reimbursements	0	0

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Welfare Reform / Work Participation

DESCRIPTION:

This premise reflects the projected impact to the California Work Opportunity and Responsibility to Kids (CalWORKs) Program associated with the implementation of Senate Bill (SB) 1104 (Chapter 229 of Statutes 2004). SB 1104 amended Section 11325.21 of the Welfare and Institutions (W&I) Code to require Universal Engagement for all nonexempt adults. Within 90-days of receipt of aid, all nonexempt adults must sign a Welfare-to-Work (WTW) plan requiring that they work or participate in work-directed services/activities for 20 hours per week, and participate 12-15 hours per week in other activities necessary to obtain employment. Amendments were made to W&I Code section 113228.8 that specify the types of activities that recipients may participate in to satisfy both the work-directed and other activity requirements of the program.

Work directed (core) activities include subsidized and unsubsidized employment, work experience, on-the-job training, grant based on-the-job training, supported work or transitional employment, work-study, self employment, community service, vocational education and training (for up to twelve months), and job search and job readiness assistance. Other activities (non-core) include adult basic education, general education development, English-as-a-Second-Language, job skills training directly related to employment, education directly related to employment, satisfactory progress in secondary school or in a course of study leading to a certificate or GED, mental health, substance abuse, and domestic violence services, and other activities necessary to assist an individual to obtain unsubsidized employment.

Nonexempt adult recipients in an assistance unit (AU) with one aided adult are required to participate for a minimum of 32 hours per week (20 core / 12 non-core). Nonexempt adult recipients in an AU with two aided adults are required to participate for a minimum of 35 hours per week (20 core / 15 non-core). Participation hours spent in mental health services, substance abuse services, domestic violence services, and specified educational activities that are in excess of those that can be accomplished within the 12 or 15 non-core hours, can count as core hours, but only when all of the individual non-core hours are comprised solely of participation in these same types of activities.

SB 1104 amended W&I Code Section 11454 to eliminate the 18/24 month time limit. Prior to this change, recipients were required to participate in Welfare-to-Work (WTW) activities within an 18/24 month period. An individual's 18/24 month time clock began with the signing of the WTW plan, which occurred after job search when a recipient did not find work. Recipients were required to participate in a variety of activities intended to lead to employment; however, participation in these activities did not first require having a minimum participation requirement in more work-focused activities.

With the elimination of the 18/24 month time limit and the requirement that all nonexempt adults participate in work directed activities within 90 days, the work focus of the CalWORKs Program has been strengthened by placing a greater emphasis on work participation and personal responsibility, while maintaining critical services for needy families.

IMPLEMENTATION DATE:

This premise implemented on December 1, 2004.

Welfare Reform / Work Participation

KEY DATA/ASSUMPTIONS:

- Authorizing Statute: W&I code Section 11325.21.
- This premise includes $510,000 in one-time automation reprogramming costs which is located under Item 141 – County Administration.
- This estimate assumes $1.4 million for the development and maintenance of 6,400 community services / work experience slots for the counties.

Eliminating the 18/24 Month Time Clock

- Based on WTW 25 data reports, there are an average of 0.64 percent of the total cases in assessment per month.
- Based on the May 2005 projected caseload used for this estimate (487,499 for the current year (CY) and 483,697 for the budget year (BY)), 3,104 cases per month are projected to be in assessment in the CY, and 3,080 cases per month are projected to be in assessment in the BY.
- The average hourly cost for staff to conduct assessment is $57.57.
- This component assumes one hour of case management time and one-quarter hour of orientation/appraisal time would be saved for each case.

Requiring Nonexempt Able-Bodied Adults to Participate in 20+ hours of WtW Activity per Week

- The Universal Engagement requirement and associated WTW changes authorized under SB 1104 became effective December 1, 2004. SB 1104 established a 90-day period for the development of a WTW plan to engage recipients in the program as quickly as possible.
- Based on information obtained from the 58 counties, SB 1104 requirements were implemented for approximately 73 percent of the statewide caseload as of March 2005. The remaining cases will be phased in, most by the end of the CY.
- The average monthly caseload impacted by this premise has been prorated by 87.49 percent in the CY and 98.65 percent in the BY, based on the implementation schedule reported by the counties. The impact on CalWORKs Child Care costs has also been prorated, assuming a one month delay.
- It is assumed that counties will review WTW plans for any needed modifications at the same time they are performing monthly reviews to ensure that recipients are participating in their assigned activities and complying with other program requirements.
- The projected caseload is comprised of 253,118 cases in the CY and 273,426 cases in the BY with an adult (Safety Net and Child Only cases were excluded).

Welfare Reform / Work Participation

KEY DATA/ASSUMPTIONS (continued):

- Based on WTW 25 data from fiscal year (FY) 2003-04, there are 101,376 cases in the CY, and 113,417 cases in the BY with an adult that is not participating in Welfare to Work activities due to "good cause", exemption, or sanction status. These recipients will not be impacted by these changes.
- Based on the average monthly applicant ratio of 4.07 percent, there are a projected 20,345 cases in any month in the CY that will have been on CalWORKs less than 90 days, and 21,975 cases in any month in the BY that will have been on CalWORKs less than 90 days and are not yet impacted by these changes.
- The average monthly CalWORKs cases impacted by this proposal is 131,397 in the CY, and 138,035 in the BY.
- Based on the CalWORKs Characteristics Survey for FFY 2002, this premise assumes that 50 percent of the impacted cases (65,699 in the CY, and 69,018) in the BY are currently working and 50 percent of the impacted cases, are not currently working.
- Based on Q5 and EDD Wage Match Data, of the cases that are currently working, 30.98 percent (20,353 cases in the CY and 21,382 cases in the BY) are assumed to be working 20 or more hours per week, and 69.02 percent (45,345 cases in the CY and 47,636 cases in the BY) are assumed to be working less than 20 hours per week.
- It is assumed that the cases not currently working the full 20 hours per week will increase their weekly hours on average by 10 hours per week to meet the new requirement. The average grant savings per case is $145 per month, assuming individuals are paid at minimum wage.
- Of the cases not currently working, it is assumed that approximately 5 percent each month (2,979 cases in the CY and 3,332 in the BY) are in "conciliation" mode. These cases are not working/participating and are not yet in sanction status, and therefore, no costs or savings are assumed.
- Of the cases not currently working, it is assumed that 30,607 cases in the CY and 34,240 cases in the BY will meet the 20 hours per week work requirement without earnings, by participating in approved non-work activities (i.e. community service, mental health services, substance abuse services, on-the-job training (OJT), work experience, education and/or vocational education activities).
- Of the remaining cases not currently working, it is assumed that 50 percent (16,056 cases in the CY and 15,723 cases in the BY) will meet the 20 hours per week work requirement with minimum wage employment, resulting in $178 average monthly grant savings per case.
- Of the cases that were assumed to meet the 20 hours per week work requirement with minimum wage employment, it is assumed that a portion (2,399 cases in the CY and 2,381 cases in the BY) will not work a full 20 hours, but will fulfill some of their core hour requirements with excess participation hours from educational activities. For TP cases (28.92 percent) it is assumed that an average of 5 core hours will be fulfilled in this manner, and for AF cases (71.08 percent) it is assumed that an average of 8 core hours will be fulfilled in this manner. This is based on the assumption that participants in school activities attend on average 20 hours weekly.

Welfare Reform / Work Participation

KEY DATA/ASSUMPTIONS (continued):

- The remaining 50 percent of the cases not currently working (16,056 cases in the CY and 15,723 cases in the BY) will not meet the 20 hours per week work requirement and will therefore be subject to sanction status.
- Based on information from the "Good Cause Establishment, Compliance, and Curing of Sanctions: CalWORKs Welfare-to-Work Program" report presented to the Legislature in May 2001, an average of 45 percent of the sanctioned caseload "cures." It is assumed that an additional 45 percent of the cases currently not working and facing sanction status will cure, which is approximately 7,225 cases in the CY and 1,119 cases in the BY.
- Of the cases that will cure, 22 percent will remain in sanction status for one month before curing, and 78 percent will remain in sanction status for two months before curing, resulting in an average monthly grant savings of $141 in the CY and BY. The Nine Month 2004 MAP COLA will increase the CY savings to $145, and the 6.5 percent MAP reduction will decrease BY savings to $136. The impact of these changes is reflected in each of the corresponding premises.
- Based on current experience in the CalWORKs program, it is assumed that 30 percent of the non-working cases that obtain employment (23,281 x 30 percent in the CY, and 23,952 x 30 percent in the BY) will utilize CalWORKs Child Care. It is assumed that 50 percent of those who participate in vocational education will be eligible for CalWORKs Child Care, and that 30 percent of these will utilize it (8,340 x 30 percent in the CY and 9,330 x 30 percent in the BY). The monthly average child care cost per case is $1,118 in the CY and $1,004 in the BY (assuming the impacts of the child care reforms).
- Based on current experience in the CalWORKs program, it is assumed that 7.25 percent of the non-working cases that obtain employment will utilize ancillary services. It is assumed that 50 percent of those who participate in vocational education will be eligible for ancillary services, and 7.25 percent of those will utilize it. The average cost is $67.41 per month.
- Based on current experience in the CalWORKs program, it is assumed that 46.88 percent of the non-working cases that obtain employment will utilize transportation services. It is assumed that 50 percent of those who participate in vocational education will be eligible for transportation services, and 46.88 percent of those will utilize it. The average cost is $64.53 per month.
- This premise assumes that the remaining 55 percent of the cases subject to sanction (8,831 cases in the CY and 9,277 cases in the BY) will be sanctioned for non-compliance with the 20 hour per week work requirement.

Welfare Reform / Work Participation

METHODOLOGY:

Eliminating the 18/24 Month Time Clock

- The savings for this component was calculated by multiplying the projected cases in assessment by the average cost for staff time, the amount of time saved by eliminating the 18/24 month time clock, and then by the number of impacted months (3,104 x 57.57 x 1.25 hours x 7 = $1,563,718 for the CY, and 3,080 x 57.57 x 1.25 hours x 12 = $2,659,754 in the BY).

Requiring Nonexempt Able-Bodied Adults to Participate in 20+ hours of WtW Activity per Week

- The number of impacted cases was multiplied by the percentage of working cases, and then by the percentage of those working less than 20 hours per week to determine the number of working cases that would be impacted (131,397 x .50 x .6902 = 45,345 cases in the CY, and 138,038 x .50 x .6902 = 47,636 cases in the BY).

- Based on assumptions that these cases would need to increase an average of 10 hours of work per week, $6.75 as the minimum wage, 4.3 weeks per month, and four months of the CY implementation, the average grant savings per case was calculated based on the current CalWORKs disregard rules for earned income (45,345 cases x (10 hours of work x $6.75 x 4.3 weeks) x 0.5 x 4 months = $26.3 million in grant savings for the CY, and (47,636 cases x (10 hours of work x $6.75 x 4.3 weeks) x 0.50 x 12 months = $83.0 million in grant savings for the BY).
- The number of recipients in “conciliation” mode was subtracted from the non-working recipients. These cases are not working/participating and are not yet in sanction status, and therefore, no costs or savings are assumed.

- The number of recipients who will satisfy the work requirement with no earnings was subtracted from the non-working recipients. These cases were determined by multiplying the projected average monthly CalWORKs caseload by the average percentage of those who satisfy work requirements with no earnings. The result was then prorated based on the counties’ reported implementation schedule (487,499 cases x .0718 x .8749 = 30,607 in the CY, and 483,697 cases x .0718 x .9865 = 34,240 cases in the BY), Child Care, transportation, and ancillary costs are assumed for a portion of these cases, but no grant savings.

- Of the remaining cases, 50 percent (16,056 in the CY and 15,723 in the BY) are assumed to meet the work requirement. These cases are assumed to work an average of 20 hours per week at the minimum wage of $6.75 per hour, 4.3 weeks per month, with four months of implementation in the CY. The average grant savings per case was calculated based on the current CalWORKs disregard rules for earned income (16,056 cases x ((20 hours of work x $6.75 x 4.3 weeks) - $225) x 0.5 x 4 months = $11.4 million in grant savings for the CY, and (15,723 cases x ((20 hours of work x $6.75 x 4.3 weeks) - $225) x 0.50 x 12 months = $33.5 million in grant savings for the BY).

Welfare Reform / Work Participation

METHODOLOGY (continued):

- The loss of grant savings associated with those cases that are assumed to fulfill some core hours with excess participation hours from educational activities is [((2,204 AF cases x 8 hours) + (195 TP cases x 5 hours)) x $6.75 x 4.3 weeks] x 0.50 x 4 months = $1.1 million in the CY, and is [((2,185 AF cases x 8 hours) + (195 TP cases x 5 hours)) x $6.75 x 4.3 weeks]x 0.50 x 12 months = $3.2 million in the BY.
- Of the remaining cases, 50 percent (16,056 in the CY and 15,723 in the BY) will be subject to sanction status. These cases were multiplied by the average percentage of cases that cure, resulting in 7,225 cases for the CY and 1,119 cases for the BY (the CY projection for cases that will cure is based on existing and new cases, whereas the BY projected is based on new cases only).
- The cases that will cure were multiplied by the percentage of those that would incur one month of sanction status and then cure (22 percent: 1,590 in the CY and 246 in the BY), and the percentage of those that would incur two months of sanction status and then cure (78 percent: 5,635 in the CY and 873 in the BY).
- The grant savings for cases that will cure includes grant savings due to sanction (for one or two months) and grant savings resulting from earned income once the sanction is cured. The total savings is $5.6 million in the CY and $21.2 million in the BY.
- The total savings for cases that will not cure is determined by multiplying the projected sanction cases by the average grant savings, and the number of months impacted (8,831 x $141 x 4 months = $5.0 million savings in the CY, and 9,277 x $141 x 12 months = $15.7 million in the BY). The Nine Month 2004 MAP COLA will increase the CY savings to $145, and the 6.5 percent MAP reduction will decrease BY savings to $136. The impact of these changes is reflected in the corresponding premises for each.
- The cases with nonexempt adult recipients who are currently not working but assumed to find employment at least 20 hours per week, and 50 percent of the nonexempt adult recipients who are participating in vocational education were multiplied by the utilization rates and costs for ancillary and transportation services to determine additional costs.
- Stage One Child Care costs were derived by calculating costs for both the non-working cases who will meet the 20 hours per week work requirement either through employment or by other non-work related activities, and the sanction status cases that will cure.
    - ❑ These cases were multiplied by the percentage that will utilize CalWORKs child care. These cases were then multiplied by the average number of children per case, the average Stage One Child Care payment per child, and then by the appropriate number of months. ((((16,056 + 8,340 cases) x $621 x 3 months) + (1,590 cases x $621 x 2 months) + (5,636 cases x $621.00 x 1 month)) x 0.30 utilization rate x 1.8 children per case = $26.4 million in Stage One Child Care costs for the CY), and ((((15,723 + 9,330 + 8,229 cases) x $558 x 12 months) x 0.30 utilization rate x 1.8 children per case = $120.0 million in Stage One Child Care costs for the BY.).
    - ❑ Five percent of the Child Care funds for the BY are reflected in the Child Care Holdback Premise.

Welfare Reform / Work Participation

FUNDING:

The funding for the CalWORKs Program is shared 87.71 percent federal/TANF, 9.79 percent State General Fund (GF) and 2.5 percent county. The funding for child care, transportation, and ancillary costs are shared 89.96 percent federal/TANF and 10.04 percent State General Fund. Automation reprogramming costs are funded with 100 percent federal/TANF. The State share reflects the GF cost for the State-Only Two-Parent Program that implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort.

CHANGE FROM PRIOR SUBVENTION:

The decrease in net savings reflects the updated implementation schedule as reported by the counties, offset partially by an increase in the able-bodied caseload assumed.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in net savings reflects the near full year impact of this premise.

EXPENDITURES:

(in 000's)

101 – CalWORKs Basic Grants	2004-05	2005-06
	Grant	Grant
Total	-$47,413	-$150,216
Federal	-41,584	-131,749
State	-4,644	-14,712
County	-1,185	-3,755
Reimbursement	0	0

101 – CalWORKs Services & Admin	2004-05	2005-06
	Services	Services
Total	$3,825	$11,369
Federal	3,441	10,227
State	384	1,142
County	0	0
Reimbursement	0	0

Welfare Reform / Work Participation

EXPENDITURES (continued):
(in 000's)

101 – CalWORKs Stage One Child Care [1]	2004-05	2005-06[1]
	Services	Services
Total	$26,376	$120,011
Federal	23,727	107,956
State	2,649	12,055
County	0	0
Reimbursement	0	0

141 – County Admin & Automation	2004-05	2005-06
	Services	Services
Total	$510	$0
Federal	510	0
State	0	0
County	0	0
Reimbursement	0	0

NET TOTAL	2004-05	2005-06
Total	-$16,702	-$18,836
Federal	-13,906	-13,566
State	-1,611	-1,515
County	-1,185	-3,755
Reimbursement	0	0

[1] For FY 2005-06, these figures reflect the additional Stage One Child Care costs associated with SB 1104, prior to the 5 percent holdback (see Child Care Stage One/Two Five percent Holdback Premise).

Guillen v. Schwarzenegger
(October 2003 COLA)

DESCRIPTION:

This premise reflects the impact of the Guillen v. Schwarzenegger court case that involves the suspension of the October 2003 cost-of-living adjustment (COLA) to the maximum aid payment (MAP). The court ruled against the State, and the Administration has subsequently appealed this decision. This appeal is still pending.

IMPLEMENTATION DATE:

This premise was to implement on October 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11453.
- The 3.46 percent COLA to be given on October 1, 2003, has been suspended.
- The State is appealing the court's decision in this case, and has filed a motion of stay pending further litigation.

METHODOLOGY:

No costs were budgeted for this premise due to the decision to suspend the COLA.

FUNDING:

There is no funding for this premise due to the decision to suspend the COLA.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change pending the appellate court's decision.

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

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Maximum Aid Payment – Nine Month 2004 COLA

DESCRIPTION:

This premise reflects the cost of providing a cost-of-living adjustment (COLA) to the CalWORKs maximum aid payment (MAP). The COLA is based on the changes determined by the Department of Finance in the California Necessities Index (CNI), which is the weighted average changes for food, clothing, fuel, utilities, rent and transportation for low-income consumers. In accordance with Welfare and Institutions Code (W&IC) section 11453, beginning with Fiscal Year (FY) 2000-01 through FY 2003-04, the effective date of the COLA is October 1 of each year. For FY 2004-05, the effective date of the COLA is July 1. Pursuant to SB 1104 (Chapter 229, of Statutes of 2004) for the 2004-05 fiscal year, the adjustment to the MAP shall be suspended for three months beginning on September 1, 2004.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11453.
- The 2.75 percent COLA became effective on July 1, 2004, and includes a three month suspension for the months of September through November 2004.
- Federal Fiscal Year 2003 Q5 Survey data was used to determine the average All Other Families (AF) and Two Parent (TP) grants before and after the 2.75 percent COLA increase.
- The average increase in the AF basic grant due to the July 2004 COLA is $16.57 (2.8 percent); the average increase in the TP basic grant is $22.40 (3.4 percent). These ratio increases were also applied to all of the other affected premises.

METHODOLOGY:

The July 2004 percent increase for the AF and TP average grants was determined by dividing the value of the COLA increase by the value of the average grant prior to the July 2004 COLA. This percent was then multiplied by the affected month's (July through August 2004 and December 2004 through June 2005) basic persons costs for AF and TP in the current year, and the July 2005 through June 2006 basic person costs for the AF and TP in the budget year. The result was the COLA impact on the basic AF and TP persons costs. These AF and TP costs were then totaled. The impact to other affected premises was determined by a similar calculation.

FUNDING:

The State General Fund (GF) share reflects the cost of the State-Only Two-Parent and Safety Net programs. For the current year, the funding is shared 82.6 percent TANF, 14.9 percent GF, and 2.5 percent county. For the budget year, the funding is shared 81.1 percent TANF, 16.4 percent GF, and 2.5 percent county. The State-Only Two-Parent and Safety Net programs are countable toward the State's maintenance of effort.

Maximum Aid Payment – Nine Month 2004 COLA

CHANGE FROM PRIOR SUBVENTION:

The estimate was updated using the most recent actual data. The impact of the COLA on the Welfare Reform / Work Participation premise is now reflected in this line.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects the full-year cost for this COLA.

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$70,558	$92,377
Federal	58,260	74,903
State	10,534	15,164
County	1,764	2,310
Reimbursements	0	0

Maximum Aid Payment – July 2005 COLA

DESCRIPTION:

This premise reflects the cost of adding a cost-of-living adjustment (COLA) to the maximum aid payment (MAP). The COLA is based on the changes determined by the Department of Finance in the California Necessities Index (CNI), which are the weighted average changes for food, clothing, fuel, utilities, rent and transportation for low-income consumers. In accordance with Welfare and Institutions Code (W&IC) section 11453, beginning with Fiscal Year (FY) 2000-01 through FY 2003-04, the effective date of the COLA is October 1 of each year. For FY 2004-05, the effective date of the COLA was July 1.

IMPLEMENTATION DATE:

This premise was to implement on July 1, 2005.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11453.
- The 4.07 percent COLA to be given on July 1, 2005, has been eliminated.

METHODOLOGY:

No costs were budgeted for this premise due to the decision to eliminate the COLA.

FUNDING:

There is no funding for this premise due to the decision to eliminate the COLA.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

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6.5 Percent MAP Reduction

DESCRIPTION:

This premise reflects the grant savings to the California Work Opportunity and Responsibility to Kids (CalWORKs) Program as a result of a 6.5 percent reduction to the CalWORKs' Maximum Aid Payment (MAP) levels, and administrative savings associated with cases becoming ineligible as the result of the MAP level changes. It also reflects administrative costs associated with those cases receiving food stamps (Public Assistance Food Stamps (PAFS) cases) shifting to Transitional Food Stamps (TFS) for five months then a portion of those returning to Food Stamps as a Non-Assistance Food Stamps (NAFS)/California Food Assistance Program (CFAP) case and benefit costs for CFAP cases.

IMPLEMENTATION DATE:

This premise will implement on October 1, 2005.

KEY DATA/ASSUMPTIONS:

- Statute needs to be enacted to implement this premise.
- The MAP levels for non-exempt and exempt Assistance Units (AUs) are reduced by 6.5 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 would be different. Based on Federal Fiscal Year (FFY) 2002 CalWORKs Characteristic Survey (Q-5) Data, the percentage of reduction to the CalWORKs average cost per case is 6.66 percent.
- The MAP reduction has an impact on the following premises: CalWORKs - Basic Grants; Welfare Reform / Work Participation; Income Disregard Reduction; Cal Learn Bonuses and Sanctions; 60-Month CalWORKs Time Limit (Safety Net); Exemptions for 16 and 17-Year Olds; Prospective Budgeting; Rosales v. Thompson; Fry v. Saenz; Recent Noncitizens Entrants; Kin-GAP CalWORKs Savings; NAFS Administration; and CFAP.
- Based on FFY 2002 Q-5 data, approximately 1.05 percent of the CalWORKs cases and 3.73 percent of the Safety Net cases (6,812) will lose eligibility because the reduced MAP levels will render their current grant to zero.
- The average administrative savings per quarter for not processing a CalWORKs case is $57.57 based on current processing costs under the Prospective Budgeting/Quarterly Reporting system. This equates to $19.19 per month ($57.57 quarterly x 1/3 = $19.19 per month).
- Based on FFY 2002 CalWORKs Characteristics Survey, 84.8 percent of the CalWORKs caseload receives food stamps. It is assumed that these cases will receive TFS after being discontinued from CalWORKs.
- Based on the ratio of Recent Noncitizen Entrants to total CalWORKs caseload, it is assumed that 95.15 percent of the discontinued CalWORKs cases that receive food stamps will become Federal NAFS cases and 4.85 percent will be CFAP NAFS cases.

6.5 Percent MAP Reduction

KEY DATA/ASSUMPTIONS (continued):

- The discontinued CalWORKs cases will receive five months of TFS upon becoming ineligible for CalWORKs.
- It is assumed that there will be a one-time cost of $14.57 per case for an Eligibility Worker (EW) to transfer a discontinued CalWORKs case to a TFS case.
- The average monthly CFAP TFS benefits are $92 per case.
- It is assumed that 11.42 percent of the discontinued cases will return to food stamps as a Federal NAFS case and 0.58 percent of the discontinued cases will return to CFAP NAFS after they receive five months of TFS.
- It is assumed that there will be a one-time cost of $28.23 per case for an EW to transfer a TFS case to a NAFS case.
- It is assumed that 7.20 percent of the cumulative caseload would be subject to mid-quarter reporting.
- It is assumed that it will cost $28.23 for an EW to process a mid-quarter report.
- It is assumed that it will cost $33.69 per case for an EW to process NAFS and CFAP continuing cases on a quarterly basis.
- The average length of time a Food Stamp case remains on aid during any one occurrence is 33.5 months based on FFY 2002 Food Stamps Characteristics Survey.

METHODOLOGY:

- The October 2005 percent decrease for the AF and TP average grants was determined by dividing the value of the MAP reduction by the value of the average grant prior to the October 2005 MAP reduction. This percent was then multiplied by the affected months (October 2005 through June 2006) basic persons costs for AF and TP in the budget year. The result was the 6.5 percent MAP reduction impact on the basic AF and TP persons costs. These AF and TP costs were then totaled. The impact to other affected premises was determined by a similar calculation.
- The administrative savings from caseload reduction is calculated by multiplying the average monthly number of cases impacted by the average monthly cost per case.
- The one-time administrative costs to transfer a discontinued CalWORKs case to TFS is calculated by multiplying the discontinued cases that receive food stamps by $14.57.
- The CFAP TFS benefits are calculated by multiplying the caseload by $92 by 5 months.
- The cases that transfer to Federal NAFS and CFAP are calculated by multiplying the CalWORKs discontinued cases that receive food stamps by 12 percent (11.42 percent Federal NAFS, 0.58 percent CFAP).
- The benefits for cases that transfer to CFAP after receiving five months of TFS is calculated by multiplying the caseload by $92.

6.5 Percent MAP Reduction

METHODOLOGY (continued):

- The one-time administrative cost associated with processing a TFS case to a NAFS case is calculated by multiplying the monthly cases by $28.23.
- The monthly administrative cost associated with processing the mid-quarter changes is calculated by multiplying the cumulative cases by 7.20 percent and by $28.23.
- The quarterly administrative cost associated with processing the quarterly reports is calculated by multiplying the cumulative cases by $33.69 on a quarterly basis.

FUNDING:

For CalWORKs grants, the State General Fund (GF) share reflects the savings to the State-Only Two-Parent and Safety Net programs. Funding for the CalWORKs grants portion of this premise is shared 84.6 percent TANF, 12.9 percent GF and 2.5 percent county. The funding for the CalWORKs administrative portion of this premise is shared 90.45 percent TANF and 9.55 percent GF. The federal FS sharing ratio is 50 percent federal, 35 percent state, and 15 percent county funds. The funding for CFAP is 100 percent State General Fund. The portion of costs eligible to be counted toward the TANF maintenance of effort requirement is consistent with the CFAP premise.

CHANGE FROM PRIOR SUBVENTION:

This premise has been updated to reflect an implementation date of October 1, 2005. The Governor's Budget assumed an implementation date of July 1, 2005. Funding was included, in NAFS administration and CFAP, for the PAFS cases shifting to TFS then on to Federal NAFS and CFAP NAFS.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise implements in the budget year.

EXPENDITURES:

(in 000's)

Item 101 – CalWORKs (TANF) Grant Savings	2004-05	2005-06
	Grant	Grant
Total	$0	-$164,781
Federal	0	-139,416
State	0	-21,246
County	0	-4,119
Reimbursements	0	0

6.5 Percent MAP Reduction

EXPENDITURES (continued):

(in 000's)

Item 101 –

CalWORKs (TANF) Administrative Savings	2004-05	2005-06
	Admin.	Admin.
Total	$0	-$1,185
Federal	0	-1,071
State	0	-114
County	0	0
Reimbursements	0	0
Item 101 –		

CFAP	2004-05	2005-06
	Coupons	Coupons
Total	$0	$366
Federal	0	0
State	0	366
County	0	0
Reimbursements	0	0

Item 141 –	2004-05	2005-06
Food Stamp Administration	County Admin.	County Admin.
Total	$0	$125
Federal	0	62
State	0	44
County	0	19
Reimbursements	0	0

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 the proposed reduction of the earned income disregards. Currently, Welfare and Institutions (W&I) Code 11451.5 allows the first $225 of earned income to be exempted, plus 50 percent of any remaining earned income.

The Governor's Budget proposed to reduce the CalWORKs income disregards to $200 and 40 percent, respectively. With this change, CalWORKs recipients will continue to exempt a significant portion of their earned income, and California will maintain one of the most generous disregard structures in the nation.

IMPLEMENTATION DATE:
None.

KEY DATA/ASSUMPTIONS:
This premise has been withdrawn.

METHODOLOGY:
None.

FUNDING:
None.

CHANGE FROM PRIOR SUBVENTION:
This premise has been withdrawn.

REASON FOR YEAR-TO-YEAR CHANGE:
None.

EXPENDITURES:
(in 000's)
Item 101 –

CalWORKs (TANF) Grant Savings	2004-05	2005-06
	Grant	Grant
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Income Disregard Reduction

EXPENDITURES (continued):

(in 000's)

Item 101 –

CalWORKs (TANF) Administrative Savings	2004-05	2005-06
	Admin.	Admin.
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Pay for Performance

DESCRIPTION:

The Pay for Performance proposal is an investment strategy to encourage counties to achieve critical CalWORKs program outcomes. The proposal establishes a three-year pilot project to ensure that counties invest resources in activities that are most effective and efficient in achieving the desired outcomes. As a result, grant savings will begin to be achieved in Fiscal Year (FY) 2005-06 as participants successfully gain employment and increase earnings, which will help to avoid federal penalties.

Beginning in FY 2006-07, performance incentive funding will be provided to those counties that meet specific measured outcomes that are critical to the success of the CalWORKs welfare-to-work program. The proposed measured outcomes will be improved rates of employment, higher federal work participation rates, increased number of recipients that leave aid due to earned income, and any other measures deemed appropriate.

IMPLEMENTATION DATE:

This premise will implement on July 1, 2005.

KEY DATA/ASSUMPTIONS:

CalWORKs Grant Savings

- CalWORKs grant savings will be achieved in the budget year (BY) as participants successfully gain employment and increase earnings.
- It is assumed that in the BY approximately 25,000 mandatory WTW cases currently working less than 20 hours per week will increase their average work participation by an additional 5 hours per week, over and above the increased hours expected from Welfare Reform
- The average monthly grant savings is $73 per month, based on the minimum wage of $6.75 per hour and the current disregard rules for earned income.

Pay For Performance Incentive Payments

- Incentive payments for FY 2006-07 will be based on measured outcomes for FY 2005-06.
- $30 million in TANF funds have been set-aside in the BY TANF Reserve to be provided as incentive payments to counties in FY 2006-07.

METHODOLOGY:

CalWORKs Grant Savings

The grant savings were calculated by multiplying the average monthly caseload by the average monthly grant savings, and the result multiplied by 12 months.

Pay for Performance Incentive Payments

Beginning in FY 2006-07, incentive payments will be provided to those counties that meet the performance measures.

Pay for Performance

FUNDING:
Funding for the CalWORKs grants portion of this premise is shared 87.71 percent TANF, 9.79 percent GF, and 2.5 percent county.

CHANGE FROM PRIOR SUBVENTION:
The funding mechanism for Pay for Performance incentive funds has been revised.

REASON FOR YEAR-TO-YEAR CHANGE:
This premise implements in the BY.

EXPENDITURES:
(in 000's)

101 – CalWORKs Basic Grants	2004-05	2005-06
	Grant	Grant
Total	$0	-$22,179
Federal	0	-19,453
State	0	-2,172
County	0	-554
Reimbursement	0	0

Increased Sanction Savings

DESCRIPTION:
This premise reflects the estimated grant savings to the California Work Opportunity and Responsibility to Kids (CalWORKs) Program as a result of strengthening the CalWORKs sanction process for non-compliant participants. This proposal will build on the current year's reforms to strengthen the work focus of the CalWORKs Program.

IMPLEMENTATION DATE:
None.

KEY DATA/ASSUMPTIONS:
- The Department was mandated by the legislature to consult with system stakeholders, including county welfare departments, to examine the CalWORKs sanction policy, its implementation, and effect on work participation.
- To meet these requirements, the Department entered into a contract with RAND to collect the information and assist the Department to report to the legislature. Due to the vendor's delay in releasing the report, the Department lacks sufficient information at this time to develop a specific proposal to achieve the targeted savings.

METHODOLOGY:
None.

FUNDING:
None.

CHANGE FROM PRIOR SUBVENTION:
This premise has been postponed.

REASON FOR YEAR-TO-YEAR CHANGE:
None.

EXPENDITURES:
(in 000's)

Item 101 –

CalWORKs (TANF) Grant Savings	2004-05	2005-06
	Grant	Grant
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

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AFDC Collections

DESCRIPTION:

This premise reflects the federal share of Aid to Families with Dependent Children (AFDC) overpayments that occurred before October 1, 1996. The United States Department of Health and Human Services issued Program Instruction (PI) TANF-ACF-PI-2000-2 on September 1, 2000, clarifying current federal policy and requirements regarding overpayment recovery and reimbursement of the federal share. AFDC overpayments collected will increase the Temporary Assistance for Needy Families (TANF) expenditures by the amount recognized.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2001.

KEY DATA/ASSUMPTIONS:

- The California Department of Social Services conducted a nine-county survey of overpayment collections received in October 1997, 1998, 1999, and 2000. For each year, a sample of cases recouped by grant reduction to the recipient's assistance payment (active cases), and a sample of cases recouped by cash collections under a lump sum or periodic repayment plan (closed cases) were reviewed in the counties.
- The overpayment collections were identified based on the occurring date. AFDC overpayment collections represent overpayments that occurred before October 1, 1996, and TANF overpayment collections represent those that occurred after October 1, 1996. AFDC overpayment collections represented 71.43 percent of grant reductions and 87.14 percent of cash collections in the October 1997 sample. By October 2000, AFDC overpayment collections decreased to 27 percent of grant reductions and 51.5 percent of cash collections.
- The percent of AFDC and TANF overpayment collections was weighted by the percent of grant reductions and cash collections. Beginning with the October 1999 sample, a year-to-year percent decrease change of AFDC grant reductions and cash collections was calculated to project the current year (CY) and budget year (BY) percentages.
- For the October 2000 sample, AFDC grant reductions represent 16.6 percent of the total overpayment collections, and AFDC cash collections represent 19.9 percent. The estimate assumes that AFDC grant reductions will represent 5.1 percent of total overpayment collections, and AFDC cash collections represent 3.6 percent in the CY, and 2.6 percent and 1.8 percent, respectively, in the BY.
- The estimated total overpayment collections are $76.4 million in the CY and $78.8 million in the BY.

AFDC Collections

METHODOLOGY:

- The total amount of overpayment collections projected in the CY is multiplied by the AFDC percentages of grant reductions and cash collections ($76.4 million x 5.1 percent, and $76.4 million x 3.6 percent).
- The federal share for the CY is 50 percent of the total amount of AFDC collections ($6.7 million x 50 percent).
- The total amount of overpayment collections projected in the BY is multiplied by the AFDC percentages of grant reductions and cash collections ($78.8 million x 2.6 percent, and $78.8 million x 1.8 percent).
- The federal share for the BY is 50 percent of the total amount of AFDC collections ($3.4 million x 50 percent).

FUNDING:

The funding for this premise is 100 percent TANF.

CHANGE FROM PRIOR SUBVENTION:

The grant reductions and cash collections have been revised based on actual collection data reported.

REASON FOR YEAR-TO-YEAR CHANGE:

The share of prior October 1996 AFDC overpayments to the overall collections will continue to decline.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	Grant	Grant
Total	$3,335	$1,720
Federal	3,335	1,720
State	0	0
County	0	0
Reimbursements	0	0

Tribal TANF

DESCRIPTION:

This premise reflects the State General Fund (GF) cost to operate tribal Temporary Assistance for Needy Families (TANF) Programs in California. Assembly Bill 1542 (Chapter 270, Statutes of 1997) allowed GF to be provided for tribes to administer a Tribal TANF Program. The Department has established a memorandum of understanding with the California Tribal TANF Partnership (CTTP) that represents the tribal members in Amador, Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Modoc, Napa, Plumas, Solano, Sutter, Trinity, and Yuba counties; Hoopa that represents tribal members in Humboldt; North Fork Rancheria (NFR) that represents the tribal members in Madera, Mariposa, and Merced; Owens Valley Career Development Center (OVCDC) that represents the tribal members in Fresno, Inyo, Kern, Kings, and Tulare counties, and Tule Reservation; the Southern California Tribal Chairman Association (SCTCA) that represents tribal members in Santa Barbara and San Diego counties; the Torres-Martinez Tribal TANF (TMTT) that represents tribal members in Los Angeles and Riverside counties; and the Washoe Tribe of Nevada and California (WTNC) that represents tribal members in Alpine, El Dorado, and Sacramento counties.

Federal welfare reform legislation allows for each Indian tribe that has an approved Tribal Family Assistance Plan to receive a Tribal Family Assistance Grant 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.

Pursuant to Senate Bill (SB) 1104 for Fiscal Year (FY) 2004-05, the annual allocation of GF shall be reduced by $30.5 million less TMTT's unexpended funds for FY 2003-04. Each tribal TANF program that receives a tribal TANF grant in FY 2004-05 will also receive a proportionate share of the net reduction. However, no tribal TANF grant will be reduced by more than 20 percent.

SB 1104 also mandates that effective July 1, 2005, state funding for existing tribal TANF programs will be based on actual program caseloads, including assistance and service only cases. The state funding will not exceed the original state share designated for the tribal TANF program in the original negotiation of 1994 caseload counts. Those programs that have received funding for less than three years will not have their state funding adjusted.

IMPLEMENTATION DATE:

- The original SCTCA tribes implemented in March 1998. Additional SCTCA tribes in San Diego County implemented in May 1999.
- The original TMTT tribes in Los Angeles and Riverside County implemented in May 2001. The TMTT tribal service area expansion in nine additional cities in Riverside implemented in April 2002. Additional TMTT tribes in Orange and San Bernardino counties are expected to implement in September 2005.
- The original OVCDC tribes in Inyo and Kern 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 Mono and Ventura counties are expected to implement in July 2005.

Tribal TANF

IMPLEMENTATION DATE (continued):

- The original Washoe tribes implemented in January 2003. Additional Washoe tribes in Alameda, Nevada, Placer, San Francisco, San Joaquin, San Mateo, Santa Clara, and Santa Cruz were expected to implement in May 2005.
- The original tribes in NFR implemented in August 2003.
- The original Hoopa tribe in Humboldt implemented in October 2004.
- The Morongo Band of Mission Indians in Riverside County implemented in March 2005.
- The Soboba Band of Luiseno Indians in Riverside County is expected to implement in June 2005.
- The Yurok tribes in Del Norte and Humboldt counties are expected to implement in July 2005.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10553.25.
- In FY 2004-05, the GF provided to the Tribes will be based on the FFY 1994 case data, and a $15 million reduction pursuant to SB 1104.
- In FY 2005-06, the GF provided to the Tribes that have been operational less than 3 years will be based on FFY 1994 case data. For tribes that have been operational more than 3 years, actual caseload data will be used.
- The TANF transfer 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 13,243 for TANF and GF based on FFY 1994 data in the current year;
  - ♦ The average monthly number of cash aid cases is 21,129 for TANF based on FFY 1994 data and 13,525 for GF based on the current level of cases served for tribes that have implemented three years or longer in the budget year;
  - ♦ The average persons per case is 2.9;
  - ♦ The WTW services utilization rate of 7.7118 percent was used in the current year;
  - ♦ The average monthly number of persons receiving WTW services is 1,285 for TANF and GF based on FFY 1994 data in the current year;
  - ♦ The average monthly number of persons receiving WTW services is 1,860 for TANF based on FFY 1994 data and 6,639 for GF based on the current level of cases served for tribes that have implemented three years or longer in the budget year;

Tribal TANF

KEY DATA/ASSUMPTIONS (continued):

- The average monthly WTW services cost per person is $206.36;
- The average monthly WTW services cost per person was derived by dividing the Greater Avenues for Independence (GAIN) Program expenditures for FFY 1994 (less child care) by the number of active GAIN participants;
- The average monthly administrative cost per case is $50.73.

METHODOLOGY:

TANF transferred directly to the tribes and the state participation rates for FFY 1994 are calculated as follows:

- The administrative costs were derived by multiplying the average number of cash aid cases that contribute to the administrative costs per month by the average monthly administrative cost per case.
- The WTW services costs were derived by multiplying the number of average persons served per month by the average monthly WTW service cost per person.
- 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.

FUNDING:

The GF amount will be counted toward the State's maintenance of effort (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 or 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 current year costs were updated to reflect the revised implementation dates and cases used in determining the Tribal Family Assistance Grant. It does not reflect the $5 million reduction for the decline in anticipated programmatic expenditures in the current year.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year costs reflect full-year costs. The GF share is based on 1994 case data for tribes that have implemented less than 3 years and actual cases served by SCTCA, TMTT, and OVCDC tribes.

Tribal TANF

EXPENDITURES:

(in 000's)

	2004-05			2005-06		
	Grant	County Admin.	WTW Services	Grant	County Admin.	WTW Services
Total	$37,053	$2,455	$983	$47,300	$3,104	$6,290
Federal [1]	0	0	0	0	0	0
State	37,053	2,455	983	47,300	3,104	6,290
County	0	0	0	0	0	0
Reimbursements	0	0	0	0	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 $54.3 million in FY 2004-05 and $86.5 million in FY 2005-06.

Exemptions for 16 and 17-Year Olds (SB 1264)

DESCRIPTION:

This premise reflects the increased grant costs to the California Work Opportunity and Responsibility to Kids (CalWORKs) Program associated with the implementation of Senate Bill (SB) 1264 (Chapter 439, Statutes of 2002). SB 1264 amended Section 11320.3 of the Welfare and Institutions (W&I) Code to expand the scope of exemptions from the welfare-to-work requirements to include a person who is 16 or 17 years of age who has obtained a high school diploma or its equivalent and is enrolled or is planning to enroll in a post-secondary education, vocational, or technical school training program. These children would have previously been sanctioned due to not meeting work participation requirements.

IMPLEMENTATION DATE:

This premise implemented in January 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&I Code section 11320.3.
- Based on CalWORKs Characteristics Survey data, an average of 0.15 percent of the CalWORKs cases have a 17-year old child who has graduated from high school, and very few cases have a 16-year old child who has graduated from high school.
- Based on CalWORKs Welfare-to-Work Monthly Activity Reports (WTW 25) from July 2003 to June 2004, 11.78 percent of CalWORKs cases are sanctioned due to not meeting work participation requirements.
- Based on the California Department of Education’s enrollment/graduation data, 35.58 percent of the high school graduates complete required collegiate preparatory courses for the University of California and California State University campuses. This percentage was used to determine how many high school graduates were planning to continue in post-secondary education.
- Based on CalWORKs WTW 25, approximately 20.64 percent of the high school graduates are participating in vocational education.
- Based on CalWORKs FFY 2002 Characteristics Survey data, the average grant per person among those cases with 16 and 17-year old children is $141.87. Changes associated with the current year COLA and the budget year MAP reduction are included in the Nine Month 2004 MAP COLA and the 6.5 percent MAP Reduction premises, respectively.

METHODOLOGY:

- For purposes of this estimate, the CalWORKs projected average monthly caseload used is multiplied by 0.15 percent to determine the number of 16 and 17-year olds who have graduated high school (average monthly cases: 487,499 x 0.15 percent = 740 cases in the current year and 483,697 x 0.15 percent = 734 cases in the budget year).

Exemptions for 16 and 17-Year Olds (SB 1264)

METHODOLOGY (continued):

- The number of 16 and 17-year old graduates is then multiplied by the current CalWORKs sanction rate of 11.78 percent to determine the number of graduated 16 and 17-year olds who are currently sanctioned due to not meeting work participation requirements (740 cases x 11.78 percent = 87 in the current year, and 734 x 11.78 percent = 86 cases in the budget year).
- The total percentage of 16 and 17-year olds who are enrolled or are planning to enroll in post-secondary education and other training programs equals the sum of the percentage of high school graduates eligible for California universities and the percentage of high school graduates participating in vocational education (35.58 percent + 20.64 percent = 56.22 percent).
- The number of 16 and 17-year olds who will be exempted by SB 1264 is determined by multiplying the number currently being sanctioned by the total percentage who are enrolled or are planning to enroll in post secondary education and other training programs (87 cases x 56.22 percent = 49.00 cases in the current year, and 86 cases x 56.22 percent = 48.62 cases in the budget year).
- The annual fiscal impact of implementing SB 1264 is calculated by multiplying the annual number of exempted 16 and 17-year olds by the average cost per person.

FUNDING:

The funding is 87.71 percent TANF, 9.79 percent State General Fund and 2.5 percent county.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$84	$84
Federal	74	74
State	8	8
County	2	2
Reimbursements	0	0

Unemployment Insurance (UI) Benefits Impact

DESCRIPTION:

This premise reflects the savings to the California Work Opportunity and Responsibility to Kids (CalWORKs) Program as a result of the rate increases in weekly Unemployment Insurance (UI) benefits and the temporary 13-week extension for eligible CalWORKs recipients and potential CalWORKs applicants claiming UI benefits.

Senate Bill (SB) 40 (Chapter 409, Statutes of 2001) provided the first increase in unemployment insurance benefits in California since 1989. SB 40 provides that the maximum weekly benefits will increase from $230 to $330 for new claims filed January 6, 2002, and provides three additional increases which will bring the maximum weekly benefits to $370 effective January 5, 2003, to $410 effective January 4, 2004, and to $450 effective January 3, 2005.

On March 9, 2002, the federal "Job Creation and Worker Assistance Act of 2002" was signed into law and provides for temporary extended unemployment compensation. This Act allows unemployed workers who have exhausted their regular unemployment insurance benefits to file for an extension of up to 13 weeks of benefits. The original effective period of this extension was from March 10, 2002, to December 31, 2002, and was referred to as Temporary Extended Unemployment Compensation (TEUC). On January 8, 2003, Congress passed legislation to extend the effective period to May 25, 2003 (last date for a claim to begin). Then, on May 28, 2003, Congress again passed an extension to the TEUC Program through December 28, 2003. To be eligible for this extension of UI benefits the claimant must have exhausted all rights to regular compensation on or after March 15, 2001, and have no rights to regular compensation or extended compensation or any other state unemployment compensation law or to compensation under any other federal law.

IMPLEMENTATION DATE:

This premise implemented on January 6, 2002.

KEY DATA/ASSUMPTIONS:

- Based on the match of the Medi-Cal Eligibility Determination System (MEDS)/Employment Development Department (EDD) UI benefit data with the Federal Fiscal Year (FFY) 2001 CalWORKs Characteristics Survey data, 4.07 percent of CalWORKs cases receive UI benefits.
- The CalWORKs projected average monthly caseload used to project the number of CalWORKs cases receiving UI benefits was based on the May 2005 CalWORKs trend caseload.
- UI benefits are considered as unearned income in CalWORKs eligibility determination and will be deducted from the recipient’s grant on a dollar to dollar basis. UI benefit increases for CalWORKs recipients result in savings to the CalWORKs Program.
- MEDS/EDD UI benefit data showed that those cases that received UI benefits have on average $491.90 UI benefits per case per month.
- The maximum weekly UI benefit amount increase effective January 5, 2003, increased CalWORKs recipients’ monthly UI benefits by $59.62 on average, bringing the average UI benefits per case per month to $551.52.

Unemployment Insurance (UI) Benefits Impact

KEY DATA/ASSUMPTIONS (continued):

- The maximum weekly UI benefit amount increase effective January 4, 2004, increased CalWORKs recipients' monthly UI benefits by another $59.62 on average, bringing the average UI benefits per case per month to $611.14.
- The maximum weekly UI benefit amount increase effective January 3, 2005, increased CalWORKs recipients' monthly UI benefits by another $59.62 on average, bringing the average UI benefits per case per month to $670.77.
- The impacts of UI benefit changes before January 1, 2004, are assumed to be in the CalWORKs basic expenditure trends.
- The impact of the TEUC on the CalWORKs program ended in April 2004.

METHODOLOGY:

- The November 2004 CalWORKs caseload projection is multiplied by 4.07 percent to determine the number of cases claiming UI benefits (average monthly caseload during the impacted period: CY 487,499 x 4.07 percent = 19,818 cases; BY 483,697 x 4.07 percent = 19,663 cases).
- The cumulative impact of the January 2004 and January 2005 UI benefit increases in the CY equals 19,818 cases multiplied by the increase of UI benefits ($59.62 for January 2004 and $59.62 for January 2005) and then the number of impacted months (19,818 x $59.62 x 6) + (19,818 x $119.25 x 6).
- The cumulative impact of the January 2004 and January 2005 UI benefit increases in the BY equals 19,663 cases multiplied by the total increase of UI benefits $119.25 ($59.62 for July 2004 and $59.62 for January 2005), and then the number of impacted months (19,663 cases x $119.25 x 12 months).

FUNDING:

The grant savings are shared 87.71 percent Temporary Assistance for Needy Families, 9.79 percent state and 2.5 percent county.

CHANGE FROM PRIOR SUBVENTION:

This premise is updated based on most recent CalWORKs caseload projections.

REASON FOR YEAR-TO-YEAR CHANGE:

The increased savings in the BY is the result of the January 2005 UIB increase.

Unemployment Insurance (UI) Benefits Impact

EXPENDITURES:
(in 000's)

	2004-05 Grant	2005-06 Grant
Total	-$21,311	-$28,138
Federal	-18,691	-24,678
State	-2,087	-2,756
County	-533	-704
Reimbursements	0	0

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Prospective Budgeting

DESCRIPTION:

This premise reflects the administrative savings, grant/coupon costs, one-time training costs, and reprogramming 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), Food Stamps (FS), California Food Assistance Program (CFAP) and Refugee Cash Assistance (RCA) programs.

Assembly Bill (AB) 444 (Chapter 1022, Statutes of 2002) requires 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 requires the State to adopt the QR/PB system in the FS Program to the extent permitted by federal law, regulations, waivers, and directives, and considering cost-effectiveness, compatibility between the two programs, and food stamp errors. The Code of Federal Regulations (7 CFR) Section 273.21 requires states to determine food stamp 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 will be based on information provided on the Quarterly Eligibility Report Form (QR 7) and will be determined using prospective budgeting and income averaging rules. Recipients will 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. FS recipients will only be required to report address changes in mid-quarter. Certain nonassistance FS (NAFS) recipients will also be 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 period for this premise ran from November 1, 2003, through June 30, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: 7 CFR Section 273.21(b), and Welfare and Institutions Code sections 11265.1-11265.3 and 11450.1-11450.3.
- The Department has received USDA-FNS waiver approval to implement QR/PB for the FS Program.

Prospective Budgeting

KEY DATA/ASSUMPTIONS (continued):

- Implementation months varied by county (November 2003, January 2004, March 2004, April 2004, May 2004, and June 2004).
- The Non-Assistance Food Stamp (NAFS) Administration funding for Fiscal Year (FY) 2004-05 was held to the November 2004 Subvention Estimate.
- The current year (CY) and savings are based on 5,849,990 CalWORKs casemonths; 5,611 RCA casemonths and 95,578 CFAP casemonths.
- The budget year (BY) costs and savings are based on 5,804,366 CalWORKs casemonths; 4,929,245 NAFS casemonths; 5,611 RCA casemonths; and 98,873 CFAP casemonths.
- The caseloads for CalWORKs, NAFS, CFAP and the RCA programs are used to project the number of cases that will be impacted by QR/PB reporting each month are based on the May 2005 trend.
- The FY 2003-04 CalWORKs actual caseload ratio for each county is applied to the May 2005 statewide CalWORKs caseload projections to estimate county specific monthly caseload.
- The calendar year 2004 caseload ratio for each county based on the FS Program Participation and Benefit Issuance Report, DFA 256, is applied to the May 2005 Revise FS caseload projections to estimate each county's monthly caseload for each consortium in budget year.
- It is assumed that 10.4 percent of the total NAFS/CFAP cases are currently subject to nonmonthly/change reporting based on the Federal Fiscal Year (FFY) 2002 FS Characteristics Survey. The nonmonthly/change reporting months are 85,638 CFAP cases in CY; and 4,416,604 NAFS cases and 88,590 CFAP cases in the BY.
- The monthly administrative cost to process a CalWORKs/RCA continuing case is estimated at $42.75. It is assumed that it will cost $57.57 to process a quarterly report for CalWORKs/RCA. The monthly administrative cost to process a NAFS/CFAP continuing case is $25.01. It is assumed that it will cost $33.69 to process a NAFS/CFAP continuing case on a quarterly basis.
- It is assumed that it will cost $28.23 to process a change in a case during mid-quarter months for NAFS and CFAP, and $28.08 for CalWORKs and RCA.
- It is assumed that only one-third (33 percent) of the total CalWORKs, NAFS, CFAP, and RCA cases will report each month under the QR/PB framework. The remaining two-thirds (67 percent) of the cases will only report outside their normal quarterly report month in certain circumstances.
- The administrative savings from eliminating the processing of monthly reports for CalWORKs, NAFS, CFAP and RCA programs is assumed to be phased in over a nine-month period to allow counties to transition to the new system. It is assumed that the counties realize 11 percent of the potential monthly savings in the month of implementation, with a continual 11 percent increase until 100 percent of the potential monthly savings are achieved in the ninth month of phase-in.

Prospective Budgeting

KEY DATA/ASSUMPTIONS (continued):

- Based on the CalWORKs Report on Reasons for Discontinuances of Cash Grant, (CA 253 CW) for FY 2003-04, 9.36 percent of the CalWORKs cases are discontinued each month, and 11.25 percent of the cases are discontinued due to income exceeding CalWORKs eligibility limits. Under QR/PB some of these cases will experience a delay in being discontinued until their quarterly report month.
- CalWORKs recipients with unearned income only will be exempt from mid-quarter reporting when their income exceeds the IRT. This group of recipients accounts for 0.06 percent of the CalWORKs caseload. 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.
- The CalWORKs eligibility limit for all assistance unit (AU) sizes is below 130 percent FPL (or the IRT) with the exception of the two-person AU. It is assumed that all two-person AUs with earnings exceeding CalWORKs eligibility limits will be required to report during nonreport months. The two-person AUs represent 31.0 percent of the CalWORKs caseload based on data from the CalWORKs Characteristics Survey for FFY 2002.
- Due to the difference in income level between the CalWORKs eligibility limit and the IRT, it is assumed that 40.04 percent of the CalWORKs cases currently discontinued, excluding two-person cases, will not be required to report during mid-quarter months due to their income being under 130 percent of the FPL based on FFY 2002 CalWORKs Characteristics Survey and FFY 2002 Employment Development Department (EDD) wage data. 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.
- The number of CalWORKs cases required to report income exceeding the IRT during mid-quarter months is estimated at 0.48 percent of the total caseload implemented.
- Based on data from the Fraud Investigation Activity Report (DPA 266) for Calendar Year 2004, fraud cases account for 2.52 percent of total CalWORKs cases. The percentage is applied to the cases required to report when income exceeds the eligibility limit or IRT during mid-quarter months to estimate the number of cases that will not report income changes during a nonreport month resulting in overpayment. 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 EDD wage data, the average CalWORKs case receives a grant of $187.50 and the average CFAP household receives a benefit of $85.00 just prior to becoming ineligible due to excess income.
- Based on Refugee Services Program Services Participation and Outcomes Report (RS 50) data, 1.17 percent of the current RCA cases are terminated due to employment, and 0.46 percent of the cases have their grant reduced due to employment.

Prospective Budgeting

KEY DATA/ASSUMPTIONS (continued):

- Based on the most recent actual RCA expenditures, the average grant per case for RCA is \$299.14 in the CY, and \$307.61 in the BY. The average grant for RCA cases just prior to exiting the program is estimated at \$92.85.
- Based on county survey data regarding Reduced Income Supplemental Payments (RISPs) application, 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.
- Based on the FS Program Monthly Caseload Movement Statistical Report (DFA 296) for FY 2003-04, 14.73 percent of CFAP cases are discontinued each month. It is estimated that 11.25 percent of the cases are discontinued due to income exceeding eligibility limits. It is assumed that 41.9 percent of these cases will not be discontinued until their quarterly report month; therefore, resulting in 50 percent of the cases receiving one month of additional benefits and 50 percent receiving two months of additional benefits.
- Under QR/PB, CalWORKs recipients will receive a grant adjustment equal to 100 percent of the grant increase associated with reported decrease in income. Under monthly reporting rules recipients may receive supplemental payments equal to 80 percent of the grant increase. The average CalWORKs grant impact for cases that would report decreased income in non-quarterly report months is estimated at \$116.67.
- CFAP cases will receive a 100 percent supplemental payment equal to the increase; under monthly reporting these cases do not receive a supplemental payment. The average CFAP benefit impact for cases that would report decreased income in non-quarterly report months is \$53.03.
- The costs and savings under the QR/PB framework are compared to the monthly reporting and retrospective budgeting framework. 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 CalWORKs or CFAP programs. The net impact is zero in those cases with increased income of all ranges not reporting.
- Based on county survey data, 4.47 percent of the caseload will report change of address, change in household composition, or shelter costs that will result in increased benefits during non-quarterly report months.
- Based on the CA 253 Reports for FY 2003-04, 0.86 percent of CalWORKs and CFAP monthly cases would become ineligible for the following reasons: no eligible child (0.79 percent); excess resources (0.04 percent); or no deprivation (0.03 percent). It is assumed that 50 percent of these cases will continue to receive one additional full month of the grant and 50 percent will continue to receive two additional months of the full grant before being discontinued.
- Able-Bodied Adults Without Dependents (ABAWDS) are required to report during the quarter when they are not meeting the work requirement. Based on the Stat 46, FSET Program Quarterly ABAWDs Statistical and Expenditure Report for FY 2003-04, 0.22 percent of the monthly NAFS/CFAP caseload for non-waiver counties (3,192,214 in FY 2005-06) experiences a reduction in work hours causing them to become ineligible for the FS Program.

Prospective Budgeting

KEY DATA/ASSUMPTIONS (continued):

- Based on CA 253 data and the May 2005 caseload projections for the Timed-Out cases, it is assumed 36,998 cases in the CY and 38,598 cases in the BY will require county-initiated mid-quarter reports due to timing off of aid or children no longer being eligible. The administrative cost to process a mid-quarter report is $28.08.
- Based on data from the CA 253 Reports for June through August 2003, 5.36 percent of CalWORKs and CFAP cases were discontinued each month for not submitting a Monthly Eligibility Report (CW 7) under the monthly reporting system. Based on data from June through December 2004, 45.37 percent of these cases now delay discontinuance for one or two months under the quarterly reporting system.
- Based on the CA 237 Reports for FY 2003-04, 18.96 percent of CalWORKs and CFAP cases that are discontinued for not submitting a Monthly Eligibility Report will be restored within a month. It is assumed that 50 percent of the remaining cases will continue to receive one additional full month of grant/benefit and 50 percent will continue to receive two additional full months of grant/benefit before being discontinued.
- The average CalWORKs grant per case is $538.47 based on the CA 800 CalWORKs expenditure reports for the period of July through November 2003. The average CFAP benefit per case is $194.40 based on DFA 256 Reports from October 2003 through July 2004 plus a 5.09 percent COLA effective July 2004.
- 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 will be $0.78 per household/case.

METHODOLOGY

- The total CalWORKs, NAFS, CFAP and RCA prospective budgeting administrative costs are calculated by adding the administrative costs to process: quarterly reports; mid-quarter changes due to income exceeding the IRT; reduced earnings resulting in increased benefits; address changes; other changes resulting in increased benefits; mid-quarter changes resulting in ABAWDs not meeting work requirement; mailing costs; and processing of county initiated mid-quarter reports.
- The CalWORKs, NAFS, CFAP and RCA administrative savings from not processing monthly reports are calculated by multiplying the monthly cost to process a continuing case by the total casemonths of those currently required to report on a monthly basis (e.g., for NAFS: $25.01 x 4,416,604). These savings are phased in over nine months to allow counties to transition to the new system.
- The CalWORKs, NAFS, CFAP and RCA administrative costs to process quarterly reports are calculated by multiplying the quarterly cost to process a continuing case by the adjusted casemonths of those required to report on a quarterly basis (e.g., for NAFS: $33.69 x 4,416,604 x 33 percent).
- The CalWORKs administrative cost to process a change resulting in income exceeding the IRT is calculated by multiplying the cost per case to process a mid-quarter report by the associated casemonths of those required to report (e.g., for CalWORKs: $28.08 x 27,348).

Prospective Budgeting

METHODOLOGY (continued):

- The CalWORKs, NAFS and CFAP administrative costs to process a change resulting in reduced earnings are calculated by multiplying the number of cases that would report their reduced earnings outside the quarterly reporting months by the cost per case (e.g., for NAFS: (4,416,604 x 2.72 percent x $28.23).
- The CalWORKs, NAFS, and CFAP administrative costs to process a change of address 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 (e.g., for NAFS: 4,416,604 x 1.64 percent x $28.23).
- The CalWORKs, NAFS, and CFAP administrative costs to process a change in household composition or shelter costs that will result in increased benefits are calculated by multiplying the number of cases that would report the changes outside the quarterly reporting months by the cost per case (e.g., for NAFS: 4,416,604 x 2.83 percent x $28.23).
- The administrative cost to process discontinuances for ABAWDs not meeting the work requirement is calculated by multiplying the number of cases that would report outside the quarterly report month and are not exempted from the ABAWD waivers by the cost per case (e.g., for NAFS 3,192,214 x 0.22 percent x $28.23).
- The CalWORKs, NAFS, CFAP and RCA administrative cost to mail quarterly reports is calculated by multiplying the number of cases that will report quarterly and mid-quarterly by the mailing cost (e.g., for NAFS: (1,782,050 x $0.78)).
- The CalWORKs administrative costs for county-initiated mid-quarter reports is calculated by multiplying the total number of cases which have children no longer eligible and cases that are timing out by the administrative cost to process a report (FY 2004-05: (36,998 cases x $28.08)).
- The CalWORKs, NAFS, CFAP and RCA administrative savings due to not mailing monthly reports is calculated by multiplying the number of cases reporting monthly by the mailing cost (e.g., for NAFS: 4,416,604 x $0.78). To allow for counties to transition to the new system, it is assumed that the counties realize 11 percent of the potential monthly savings upon implementation, with a continual 11 percent increase until 100 percent of the potential monthly savings is achieved in the ninth month of phase-in.
- CalWORKs grant costs for not discontinuing cases with income over the CalWORKs eligibility limit but under the IRT are calculated by multiplying the impacted casemonths by the average grant per case accounting for the assumption that 50 percent receive one month of additional grant and 50 percent receive two months of additional grant (e.g., for CalWORKs: ($187.50 x 10,710 x 50 percent) + ($187.50 x 10,710 x 50 percent x 2)).
- 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 accounting for the assumption that 50 percent receive one month of additional grant and 50 percent receive two months of additional grant (e.g., for CFAP: ($85.00 x 67 x 50 percent) + ($85.00 x 67 x 50 percent x 2)).

Prospective Budgeting

METHODOLOGY (continued):

- 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, accounting for the assumption that 50 percent receive one month of additional grant and 50 percent receive two months of additional grant (e.g., for CalWORKs FY 2004-05: ($187.50 x 2,312 x 50 percent) + ($187.50 x 2,312 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, accounting for the assumption that 50 percent receive one month of additional grant and 50 percent receive two months of additional grant, and 50 percent of the overpayments will be recovered after a six-month period (e.g., for CalWORKs FY 2004-05: ($187.50 x 707 x 50 percent) + ($187.50 x 701 x 50 percent x 2)).
- 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 $116.67 (e.g., for CalWORKs FY 2004-05: ($118.92 x 158,941 x 50 percent) + ($118.92 x 157,702 x 50 percent x 2)).
- 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 (e.g., for CFAP: ($53.03 x 2,329) + ($53.03 x 2,329 x 50 percent).
- CalWORKs grant and CFAP coupon costs for not processing CW 7 noncompliance cases monthly are calculated by multiplying the average grant/coupon per case by the impacted casemonths, accounting for the assumption that 50 percent receive one month of additional grant and 50 percent receive two months of additional grant (e.g., for CalWORKs FY 2004-05: ($538.47 x 115,269 x 50 percent) + ($538.47 x 115,269 x 50 percent x 2)).
- CalWORKs grant and CFAP coupon costs for not discontinuing ineligible cases (for reasons of no eligible child, etc.) until the quarterly report month are calculated by multiplying the average grant/coupon per case by the impacted casemonths, accounting for the assumption that 50 percent receive one month of additional grant and 50 percent receive two months of additional grant (e.g., for CalWORKs FY 2004-05: ($538.47 x 33,656 x 50 percent) + ($538.47 x 33,393 x 50 percent x 2)).
- RCA grant costs for not adjusting cases with increased earnings until the quarterly report month are calculated by multiplying the impacted casemonths by the average reduction in grant of $92.85 (RCA statewide: 51 x $92.85).

FUNDING:

The funding for CalWORKs grants is 87.71 percent TANF, 9.79 percent State General Fund (GF) and 2.5 percent county. Funding for CalWORKs Administration is 89.96 percent TANF and 10.04 percent GF. The FS sharing ratio is 50 percent federal, 35 percent state, and 15 percent county funds. CFAP costs are 100 percent GF. RCA costs are funded 100 percent federal funds.

Prospective Budgeting

CHANGE FROM PRIOR SUBVENTION:

The CY and BY decrease to CalWORKs grant costs reflects a reduction in the number of cases that are assumed retain eligibility for one or two months under quarterly reporting. The CY increase in CalWORKs administrative savings reflects revised assumptions regarding the number of cases with reduced income. The funding for NAFS for FY 2004-05 was held to the November 2004 Subvention Estimate. The CY and BY CFAP benefit increases reflect an increase in benefits per case.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY decrease to CalWORKs grant costs reflects a decrease in the projected caseload. The BY increase to CFAP grant costs reflects an increase in projected caseload. The BY increased savings to CalWORKs, NAFS, and CFAP Administration is due to the full savings impact.

EXPENDITURES:

(in 000's)

ITEM 101 – CalWORKs Grant/ Administration	2004-05		2005-06	
	Grant	Admin.	Grant	Admin.
Total	$151,750	-$79,238	$150,567	-$126,186
Federal	133,094	-71,279	132,057	-113,512
State	14,862	-7,959	14,746	-12,674
County	3,794	0	3,764	0
Reimbursements	0	0	0	0

ITEM 141 – Food Stamp Administration	2004-05	2005-06
	Admin.	Admin.
Total	-$34,228	-$54,251
Federal	-17,114	-27,126
State	-11,980	-18,987
County	-5,134	-8,138
Reimbursements	0	0

Prospective Budgeting

EXPENDITURES (continued):

(in 000's)

ITEM 101 – CFAP **ITEM 141- CFAP Administration**	2004-05		2005-06	
	Grant	Admin.	Grant	Admin.
Total	$ 1,020	-$672	$1,055	-$1,088
Federal	0	0	0	0
State	1,020	-672	1,055	-1,088
County	0	0	0	0
Reimbursements	0	0	0	0

ITEM 101 – RCA **ITEM 141 - RCA Administration**	2004-05		2005-06	
	Grant	Admin.	Grant	Admin.
Total	$4	-$32	$4	-$32
Federal	4	-32	4	-32
State	0	0	0	0
County	0	0	0	0
Reimbursements	0	0	0	0

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Recent Noncitizen Entrants

DESCRIPTION:

This premise reflects the cost of continuing to aid Recent Noncitizen Entrants. The federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104-193, excluded most legal immigrants entering the United States (U.S.) after the date of enactment (August 22, 1996). These recent entrants to the United States are barred from receiving benefits from the Temporary Assistance for Needy Families (TANF) Program for the first five years they are in the country. PRWORA does provide exceptions for certain noncitizens:

1. Refugees, asylees, or those granted withholding of deportation for their first five years in the U.S.;
2. Veterans, current military personnel, spouses and dependents; and,
3. Cuban-Haitian noncitizens: Cuban-Haitian entrants are eligible for Refugee Assistance and Refugee Education Assistance.

The California Work Opportunity and Responsibility to Kids (CalWORKs) Program continued aid to certain groups of noncitizens that became ineligible with the implementation of PRWORA. These include: (1) Parolees; (2) Conditional Entrants; (3) Legal Permanent Residents; (4) Permanently Residing in the United States Under Color of Law; and, (5) Battered Noncitizens.

IMPLEMENTATION DATE:

This premise implemented in September 1996.

KEY DATA/ASSUMPTIONS:

- Based on June 2004 data reported on the Summary Report of Assistance Expenditures for CalWORKs – Legal Immigrants (CA 800 M and CA 800) the monthly caseload for recent noncitizen entrants was 13,240 persons.
- Based on recent expenditure and caseload data reported on the Summary Report of Assistance Expenditures for CalWORKs – Legal Immigrants (CA 800 M and CA 800) the average grant per person is $132.81.
- Effective July 1, 2005, a 6.5 percent reduction will be applied to the grant reducing the average grant per person to $123.81.
- The total Recent Noncitizen Entrants persons count is projected by applying the CalWORKs trend forecast to June 2004 actual caseload.
- The estimated monthly recipients for Fiscal Year (FY) 2004-05 are 13,271 and FY 2005-06 is 13,164.
- The administrative costs for recent noncitizen entrants claimed by counties were $10,864,178 during FY 2003-04. The percentage of persons that are TANF eligible is 45.28 percent.
- For services, the costs in FY 2004-05 and FY 2005-06 reflect 1.6 percent of the CalWORKs Services Basic cost. Refer to that premise for more detailed information regarding services. The percentage is based upon actual expenditures from Calendar Year 2004.

Recent Noncitizen Entrants

Key Data/Assumptions (continued):

- For CalWORKs Child Care, the total costs for FY 2004-05 and FY 2005-06 is 1.0 percent of the CalWORKs Stage One Child Care cost. Refer to that premise for more detailed information regarding child care. The percentage is based upon actual expenditures from Calendar Year 2004.
- For Cal Learn, the costs in FY 2004-05 and FY 2005-06 reflect 1.5 percent of the Cal Learn cost. Refer to that premise for more detailed information regarding Cal Learn. The percentage is based upon actual expenditures from FY 2003-04 and Calendar Year 2004, respectively.
- The funds associated with persons that are TANF eligible are reflected in the Basic Program.

METHODOLOGY:

- The grant costs were calculated by multiplying the projected monthly recipients by the average grant per person.
- The administrative costs were calculated based on actual expenditures adjusted for projected caseload growth/decline and for those recipients who are eligible for TANF funding.
- The CalWORKs Child Care costs are a shift of 1.0 percent of the total estimated cost to Recent Noncitizen Entrants.
- The Cal Learn costs are a shift of 1.5 percent of the total estimated cost to Recent Noncitizen Entrants.
- The services costs are a shift of 1.6 percent of the total estimated cost for CalWORKs Services Basic to Recent Noncitizen Entrants.

FUNDING:

The grant costs are funded with 95 percent State General Fund (GF) and 5 percent county funds. The administrative costs, employment services and child care are 100 percent GF. Child Care is 100 percent GF. The total funding is countable toward the State's TANF maintenance of effort requirement.

CHANGE FROM PRIOR SUBVENTION:

The Services, Child Care, and Cal Learn costs reflect updated caseload and expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year Grants, Administration, and Services decrease is a result of an increase of TANF eligible persons which are reflected in the Basic Program costs. The decrease in grants also reflects a 6.5 percent reduction to the average grant. The decrease in Cal Learn reflects a decrease in caseload. The budget year Child Care increase reflects an increased cost per case.

Recent Noncitizen Entrants

CASELOAD:

	2004-05	2005-06
Average Monthly Persons	13,271	13,164

EXPENDITURES:
(in 000's)

ITEM 101 - CalWORKs Assistance Payments	2004-05 Grant	2004-05 County Admin.	2005-06 Grant	2005-06 County Admin.
Total	$20,569	$6,786	$19,622	$6,006
Federal	0	0	0	0
State	19,541	6,786	18,666	6,006
County	1,028	0	956	0
Reimbursements	0	0	0	0

ITEM 101 - CalWORKs Services	2004-05 County Admin.	2005-06 County Admin.
Total	$6,603	$6,590
Federal	0	0
State	6,603	6,590
County	0	0
Reimbursements	0	0

Recent Noncitizen Entrants

EXPENDITURES (continued):

(in 000's)

ITEM 101 - CalWORKs Stage One Child Care [1]	2004-05 Services/ Administration	2005-06 Services/ Administration
Total	$2,838	$2,840
Federal	0	0
State	2,838	2,840
County	0	0
Reimbursements	0	0

ITEM 101 - Cal Learn Services [1]	2004-05 Services/ Administration	2005-06 Services/ Administration
Total	$219	$200
Federal	0	0
State	219	200
County	0	0
Reimbursements	0	0

[1]- The CalWORKs Stage One Child Care and Cal Learn Services expenditures are combined in the Recent Noncitizen Entrants Services/Administration premise item.

Fry v. Saenz

DESCRIPTION:

This premise reflects the costs associated with implementation of The Sacramento County Superior Court's judgment and writ issued after remand from the Court of Appeal, Third Appellate District, in Fry v. Saenz ((2002) 98 Cal. App 4th 256). This case challenged State law (Welfare and Institution Code Section 11253) prohibiting the granting of California Work Opportunity and Responsibility to Kids (CalWORKs) cash aid to children who have reached eighteen years of age, unless the child can reasonably be expected to graduate before age nineteen. The lawsuit claimed that this provision violates the Americans with Disabilities Act (ADA) because it discriminates against recipients who would not graduate before age 19 due to a disability. The appellate court overturned an earlier trial court decision, and remanded the case to the Sacramento County Superior Court for a final decision regarding whether the implementation is an undue fiscal burden on the state. The trial court found it is not.

On July 7, 2004, the court ordered the California Department of Social Services (CDSS) to implement a reasonable modification of the law to provide CalWORKs to otherwise eligible eighteen year-olds who are not expected to graduate before age nineteen due to a disability. In August 2004, CDSS instructed counties to continue the eligibility of eighteen year-olds who are potentially affected by this case until new eligibility procedures can be developed. On November 19, 2004, CDSS released the All County Letter instructing the counties on the final standards and procedures to follow in applying the modification of law.

IMPLEMENTATION DATE:

This premise implemented on July 7, 2004.

KEY DATA/ASSUMPTIONS:

- This estimate represents the cost to provide CalWORKs assistance to children between the ages of eighteen and nineteen, who are currently attending an education or vocational program full-time, but are not expected to complete the program before their nineteenth birthday. Those who are expected to complete before age nineteen are currently aided.
- This estimate assumes that graduation takes place in the month of June based on a standard academic school year.
- CalWORKs Characteristic Survey (Q5) Data only collects data on current CalWORKs recipients. It does not contain complete data on 18 year-olds because some have lost eligibility when they turned eighteen years of age. Therefore, data on 17 year-olds was used to determine the associated caseload.
- For the purposes of this estimate, the CalWORKs projected average monthly caseload used is 487,499 for the current year (CY), and 483,697 for the budget year (BY). Based on Q5 Data, 7.06 percent of CalWORKs cases include a 17 year-old recipient (34,417 in the CY and 34,149 in the BY).
- Based on Q5 data, .06 percent of seventeen year-olds have completed eighth grade, 5.58 percent have completed the ninth grade, 25.21 percent have completed the tenth grade, 65.93 percent have completed the eleventh grade, and 3.23 percent have completed the twelfth grade.

Fry v. Saenz

KEY DATA/ASSUMPTIONS (continued):

- This estimate assumes that those 17 year-olds attending school at the ninth and tenth grade level will not graduate before their nineteenth birthday.
- Based on the collection months of the Q5 data, and the birth months of the recipients, this estimate assumes that 46.9 percent of those attending school at the eleventh grade level (4,071 in the CY and 4,040 in the BY) will not graduate before their nineteenth birthday, and the remaining 53.1 percent (4,606 in the CY and 4,569 in the BY) will graduate before their nineteenth birthday.
- This estimate assumes that those 17 year-olds attending school at or above the twelfth grade level will graduate before their nineteenth birthday.
- Based on data from the CA Department of Education, this estimate assumes a drop out rate of 2.4 percent for students attending at the ninth and tenth grade levels, and 2.8 percent for students attending at the eleventh grade level.
- Based on Q5 data, 1.2 percent of CalWORKs cases are potentially affected by the Fry case (5,849 for the CY, and 5,805 for the BY).
- The current estimate assumes eligibility for all potentially affected 17 year-olds.
- Based on Q5 Data, 7.65 percent of this subset of cases are an Assistance Unit (AU) of one, 18.01 percent are an AU of two, and 74.34 percent are an AU of three or more.
- Based on Q5 Data, the cost per person for this subset of cases is $349 for an AU of one, $524 for an AU of two, and $136 for an additional person in an AU of three or more.
- This estimate assumes that absent the Fry Case, an AU of one and an AU of two would have otherwise been discontinued once the teen turned eighteen and was not expected to graduate by their 19^{th} birthday. Only the teen would have been discontinued (removed from the AU) in AU households of three or more.

METHODOLOGY:

The annual cost is determined by multiplying the potentially affected casemonths by the AU size ratios, and then by the average cost per case (for an AU of one or two) or the average cost per person (for an AU of three or more) for each AU size.

FUNDING:

The funding is 87.71 percent federal/TANF, 9.79 percent State General Fund (GF) and 2.50 percent county funds for both the CY and BY. The state share reflects the GF cost for cases in the State-Only Two-Parent Program that are impacted by the Fry decision. The State-Only Two-Parent Program is countable toward the State's maintenance of effort.

CHANGE FROM PRIOR SUBVENTION:

This premise is updated based on the most recent CalWORKs caseload projections.

Fry v. Saenz

REASON FOR YEAR-TO-YEAR CHANGE:

This BY reflects a slight decrease in the projected caseload.

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$15,603	$15,483
Federal	13,685	13,580
State	1,528	1,516
County	390	387
Reimbursements	0	0

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Employment Training Fund

DESCRIPTION:

This premise reflects the Employment Training Fund (ETF) amount used to offset the cost of providing employment services to recipients of the California Work Opportunity and Responsibility to Kids (CalWORKs) Program.

ETF funds are derived from employer contributions and administered by the Employment Development Department. The ETF funds meet the federal criteria to be counted toward Temporary Assistance for Needy Families Program maintenance of effort (MOE) requirements.

IMPLEMENTATION DATE:

This premise was originally implemented on July 11, 1994. No funding was appropriated for Fiscal Year (FY) 1997-98 through FY 1998-99. The premise was re-implemented on July 1, 1999.

KEY DATA/ASSUMPTIONS:

It is assumed $40.4 million will be available in FY 2004-05 and $35.4 million in FY 2005-06 from the ETF.

METHODOLOGY:

Once the total cost of providing CalWORKs employment services is calculated, the cost is reduced by the amount of the ETF appropriated to the California Department of Social Services by the Legislature.

FUNDING:

This premise is funded with ETF funds, which are MOE countable.

CHANGE FROM PRIOR SUBVENTION:

The change is due to less statewide savings being available from worker's compensation than included in the Governor's Budget.

REASON FOR YEAR-TO-YEAR CHANGE:

Reduction of $5 million due to availability of funds.

EXPENDITURES:

(in 000's)	2004-05	2005-06
	County Admin.	County Admin.
Total	-$40,430	-$35,430
Federal	0	0
State	-40,430	-35,430
County	0	0
Reimbursements	0	0

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California Work Opportunity and Responsibility to Kids (CalWORKs) Program Basic

DESCRIPTION:

This premise reflects the cost of providing employment and training services to Temporary Assistance for Needy Families (TANF) Program households. As a result of Public Law 104-193, the federal welfare reform legislation establishing the TANF Program, all adults receiving TANF funds must work as soon as determined ready, or after being aided for 24 months. Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) mandates the implementation of the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. The employment services provided to CalWORKs recipients include a wide variety of activities designed to assist the recipient in obtaining and retaining employment.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 15204.3(a) amended by AB 1111 and SB 1104.
- The Fiscal Year (FY) 2003-04 base funding for CalWORKs Services Basic was $750.6 million.
- Caseload growth projections for FY 2004-05 and 2005-06 are 0.0 percent and -0.2 percent, respectively.
- It is assumed that 67 percent of the CalWORKs eligible adults associated with the recent influx of Hmong refugees will receive employment services, based on actual employment services experiences. This equates to a .27 percent increase in caseload for FY 2004-05 and a .37 percent increase for FY 2005-06.
- The staff development costs for FYs 2004-05 and 2005-06 are $3.5 million, based on Calendar Year 2004 actual expenditures.
- Contract costs are $3.9 million for FYs 2004-05 and 2005-06, based on FY 2003-04 actual expenditures.
- Tribal TANF Savings of $1.5 million are assumed for FY 2004-05.
- The Wagner/Peyser reimbursement amount is $2.7 million for FY 2004-05 and FY 2005-06.
- In FY 2004-05 and FY 2005-06, 0.87 percent of the CalWORKs Services Basic Recent Noncitizens Entrants (RNC) expenditures ($6.6 million and $6.59 million, respectively), are TANF ineligible and are shifted to a separate premise.
- It is assumed that $40 million basic funding vetoed in FY 2004-05 is restored to the base funding in FY 2005-06.

METHODOLOGY:

<u>FY 2004-05</u>

The basic funding from FY 2003-04 is adjusted to reflect caseload growth and the impact of the Hmong refugees. Staff development expenditures and contract costs were then added to this total and Tribal TANF savings and Wagner/Peyser is deducted. Funds for TANF ineligible RNC were subtracted and shifted to the RNC premise. (For more information see separate RNC premise.)

California Work Opportunity and Responsibility to Kids (CalWORKs) Program Basic

METHODOLOGY (continued):

FY 2005-06

- The FY 2005-06 estimate has been adjusted to reflect projected caseload decline and the impact of the Hmong refugees. Staff development expenditures, contract costs, and the restoration of $40 million that were vetoed in the FY 2004-05 Budget Act were then added to the total and the Wagner/Peyser reimbursement are deducted. Due to Trailer Bill language, the application of Tribal TANF savings against the CalWORKs Services Basic costs has now been discontinued. Funds for TANF ineligible RNC were subtracted and shifted to the RNC premise.

FUNDING:

The State share reflects the cost for the following: the State-Only Two-Parent Program (5.84 percent) and RNC (0.87 percent) for TANF eligible persons in mixed RNC households. The State share for these programs are countable toward the State's maintenance of effort requirement. The federal TANF share reflects the cost for all other families receiving employment services.

CHANGE FROM PRIOR SUBVENTION:

The FY 2004-05 estimate was adjusted to reflect zero caseload growth, impact of the Hmong refugees in the caseload, updated staff development expenditures, changes in the State-Only Two-Parent Program shift, and updated Tribal TANF savings.

REASON FOR YEAR-TO-YEAR CHANGE:

The adjustment is due to projected caseload decline, the discontinuance of offsetting Tribal TANF savings against CalWORKs Services Basic costs, and the restoration of $40 million that was vetoed in the FY 2004-05 Budget Act.

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EXPENDITURES:

(in 000's)	2004-05	2005-06
	County Admin.	County Admin.
Total	$709,500	$750,335
Federal	657,700	697,927
State	51,800	52,408
County	0	0
Reimbursements	0	0

Carryforward From FY 2003-04

DESCRIPTION:

This premise reflects a reappropriation of unspent funds appropriated in the Fiscal Year (FY) 2003-04 California Work Opportunity and Responsibility to Kids (CalWORKs) Single Allocation. These reappropriated funds were distributed as a planning allocation to augment the FY 2004-05 single allocation. The California Department of Social Services, in consultation with the County Welfare Directors Association, developed the allocation methodology.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2004.

METHODOLOGY:

SB 1104 authorized the reappropriation of $40 million from the unspent FY 2003-04 CalWORKs Single Allocation to augment the FY 2004-05 CalWORKs Single Allocation.

FUNDING:

The funds are 100 percent TANF.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

This was a one time reappropriation.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
Total	$40,000	$0
Federal	40,000	0
State	0	0
County	0	0
Reimbursements	0	0

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Employment Services Augmentation

DESCRIPTION:

This premise reflects an augmentation, authorized in the Budget Act of 2004, to the California Work Opportunity and Responsibility to Kids (CalWORKs) Employment Services program. The employment services provided to CalWORKs recipients include a wide variety of activities designed to assist the recipient in obtaining and retaining employment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2004.

METHODOLOGY:

The Budget Act of 2004 authorized $50 million to augment the CalWORKs Employment Services program.

FUNDING:

This premise is funded with 100 percent TANF.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

Funds will not be available in Fiscal Year 2005-06.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
Total	$50,000	$0
Federal	50,000	0
State	0	0
County	0	0
Reimbursements	0	0

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Single Allocation Adjustment

DESCRIPTION:

This premise reflects an adjustment to the California Work Opportunity and Responsibility to Kids (CalWORKs) Single Allocation for Fiscal Years (FY) 2004-05 and 2005-06. Section 15204.3 of the Welfare and Institutions Code (W&IC) is amended to include provisions for this adjustment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2002.

KEY DATA/ASSUMPTIONS:

Authorizing statute: W&IC section 15204.3.

METHODOLOGY:

For FY's 2004-05 and 2005-06 the funding was held to the FY 2003-04 level.

FUNDING:

The State share (5.84 percent) reflects the cost for the State-Only Two-Parent Program that implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort requirement. The federal TANF share reflects the administrative costs for the CalWORKs Program.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
Total	$191,892	$191,892
Federal	180,686	180,686
State	11,206	11,206
County	0	0
Reimbursements	0	0

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60-Month CalWORKs Time Limit

DESCRIPTION:

This premise reflects the net savings to the federal Temporary Assistance for Needy Families (TANF) and state funded programs of those individuals in the California Work Opportunity and Responsibility to Kids (CalWORKs) Program who have reached their 60-month CalWORKs time limit. Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) mandated the implementation of the CalWORKs Program. The CalWORKs Program provides that individuals may receive CalWORKs assistance funds for a lifetime maximum of 60 months, unless that individual is exempt due to any of the following: 60 years of age or older, disabled, a non-parent caretaker relative, they have lived in Indian Country or an Alaskan native village where the unemployment rate was 50 percent or higher, or they are incapable of maintaining employment or participating in welfare-to-work activities, as determined by the county, based on the assessment of the individual and the individual has a history of participation and full cooperation in welfare-to-work activities. CalWORKs 60-month time limit exemptions are also allowed for any month in which cash aid is fully reimbursed as a result of child support collection, whether collected in that month or any subsequent month, and for any "overpayment month" that is fully repaid by grant reduction or other means.

In accordance with Welfare and Institutions Code (W&IC) section 11320.15, adult participants that have received aid for a total of 60 months shall be removed from the assistance unit for the purpose of calculating aid. However, the legislation allows counties to provide job retention services to former recipients for up to 12 months after leaving aid. In addition, former recipients that are working or participating in an approved Welfare-To-Work activity after leaving aid are eligible for up to two years of transitional child care. The net savings displayed in this premise are the result of the "Savings" for cases with an adult that are no longer eligible for assistance and services, and the cost of the "Safety Net" for continued assistance and services for child only cases and adults eligible for transitional services.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing Statute: W&IC sections 11320.15, 11450.13 and 11454.5.
- Individuals began reaching their CalWORKs 60-month time limit in January 2003.
- For Fiscal Year (FY) 2004-05 and FY 2005-06 the data source used to determine the impacted caseload was the Welfare Data Tracking Implementation Project (WDTIP). Monthly WDTIP data extracts of participant time clocks were used to estimate the monthly caseload.
- An attrition rate of 1.0 percent per month was applied to control for cases that leave aid before they reach their time limits.
- The WDTIP caseload projections were adjusted to account for underreporting of exemptions due to child support payments collected. Exemptions due to overpaid months repaid and living in Indian Country are reflected in WDTIP, and therefore, require no further adjustment.

60-Month CalWORKs Time Limit

KEY DATA/ASSUMPTIONS (continued):

- The WDTIP caseload projections were adjusted under the assumption that counties who have not converted to the WDTIP system will have rates of exemption equal to the converted counties.
- The timed out caseload has been adjusted for an attrition factor to account for those persons who, in the absence of time limits, would have otherwise left aid at some point beyond 60 months. This attrition caseload was used to budget savings.
- After the attrition factor has been applied, a total of 600,289 casemonths in FY 2004-05 and 722,239 casemonths in FY 2005-06, which represents 10.0 percent and 12.1 percent of the total CalWORKs casemonths respectively, will be subject to the CalWORKs 60-month time limit.
- The cases reaching the CalWORKs 60-month time limit in the current year (CY) and budget year (BY) are 84 percent for All Families (AF) cases (one-parent cases) and 16 percent for two-parent cases.
- The grant savings associated with cases reaching the time limit is based on the average grant prior to cases reaching the time limit.
- The average grant for a Safety Net case is calculated using the most recent actual data reported on the CA 800 and the CA 237.
- The average grant prior to reaching the time limits for a one-parent Assistance Unit (AU) is $596.
- The average grant prior to reaching the time limits for a two-parent AU is $731.
- Statutory language requires that the Safety Net Grant shall equal the Maximum Aid Payment, adjusted to reflect the removal of the adult or adults from the AU and further adjusted by the net nonexempt income of the adult or adults removed from the AU.
- In FYs 2004-05 and 2005-06, 438,790 and 554,155 casemonths, respectively, will be eligible for the Safety Net.
- CalWORKs grant savings are assumed for one parent reaching his/her time limit in a two-parent household. In FY 2004-05, 106,746 casemonths and in FY 2005-06, 136,247 casemonths will have one parent reaching their time limit in a two-parent household.
- Administrative costs for the Safety Net cases are assumed to remain at the same level as before removal of the adult(s).
- Administrative savings are assumed for cases not eligible for the Safety Net.
- The cases that reach the time limit and are working will receive transitional child care and one year of job retention services.
- The average monthly number of adults with earned income that will receive 12 months of job retention services is 6,478 in FY 2004-05 and 5,467 in FY 2005-06.
- The monthly cost of providing job retention services is $113 per adult based on the cases reported on the WTW 25/25A Reports for calendar year 2004 and the County Expense Claim for job retention services for calendar year 2004.

60-Month CalWORKs Time Limit

KEY DATA/ASSUMPTIONS (continued):

- The Employment Services cost per case is $265, this reflects total employment services expenditures from calendar year 2004 less expenditures for pre-assessment, vocational education and job club divided by the WtW 25 calendar year 2004 unduplicated counts less job search and vocational education caseload.
- Based on the June 2003 through May 2004 WtW 25/25A and CA 237, 67.4 percent of cases reaching their time limit receive employment services.
- In FY 2003-04, of the children receiving CalWORKs Child Care, 86 percent in Stage One are on aid. This is based on CW115/115A data from Calendar Year 2004 for Stage One.
- In FY 2003-04, of the children receiving CalWORKs Child Care, 41 percent in Stage Two are on aid. This is based on CDE projected data from Calendar Year 2004 for Stage Two.
- A statewide county survey was conducted to determine the initial number of children timing out of Stage One and Stage Two. This information was used to extrapolate the caseload trend in subsequent months.
- The Stage One and Two child care cases hitting the CalWORKs 60-month time limit in the CY and BY is 14.66 percent and 17.82 percent respectively.
- For FY 2004-05 and FY 2005-06, a statewide county survey determined 83 percent of Stage One caseload is working or receiving vocational education and will have a continuing need for child care.
- In the CY and BY, 50 percent of the Stage One safety net cases would have a continuing need in Stage One, and the other 50 percent would transition to Stage Two.
- For FY 2004-05 and FY 2005-06, a statewide county survey determined 99 percent of the Stage Two caseload is working or receiving vocational education and will have a continuing need for child care. It was determined that 100 percent of the Stage Two safety net cases would remain in Stage Two.

METHODOLOGY:

- The CalWORKs grant savings for one-parent cases hitting the time limit is calculated by multiplying the total 60-month casemonths by the one-parent percentage (600,289 x 83.91 percent = 503,677). The average grant is multiplied by the one-parent casemonths (503,677 x $596). The grant savings for two-parent cases is calculated using the same methodology applying the applicable ratio and grant for the two-parent cases.
- The Safety Net grant costs are calculated by multiplying the total Safety Net casemonths by the one-parent percentage (438,790 x 83.91 percent = 368,170). The average Safety Net cost is multiplied by the respective casemonths (e.g., one-parent– 368,170 x $460). The Safety Net grant costs for one-parent and two-parent cases is calculated using the same methodology applying the applicable grants.
- The CalWORKs grant savings for one parent reaching the time limit in a two-parent household is calculated by multiplying the casemonths by the average grant savings per month (106,746 x $136 = $14,517,509).

60-Month CalWORKs Time Limit

METHODOLOGY (continued):

- The Employment Services savings are calculated by multiplying the time limit cases receiving services (600,289 x 67.4 percent = 404,775) by the cost per case.
- The Employment Services Safety Net costs are calculated by multiplying the number of timed out adults with earned income by the cost to provide job retention services (6,478 x 12 x $113).
- The shift in administrative costs from CalWORKs to the Safety Net was calculated by applying the percentage of 60-month time limit casemonths to the total CalWORKs administration costs associated with ongoing CalWORKs case activities; however, as a result of some cases not being eligible for the Safety Net, there is a net administrative savings.
- The savings for Stage One and Stage Two Child Care was determined by applying the ratio of the children that are on aid and the ratio for cases with adults hitting the time limit to the CalWORKs Stage One and Stage Two Child Care estimates. The total savings for FY 2004-05 and FY 2005-06 are $101.4 million and $128.5 million, respectively.
- The cost of the Safety Net for Stage One and Stage Two Child Care was determined by applying the ratio of the children that are on aid and the ratio for those who are working participants to the CalWORKs Stage One and Stage Two Child Care estimates. The total cost for FY 2004-05 and FY 2005-06 is $90.3 million and $114.0 million, respectively.

FUNDING:

The "Savings" for employment services and administration is 84 percent TANF and 16 percent State General Fund (GF)/maintenance of effort (MOE). The "Safety Net" for employment services and administration is 100 percent GF/MOE. The "Savings" for CalWORKs Grants is shared 82 percent TANF, 15.5 percent GF, and 2.5 percent county funds. The "Safety Net" for CalWORKs grants is shared 97.5 percent GF and 2.5 percent county funds. The "Savings" for child care is shared at 84 percent TANF and 16 percent GF in the CY and BY. The "Safety Net" for child care is 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

This premise has been revised to reflect updated caseload and expenditure data. The CY increased grant and administrative savings reflect a decrease in cases remaining in the Safety Net. The CY increase in services and child care reflect an increased cost/savings per case. The BY decreased savings reflect a reduction in time limit cases due to a change in methodology to make an adjustment for attrition and a decrease in cases remaining in the Safety Net.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year reflects the cumulative increase of cases reaching the time limit.

CASELOAD:

	2004-05	2005-06
Average Monthly Cases	50,024	60,187

60-Month CalWORKs Time Limit

EXPENDITURES:

(in 000's)

ITEM 101 - CalWORKs Assistance Payments	2004-05 Grant	2004-05 County Admin.	2005-06 Grant	2005-06 County Admin.
Total	-$183,484	-$3,099	-$209,557	-$3,226
Federal	-315,219	-24,785	-380,868	-27,399
State	136,322	21,686	176,550	24,173
County	-4,587	0	-5,239	0
Reimbursements	0	0	0	0

ITEM 101 - CalWORKs Services	2004-05 Services	2005-06 Services
Total	-$98,621	-$121,806
Federal	-90,120	-108,428
State	-8,501	-13,378
County	0	0
Reimbursements	0	0

ITEM 101 - CalWORKs Stage One Child Care [1]	2004-05 Services/Admin.	2005-06 Services/Admin.
Total	-$38,250	-$48,580
Federal	-54,923	-69,755
State	16,673	21,175
County	0	0
Reimbursements	0	0

[1] - In addition to the savings reflected in this premise there is a net cost of $27.1 million in the current year and a net cost of $34.5 million in the budget year. Refer to the "CalWORKs Child Care fund Transfer to CDE for Stage Two as CCDBG" premise for more information regarding the impact of time limits in Stage Two.

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Substance Abuse Services

DESCRIPTION:

This premise reflects the cost to provide for the treatment of substance abuse for California Work Opportunity and Responsibility to Kids (CalWORKs) Program Welfare to Work participants. Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) mandated the implementation of the CalWORKs Program. In addition, it mandates, to the extent that funding is available, that counties provide for the treatment of substance abuse that may limit or impair a participant's ability to make the transition from welfare to work or retain employment over a long period of time. The county welfare departments and the 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 section 11322.6.
- The funding in Fiscal Year (FY) 2004-05 is being held at the Budget Act of 2004 Appropriation level.
- The projected average monthly caseload is 2,117 and 2,064 cases per month in FY 2004-05 and FY 2005-06, respectively. The FY 2004-05 and FY 2005-06 caseload is based on a 12 month linear regression and projection from January 2004 through December 2004 and a .29 percent and .36 percent growth for Hmongs in FY 2004-05 and FY 2005-06, respectively.
- The cost per case is $1,973 in FY 2004-05 and FY 2005-06.

METHODOLOGY:

The projected average monthly caseload is multiplied by the projected cost per case.

FUNDING:

The funding for this premise is 100 percent State General Fund and is countable toward the Temporary Assistance for Needy Families maintenance of effort requirement.

CHANGE FROM PRIOR SUBVENTION:

This premise has been updated to reflect updated caseload and expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year decrease reflects a decline in caseload.

Substance Abuse Services

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$50,119	$48,870
Federal	0	0
State	50,119	48,870
County	0	0
Reimbursements	0	0

Mental Health Services

DESCRIPTION:

This premise provides for the treatment of mental or emotional difficulties for California Work Opportunity and Responsibility to Kids (CalWORKs) Program Welfare to Work participants. Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) mandated the implementation of the CalWORKs Program. In addition, it mandates, to the extent that funding is available, that counties provide for the treatment of mental or emotional difficulties that may limit or impair a participant's ability to make the transition from welfare to work or retain employment over a long period of time.

Available mental health services must include assessment, case management, and treatment and rehabilitation services.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 1542.
- The projected average monthly caseload is 7,908 and 7,863 in FY 2004-05 and FY 2005-06, respectively. The FY 2004-05 and FY 2005-06 caseload is based on a 12 month linear regression and projection from January 2004 through December 2004 and a .29 percent and .36 percent growth for Hmongs in FY 2004-05 and FY 2005-06, respectively.
- The cost per case is $635 in FY 2004-05 and FY 2005-06.

METHODOLOGY:

The projected caseload is multiplied by the projected cost per case.

FUNDING:

The funding for this premise is 100 percent State General Fund and is countable toward the Temporary Assistance for Needy Families maintenance of effort requirement.

CHANGE FROM PRIOR SUBVENTION:

This premise has been updated to reflect updated caseload and expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in budget year reflects a decline in caseload.

Mental Health Services

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$60,259	$59,916
Federal	0	0
State	60,259	59,916
County	0	0
Reimbursements	0	0

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 or mental health issues; (c) ensuring that individuals have transportation to the county welfare department (CWD) to apply for CalWORKs and/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 on 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 has appropriated $2.1 million to services for Indian health clinics.
- The budget year funding is held to the current year level.

FUNDING:

This premise is funded with 100 percent State General Fund, which is countable toward the TANF maintenance of effort requirement. The funds will be distributed through an interagency agreement with the Department of Alcohol and Drug Program for allocation to the Indian health clinics.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Mental Health/Substance Abuse Services for Indian Health Clinics

EXPENDITURES:

(in 000's)

	2004-05	2005-06
Total	$2,100	$2,100
Federal	0	0
State	2,100	2,100
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 would receive an annual performance incentive allocation starting from Fiscal Year (FY) 1997-98, subject to the amounts appropriated in the annual Budget Act. The Department began advancing incentive payments to the counties, as they were earned, but prior to their expenditure. The incentive allocations to counties were to be used for specific purposes for either the federal Temporary Assistance for Needy Families (TANF) Program or the CalWORKs Program.

In 2001, the federal Department of Health and Human Services advised the Department 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, the Department 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 TANF block grant in FY 2002-03 and beyond, the Department 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 as of June 30, 2004, are reappropriated in the current year.

IMPLEMENTATION DATE:

This premise implemented on 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 fiscal year until all funds are expended. For FY 2003-04 after the supplemental claims; the unexpended performance incentive balance was $123.7 million. These funds are reappropriated in the current year.
- No performance incentives will be paid to counties in FY 2005-06.

METHODOLOGY:

The available fiscal incentives for FY 2004-05 are based on the unexpended balance as of FY 2003-04.

FUNDING:

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

County Performance Incentives

CHANGE FROM PRIOR SUBVENTION:

The balance of unexpended funds from FY 2003-04 is reappropriated to the current year.

REASON FOR YEAR-TO-YEAR CHANGE:

No county performance incentives will be provided in the budget year.

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$123,728	$0
Federal	123,728	$0
State	0	0
County	0	0
Reimbursements	0	0

[1] – The current year amount is unspent funding which has been reappropriated from the prior year, and is a non-add item in the Detail Tables.

Effect of EDD Wagner-Peyser Reimbursement

DESCRIPTION:

This premise reflects the amount of the Wagner-Peyser funds provided by the State Employment Development Department (EDD) to offset the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. As required in Assembly Bill 2580 (Chapter 1025, Statutes of 1985), 50 percent of the available federal Wagner-Peyser funds are directed to provide for job services required for CalWORKs Program activities.

IMPLEMENTATION DATE:

This is an ongoing premise based on an annual appropriation.

METHODOLOGY:

Funding amounts are identified and provided by EDD.

FUNDING:

The EDD receives the federal funds for this program and transfers a portion to the California Department of Social Services (CDSS) as a funding source for the CalWORKs Program. The availability of these federal funds reduces CDSS' cost of the CalWORKs Program.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2004-05 County Admin.	2005-06 County Admin.
Total	$2,735	$2,735
Federal	0	0
State	0	0
County	0	0
Reimbursements	2,735	2,735

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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 are the California Community Colleges (CCC), the California Department of Education (CDE), and the California Department of Health Services (DHS).

The Chancellor's Office of the California Community Colleges (COCCC) pass-through is for the purpose of reimbursing COCCC for the federal share of costs of educational services provided to participants of the WTW Program. The CDE pass-through is for the purpose of reimbursing CDE for the federal share of costs of average daily attendance hours, including CalWORKs WTW hours, that exceed each school district's cap. The DHS pass-through is for Community Challenge Grant projects aimed at reducing adolescent and unwed pregnancies and fatherlessness by linking community-based organizations, schools, health educators, social service providers, parents, and youths.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1992. Beginning in Fiscal Year (FY) 1997-98, these contracts were funded under TANF rather than with Title IV-F funds.

KEY DATA/ASSUMPTIONS:

The contracted amounts of TANF funds provided to other agencies are:

	FY 2004-05		FY 2005-06
COCCC -	$ 8.39 million	CCC -	$ 8.39 million
CDE -	$ 9.98 million	CDE -	$ 9.98 million
DHS -	$20.00 million	DHS -	$20.00 million

METHODOLOGY:

The California Department of Social Services (CDSS) entered into interagency agreements that specify the amounts of TANF funds to be transferred from CDSS to the contracting departments.

FUNDING:

The COCCC and CDE pass-through are funded with 89 percent TANF and 11 percent State General Fund. The DHS contract is funded with 100 percent TANF.

TANF Pass-Through for State Agencies

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$38,374	$38,374
Federal	36,353	36,353
State	2,021	2,021
County	0	0
Reimbursements	0	0

Employment Retention and Advancement Services Grant

DESCRIPTION:

This premise reflects the federal Employment Retention and Advancement Services (ERAS) grant funds available to Los Angeles and Riverside counties. The California Department of Social Services applied for the ERAS grant on behalf of these counties. These grant funds will be used primarily for county personnel to travel to and from Washington, D.C. The funds may also be used for salaries, wages, and benefits. The CDSS entered into contracts with the two counties to pass-through the funds.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- In Fiscal Year (FY) 2004-05, LA and Riverside counties will be in the evaluation phase of their programs.
- In FY 2005-06, the figures reflect the contract amount for LA County.
- Counties in the evaluation phase will receive $100,000 annually for five years.
- The grant for the project will expire on October 31, 2005.

FUNDING:

The evaluation phase is 100 percent federally funded.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

For FY 2005-06, the figures reflect the contract amount for LA County.

EXPENDITURES:

(in 000’s)

	2004-05 County Admin.	2005-06 County Admin.
Total	$200	$26
Federal	200	26
State	0	0
County	0	0
Reimbursement	0	0

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Cal Learn

DESCRIPTION:

This premise reflects the cost of providing intensive case management, supportive services, and fiscal incentives and disincentives to eligible teen recipients who are pregnant or parenting and participating in the Cal Learn Program. The Cal Learn Program was authorized by Senate Bill (SB) 35 (Chapter 69, Statutes of 1993) and SB 1078 (Chapter 1252, Statutes of 1993). Assembly Bill 2772 (Chapter 902, Statutes of 1998) changed the status of the Cal Learn Program from a five-year federal demonstration project to a permanent program.

The program provides services to encourage teen parents to stay in high school or an equivalent program and earn a diploma. Case management activities must meet the standards and scope of the Adolescent Family Life Program. Those standards include case management activities such as arrangement and management of supportive services, development and review of the report card schedule, exemption and deferral recommendations, and recommendations for bonuses and sanctions.

This premise includes the identification of cases, initial informing notices, and referrals to orientation. Also included is the administrative time to process the supportive services payment and the county mandated activities performed by the county welfare department. Those required activities include the final determination of deferrals, exemptions, bonuses and sanctions, good cause determinations and activities associated with fair hearings.

Effective March 31, 1999, the federal waivers for the Cal Learn Program expired. Without the waiver authority, the sanctioned Cal Learn teen parents are not Temporary Assistance for Needy Families (TANF) Program-eligible. This sanctioned caseload is funded with State General Fund (GF).

IMPLEMENTATION DATE:

This premise implemented on April 1, 1994.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11331.7.
- In Fiscal Year (FY) 2004-05, the cost of the Cal Learn Program used the following key data/assumptions:
  - ♦ The estimate assumes that 7,747 of the CalWORKs Program caseload are pregnant or parenting teens in the Cal Learn Program. This caseload is based on applying a linear regression to the actual Cal Learn caseload as reported for FY 2003-04 on the monthly Stat 45 Reports and projected through June 2005. The Cal Learn Recent Noncitizen Entrants (RNC) grant costs are displayed in a separate premise.
  - ♦ The sanctioned caseload of 589 represents 7.6 percent of the projected Cal Learn caseload. This is based on the actual sanctioned caseload compared to the total Cal Learn caseload as reported on the monthly Stat 45 Reports from July 2003 through June 2004.
  - ♦ The case management cost was calculated at $2,378 per case per year for all activities performed by the case manager. The rate is based on actual FY 2003-04 case management expenditures divided by the total Cal Learn caseload.

Cal Learn

KEY DATA/ASSUMPTIONS (continued):

- ♦ The administrative and services costs for sanctioned cases (314) are $990,000 based on the utilization rate of 4.1% for the State Only Cal Learn expenditures for FY 2003-04 and the projected Cal Learn caseload for the current fiscal year.
- ♦ The RNC caseload of 116 represents 1.5 percent of the projected Cal Learn caseload. This is based on the actual recent noncitizen entrants caseload compared to the total Cal Learn caseload as reported on the monthly Stat 45 Reports from July 2003 through June 2004. A portion of the funding for RNC was shifted to CalWORKs Services Basic associated with persons in mixed cases that are TANF eligible.
- ♦ The hourly eligibility worker (EW) cost is $57.57.
- ♦ The incentives are 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.
- ♦ The sanctioned grant cost is $480 per month. These rates are based on the Maximum Aid Payment for an Assistance Unit with two people minus the $100 sanction.
- ♦ The estimate assumes that 18.9 percent of the total Cal Learn caseload will utilize transportation services at a cost of $27.43 per month per participant. The utilization rate is based on the FY 2003-04 caseload, as reported on the monthly Stat 45 Reports. The cost is based on the FY 2003-04 county transportation expenditure claims.
- ♦ The estimate assumes that 3.0 percent of the total Cal Learn caseload will utilize ancillary services at a cost of $64.27 per month per participant. The utilization rate is based on the FY 2003-04 caseload as reported on the monthly Stat 45 Reports. The cost is based on the FY 2003-04 county ancillary expenditure claims.
- ♦ The estimate assumes that the Cal Learn participants' success rate for the $100 bonus is 5.9 percent, the rate for the $500 bonus is 1.3 percent, and the rate for the $100 sanction is 7.6 percent. The rates are based on the actual FY 2003-04 caseload as reported on the monthly Stat 45 Reports.
- ♦ Subsidized child care is available for Cal Learn participants attending high school. Please refer to the "CalWORKs Child Care - Stage One Services and Administration" premise for the assumptions and methodology used to develop the estimate.

- In FY 2005-06, the cost of the Cal Learn Program used the following key data/assumptions:
  - ♦ The estimate assumes that 7,415 of the CalWORKs Program caseload are pregnant or parenting teens in the Cal Learn Program. This caseload is based on applying a linear regression to the actual Cal Learn caseload as reported for Calendar Year 2004 on the monthly Stat 45 Reports and projected through June 2006. The Cal Learn Recent Noncitizen Entrants grant costs are displayed in a separate premise.
  - ♦ The sanctioned caseload of 541 represents 7.3 percent of the projected Cal Learn caseload. This is based on the actual sanctioned caseload compared to the total Cal Learn caseload as reported on the monthly Stat 45 Reports from CY 2004.

Cal Learn

KEY DATA/ASSUMPTIONS (continued):

- ♦ The case management cost was calculated at $2,515 per case per year for all activities performed by the case manager. The rate is based on CY 2004 case management expenditures divided by the total Cal Learn caseload.
- ♦ The administrative and services costs for sanctioned cases (285) are $937,000 based on the utilization rate of 3.8% for the State Only Cal Learn expenditures for CY 2004 and the projected Cal Learn caseload for the budget year.
- ♦ The hourly eligibility worker (EW) cost is $57.57.
- ♦ The incentives are 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.
- ♦ The sanctioned grant cost is $511 per month. These rates are based on the Maximum Aid Payment (MAP) for an Assistance Unit with two people minus the $100 sanction.
- ♦ Effective July 1, 2005, a 6.5 percent reduction will be applied to the MAP.
- ♦ The estimate assumes that 18.4 percent of the total Cal Learn caseload will utilize transportation services at a cost of $24.85 per month per participant. The utilization rate is based on the CY 2004 caseload as reported on the monthly Stat 45 Reports. The cost is based on the CY 2004 county transportation expenditure claims.
- ♦ The estimate assumes that 2.7 percent of the total Cal Learn caseload will utilize ancillary services at a cost of $83.88 per month per participant. The utilization rate is based on the CY 2004 caseload as reported on the monthly Stat 45 Reports. The cost is based on the CY 2004 county ancillary expenditure claims.
- ♦ The estimate assumes that the Cal Learn participants’ success rate for the $100 bonus is 6.0 percent, the rate for the $500 bonus is 1.3 percent, and the rate for the $100 sanction is 7.3 percent. The rates are based on the actual CY 2004 caseload as reported on the Stat 45 Reports.
- ♦ The recent noncitizen entrants caseload of 111 represents 1.5 percent of the projected Cal Learn caseload. This is based on the actual recent noncitizen entrants caseload compared to the total Cal Learn caseload as reported on the monthly Stat 45 Reports from CY 2004. A portion of the funding for RNC was shifted to CalWORKs Services Basic associated with persons in mixed cases that are TANF eligible.
- ♦ Subsidized child care is available for Cal Learn participants attending high school. Please refer to the “CalWORKs Child Care - Stage One Services and Administration” premise for the assumptions and methodology used to develop the estimate.

METHODOLOGY:

- For FYs 2004-05 and 2005-06, the case management cost was multiplied by the projected Cal Learn caseload, adjusted by removing sanctioned and RNC cases, for each fiscal year to determine the annual cost.
- The EW cost per hour was multiplied by the adjusted average monthly Cal Learn caseload, and then multiplied by 12 months to determine the annual county administration cost.

Cal Learn

METHODOLOGY (continued):

- The transportation cost was determined by multiplying the adjusted Cal Learn caseload by the transportation utilization rate, multiplied by the transportation cost per case, and then multiplied by 12 months to determine the annual cost in the current year and budget year.
- The ancillary service cost was determined by multiplying the adjusted Cal Learn caseload by the ancillary utilization rate, multiplied by ancillary cost per case, and then multiplied by 12 months to determine the annual cost in the current year and the budget year.
- The rates for the $100 and $500 bonuses were each multiplied by the total caseload, then multiplied by 12 to determine the annual costs for the current year and the budget year. The 1.5 percent of bonuses related to RNC cases are then backed out and displayed in a separate premise.
- The State-only (sanctioned) rate was multiplied by the total caseload to determine the sanctioned caseload, multiplied by the Maximum Aid Payment for Assistance Unit to determine the sanctioned grant costs in the current year and budget year.
- The RNC caseload rate was multiplied by the total caseload to determine the RNC Cal Learn caseload, which is multiplied by the EW cost per hour, multiplied by 12 months to determine the annual RNC Cal Learn administrative costs for the current year and the budget year. The RNC Cal learn caseload is multiplied by the case management cost per case to determine the annual RNC Cal Learn case management costs for the current year and the budget year. A portion of the funding for RNC was shifted to CalWORKs Services Basic associated with persons in mixed cases that are TANF eligible.

FUNDING:

Cal Learn costs are 100 percent TANF, except for the grants and services for the sanctioned caseload and the costs associated with the RNC caseload, which is 100 percent GF and is countable toward the TANF maintenance of effort requirement.

CHANGE FROM PRIOR SUBVENTION:

FY 2004-05 was held to the November 2004 Governor's Budget.

REASON FOR YEAR-TO-YEAR CHANGE:

Updated actual caseload is the basis for a projected caseload decrease in FY 2005-06.

CASELOAD:

	2004-05	2005-06
Average Monthly Caseload	7,747	7,415

Cal Learn

EXPENDITURES [1]:

(in 000's)	2004-05		2005-06	
	Services	Bonuses and Sanctioned Grants	Services	Bonuses and Sanctioned Grants
Total	$24,457	$4,529	$24,383	$4,422
Federal	23,248	1,136	23,246	1,104
State	1,209	3,393	1,137	3,318
County	0	0	0	0
Reimbursements	0	0	0	0

[1] - The recent noncitizen entrants costs are a subset of these expenditures and are displayed in the "Recent Noncitizen Entrants" premise.

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TANF/CalWORKs Administrative Costs – Basic

DESCRIPTION:

This premise reflects the administrative costs for the Temporary Assistance for Needy Families (TANF)/California Work Opportunity and Responsibility for Kids (CalWORKs) Program. The basic costs include the costs for general administration, coordination and overhead of the programs such as the salaries and benefits of staff performing activities related to eligibility determination, preparation of budgets, monitoring programs, fraud and abuse units; services related to accounting, litigation, payroll and personnel; costs for the goods and services required for the administration of the program such as supplies, equipment, utilities, rental of office space 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 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.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 14154.
- The FY 2003-04 base funding for CalWORKs County Administrative Basic was $642.8 million.
- Change in caseload projections for FYs 2004-05 and 2005-06 are 2.1 percent and -0.7 percent, respectively.
- An estimated 5,024 new cases are expected to establish eligibility in the current year as a result of the Hmong Refugees who will be resettling in California. The first refugees arrived in July 2004 with additional arrivals expected through the end of February 2005. This results in an increased cost of $316,000 in FY 2004-05 and $276,000 in FY 2005-06.
- Actual staff development costs in Calendar Year 2004 were $10.5 million.
- Based on the May 05 CalWORKs Trend Caseload from FY 2003-04 Two-Parent State-Only cases represent 8.14 percent in FY 2004-05 and 8.19 percent in FY 2005-06, of the total cases.
- In FYs 2004-05 and 2005-06, $6.8 million and $6.0 million, respectively, of the CalWORKs Recent Noncitizens Entrants (RNC) expenditures are TANF ineligible and are shifted to a separate premise.
- Administrative costs ($272,000) related to the MAGIC automation system in Merced County that were formerly identified in a separate premise line are now included in Basic.

TANF/CalWORKs Administrative Costs – Basic

KEY DATA/ASSUMPTIONS (continued):

- Tribal TANF Savings of $360,000 are assumed for FY 2004-05.
- Contract costs are $4.1 million for FY 2004-05 and FY 2005-06, based on FY 2003-04 actual expenditures.

METHODOLOGY:

- The basic funding from FY 2003-04 is adjusted to reflect caseload growth and the impact of the Hmong refugees. Staff development expenditures, the MAGIC system, and contract costs are then added to this total and Tribal TANF savings is deducted. Funds for TANF ineligible RNC were subtracted and shifted to the RNC premise. (For more information see separate RNC premise.)
- The FY 2005-06 estimate has been adjusted to reflect projected caseload decline and the impact of the Hmong refugees. Staff development expenditures, the MAGIC system, and contract costs are then added to the total. Funds for TANF ineligible RNC were subtracted and shifted to the RNC premise. Due to Trailer Bill language, Tribal TANF savings will no longer be offset against CalWORKs Administrative costs.

FUNDING:

The State share reflects the cost for the State-Only Two-Parent Program (8.14 percent in FY 2004-05 and 8.19 percent in FY 2005-06, and the TANF eligible persons in mixed RNC households (45.3 percent). The State General Funds are countable toward the State's maintenance of effort requirement. The federal TANF share reflects the administrative costs for the CalWORKs Program.

Note: W&IC section 15204.4 requires a MOE from the counties based on expenditures during FY 1996-97. Please reference the "County MOE Adjustment" premise.

CHANGE FROM PRIOR SUBVENTION:

The FY 2004-05 estimate was adjusted to reflect an increase in the CalWORKs caseload, updated Tribal TANF savings, and the inclusion of Hmong refugees in the CalWORKs caseload. The methodology for the State Only Two-Parent Program shift has been revised to reflect county claim instructions for two parent cases.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2005-06 estimate was adjusted to reflect less of a decline in the projected CalWORKs caseload and the discontinuance of offsetting Tribal TANF savings against CalWORKs administrative costs.

TANF/CalWORKs Administrative Costs – Basic

EXPENDITURES:
(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$664,512	$661,027
Federal	637,986	637,914
State	26,526	23,113
County	0	0
Reimbursements	0	0

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Legacy System Savings

DESCRIPTION:

This premise reflects the savings that certain counties will realize following their conversion from outdated legacy systems to their new automated systems; Consortium IV (C-IV) and Welfare Case Data System (WCDS) Consortium (CalWIN) systems.

The counties' current costs for legacy systems and support are funded through their basic county administrative budgets as an electronic data processing (EDP) cost. With the counties' conversions from their legacy systems to C-IV and WCDS, much of the costs for the legacy systems will no longer be needed and will not be supported by the State. Upon conversion to the C-IV and CalWIN automation systems, county automation costs are included in the budgets for their respective Statewide Automated Welfare System (SAWS) consortia.

The C-IV counties impacted by this premise are Merced, which implemented in March 2004; Stanislaus, which implemented in April 2004; Riverside, which implemented in August 2004; and San Bernardino, which implemented in September 2004. The 18 WCDS counties will begin conversion to CalWIN beginning with the pilots in Placer and Sacramento in January and March 2005, respectively; and ending with Orange in July 2006.

IMPLEMENTATION DATE:

This premise reflects the legacy system savings beginning in Fiscal Year (FY) 2005-06.

KEY DATA/ASSUMPTIONS:

- The Legacy System Savings will not be applied until after the last county in a consortium has implemented its SAWS system. Therefore, C-IV county savings will be taken in FY 2005-06 and WCDS county savings will be taken in FY 2006-07.
- Based on information from San Bernardino and Riverside counties the legacy system costs for FY 2003-04 were $13.7 million.
- Identified Residual Costs for San Bernardino and Riverside counties for FY 2005-06 are $7.2 million.
- Merced County is reflected in a separate premise.
- There are no savings for Stanislaus County, as Stanislaus was essentially a non-automated county prior to implementing C-IV.

METHODOLOGY:

The total savings was determined by subtracting the residual costs from the total legacy systems costs. The net savings of $6.6 million was then distributed to the benefiting programs based on each county's actual legacy system costs in FY 2003-04. Those programs are CalWORKs, Foster Care, Food Stamps, and Medi-Cal. The Medi-Cal portion of savings is reflected in the Department of Health Services budget rather than the California Department of Social Services budget.

Legacy System Savings

FUNDING:

For Item 101, CalWORKs Administration the funding is TANF. For Item 141, Food Stamps and Foster Care Administration the funding is 50 percent Federal, 35 percent State, and 15 percent County.

CHANGE FROM PRIOR SUBVENTION:

No change.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise reflects savings that begin in FY 2005-06.

EXPENDITURES:

(in 000's)

ITEM 101 -	2004-05	2005-06
CalWORKs	County Admin.	County Admin.
Total	$0	-$2,884
Federal	0	-2,884
State	0	0
County	0	0
Reimbursements	0	0

ITEM 141 -	2004-05	2005-06
Foster Care Admin	County Admin	County Admin
Total	$0	-$242
Federal	0	-121
State	0	-85
County	0	-36
Reimbursements	0	0

Legacy System Savings

ITEM 141 - Food Stamp Admin	2004-05	2005-06
	County Admin	County Admin
Total	$0	-$746
Federal	0	-373
State	0	-261
County	0	-112
Reimbursements	0	0

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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) Program block grant, resulting 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 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).
- Based on the FNS 209 Status of Claims Against Households, client-caused overpayments represent 71 percent of all collections.
- The total overpayment collections were $73.4 million for Fiscal Year (FY) 2003-04.
- The total estimated overpayment collections are $76.4 million for FY 2004-05.
- 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/MOE 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 (71 percent), and multiplied by the county incentive (12.5 percent).

FUNDING:

The costs are 100 percent TANF.

Fraud Recovery Incentives

CHANGE FROM PRIOR SUBVENTION:

The estimate was updated using the most recent actual data. The decrease reflects an update to the percent of client caused overpayments.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects an increase in projected overpayment collections.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
ITEM 101 – TANF	County Admin.	County Admin.
Total	$6,349	$6,613
Federal	6,349	6,613
State	0	0
County	0	0
Reimbursements	0	0

TANF and NAFS Programs – PA to NA Fund Shift

DESCRIPTION:

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

The 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. The methodology develops ratios based upon CalWORKs and Public Assistance Food Stamp (PAFS) caseload and administrative expenditure data to determine the portion of the Eligibility, Case Management, and Program Integrity activity costs in CalWORKs that benefit the FS Program. The PAFS allocation for common intake costs is also included in the cost shift.

IMPLEMENTATION DATE:

This premise implemented in March of 1984.

KEY DATA/ASSUMPTIONS:

- The funding for Fiscal Year (FY) 2004-05 was held to the November 2004 Subvention Estimate.
- The eligibility worker intake administrative costs are divided equally among CalWORKs, PAFS and Medi-Cal. The PAFS share of the common intake costs is $39.1 million in FY 2005-06.
- County worker costs for Eligibility, Case Management and Program Integrity activities are claimed to Programs Codes (PC) 614, 663, and 618, respectively, on the county expense claim.
- The ratio of administrative costs for PCs 614, 663 and 618 to the total administrative costs is 0.6786 in FY 2005-06 based on the calendar year 2004 expenditures.
- The ratio of PAFS to the CalWORKs caseload is 0.6531 based on the average ratio for the calendar year 2004 period.
- Based on data reported on the county administrative expense claims, the total CalWORKs administrative cost is $688,831,056 in calendar year 2004.

METHODOLOGY:

The CalWORKs continuing case costs based on actual expenditures adjusted for premise items was multiplied by 0.6786 in the budget year to determine the value of the PAFS/CalWORKs shared administrative costs. The shared administrative costs were multiplied by 0.6531 in the budget year. The result was then divided in half (50 percent CalWORKs and 50 percent PAFS) to determine the PAFS share. The PAFS share of the common intake costs was then added to determine the total fund shift.

TANF and NAFS Programs – PA to NA Fund Shift

FUNDING:

Non-Assistance FS (NAFS) costs are shared 50 percent federal funds (USDA-FNS), 35 percent State General Fund, and 15 percent county funds. The CalWORKs costs shifted are 100 percent federal funds.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in funds shifting from CalWORKs Administration to FS Administration is due to the increased savings to the "EBT Administrative Impact" and "Prospective Budgeting" premises.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
ITEM 101 – TANF	County Admin.	County Admin.
Total	-$172,911	-$161,527
Federal	-172,911	-161,527
State	0	0
County	0	0
Reimbursements	0	0

ITEM 141 – Food Stamps	2004-05	2005-06
	County Admin.	County Admin.
Total	$172,911	$161,527
Federal	86,455	80,764
State	60,519	56,534
County	25,937	24,229
Reimbursements	0	0

CalWORKs Administrative Cap Adjustment

DESCRIPTION:

This premise reflects an adjustment to ensure California does not exceed the15 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's 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 in Federal TANF funds.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: 45 Code of Federal Regulations sections 263.0 and 263.13.
- The administrative cap is applied on a statewide basis rather than county specific.
- Activities considered administrative 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 October 1, 2001 through September 30, 2002 were compared to the net annual TANF grant and the required State MOE for Federal Fiscal Year 2003, respectively.
- Administrative expenditures were adjusted between federal TANF (8.01 percent) and State MOE (8.02 percent) until the administrative cost percentages were at the lowest common rate.
- The Fiscal Year (FY) 2004-05 estimate has been held at the Budget Act of 2004 Appropriation level.
- FY 2005-06 has been calculated using updated administrative expenditure information from December 2003 through December 2004.

FUNDING:

The administrative cap adjustment consists of a shift from federal funds to the State General Fund (GF) or GF to federal funds, whichever is necessary to keep the percentages at the lowest common rate.

CHANGE FROM PRIOR SUBVENTION:

FY's 2004-05 and 2005-06 have been recalculated using updated actuals.

CalWORKs Administrative Cap Adjustment

REASON FOR YEAR-TO-YEAR CHANGE:

FY's 2004-05 and 2005-06 have been recalculated using updated actuals.

EXPENDITURES:

(in 000's)

	2004-05 County Admin.	2005-06 County Admin.
Total	$0	$0
Federal	-85,875	-126,000
State	85,875	126,000
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), Food Stamp, and Adoption Assistance Programs (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 $971,004 is budgeted in Fiscal Year (FY) 2004-05 attorney fees and settlement costs associated with specific small court cases expected to be paid in the current year (CY).
- A total of $415,502 is budgeted in FY 2005-06, for the attorney fees associated with small court cases expected to be resolved in the budget year (BY).

Item 141 – FC, AAP, and Food Stamp Administration

- A total of $384,500 is budgeted in FY 2004-05 for attorney fees and settlement costs associated with specific small court cases expected to be due in the CY.
- A total of $486,000 is budgeted in FY 2005-06 for the attorney fees associated with specific small court cases expected to be resolved in the BY.

METHODOLOGY:

Item 101 – TANF Administration

The estimate is based on actual and projected attorney fees, settlement costs and miscellaneous writs to be paid in FYs 2004-05 and 2005-06

Item 141 – FC, AAP, and Food Stamp Administration

The estimate is based on actual and projected attorney fees, settlement costs and miscellaneous writs to be paid in FYs 2004-05 and 2005-06.

FUNDING:

Item 101 –TANF Administration

The funding is 100 percent TANF.

Item 141 – FC, AAP, and Food Stamp Administration

Attorney fees associated with federally-eligible cases are shared 50 percent federal and 50 percent State General Fund (GF). Attorney fees associated with nonfederally-eligible cases are funded 100 percent GF. Court settlement costs are shared at the same ratios as the respective programs (i.e. AAP and AFDC-FC).

Court Cases

CHANGE FROM PRIOR SUBVENTION:

This premise was updated based on actual and projected expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

Court case costs may fluctuate from year to year.

EXPENDITURES:

(in 000's)

ITEM 101 – TANF Administration	2004-05 County Admin.	2005-06 County Admin.
Total	$971	$416
Federal	971	416
State	0	0
County	0	0
Reimbursements	0	0

ITEM 141 – FC, AAP, and Food Stamp Administration	2004-05 County Admin.	2005-06 County Admin.
Total	$384	$486
Federal	192	243
State	156	243
County	36	0
Reimbursements	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 Calendar Year (CY) 2004 Initial Eligibility Determination expenditures were $141.0 million, which represents 18.02 percent of the total CalWORKs Eligibility expenditures.
- The anticipated CalWORKs county administrative costs for Fiscal Years (FY's) 2004-05 and 2005-06 are $656.3 million and $651.7 million, respectively.
- The Medi-Cal, CalWORKs, and Food Stamps programs each share one third of the initial eligibility determination common costs.

METHODOLOGY:

The estimate was determined by applying the initial eligibility determination expenditures percentage (18.02 percent) to the FY 2004-05 and FY 2005-06 anticipated CalWORKs county administrative cost and then dividing it by the three programs to determine the Medi-Cal share.

FUNDING:

The State General Fund (GF) share (8.14 percent for FY 2004-05 and 8.19 percent for FY 2005-06) reflects the cost for the State-Only Two-Parent Program which was implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort requirement. The federal TANF share reflects the administrative costs for the Medi-Cal Services Eligibility.

CHANGE FROM PRIOR SUBVENTION:

The cost is updated to reflect the most current actual expenditures and is distributed among the benefiting programs (CalWORKs, Food Stamps, and Medi-Cal).

Medi-Cal Services Eligibility / Common Costs

REASON FOR YEAR-TO-YEAR CHANGE:

The cost is updated to reflect the most current actual expenditures and is distributed among the benefiting programs (CalWORKs, Food Stamps, and Medi-Cal).

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	-$39,424	-$39,149
Federal	-36,215	-35,942
State	-3,209	-3,207
County	0	0
Reimbursements	0	0

Research and Evaluation

DESCRIPTION:

This premise reflects the costs to develop a research design to ensure a thorough evaluation of the direct and indirect effects of the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. The research and evaluation was authorized by Welfare and Institutions Code (W&IC) sections 11520 through 11521.7. An independent evaluator or evaluators shall conduct the statewide evaluation. 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.

The California Department of Social Services will ensure that county demonstration projects and other innovative county approaches to 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 statewide CalWORKs Program and county demonstration projects such as school attendance, monthly change reporting, etc.

METHODOLOGY:

The funding for Fiscal Year (FY) 2004-05 and FY 2005-06 have been held at the Budget Act of 2004 Appropriation level.

FUNDING:

The State share (11 percent) reflects the cost for the State-Only Two-Parent Program that implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort requirement. The federal TANF share (89 percent) reflects the cost for all other research and evaluation projects.

Research and Evaluation

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2004-05 County Admin.	2005-06 County Admin.
Total	$4,000	$4,000
Federal	3,560	3,560
State	440	440
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 administration of programs providing services to needy families, and the administration of food stamps. 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 Program single allocation.
- The FY 1996-97 actual county expenditures are $140,540,757. This amount represents the county MOE requirement. The programs inclusive for this expenditure data are as follows: Temporary Assistance for Needy Families; 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.

METHODOLOGY:

The funds reflected in this premise are the total statewide expenditures for FY 1996-97 minus the estimated county expenditures for the administration of the Food Stamp (FS) Program for FY's 2004-05 and 2005-06, which are $101,942,000 and $100,895,000 respectively.

FUNDING:

This is a shift from federal to county funds.

CHANGE FROM PRIOR SUBVENTION:

The amount shifted changed in the current year due to changes in the county share of the FS Program.

County Maintenance of Effort Adjustment

REASON FOR YEAR-TO-YEAR CHANGE:

The amount shifted changed in the budget year due to changes in the county share of the FS Program.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$0	$0
Federal	-61,429	-61,933
State	0	0
County	61,429	61,933
Reimbursements	0	0

CalWORKs Child Care - Stage One Services and Administration

DESCRIPTION:

This premise reflects the cost for Stage One Child Care to the California Work Opportunity and Responsibility to Kids (CalWORKs) Program single-parent families who are newly working or beginning participation in a work activity while on aid, two-parent families who are participating in approved CalWORKs activities, former CalWORKs recipients who are unable to transfer to Stage Two or Three due to lack of available slots, and to 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 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 funded through the California Department of Social Services (CDSS). Stage Two is funded through the California Department of Education (CDE). Stage Two serves individuals determined to be in a more stable situation, either working or participating in a work activity while on aid, and participants transitioning off aid due to increased employment. Stage Three is also funded through CDE and serves participants who have been off aid for two years.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 10553, 10554, and 11331.7
- In Fiscal Year (FY) 2004-05, the cost of providing CalWORKs child care per child used the following key data/assumptions:
  - ♦ The projected monthly caseload is 64,974 based on a regression analysis projection using actual caseload reported on the CW115 and CW 115A reports;
  - ♦ The monthly cost of CalWORKs child care is $603 per child based on child care expenditures and caseload from Calendar Year 2004 as reported on the county expense claims, the CW115 and the CW115A reports, and a 1.38 percent increase based on a half year of the California Necessities Index (CNI) was adjusted to negate the impact of Child Care reforms (of $33.4 million);
  - ♦ The CalWORKs child care administrative ratio of ten percent is based on the actual administrative expenditures compared to service expenditures for Calendar Year 2004;
  - ♦ The child care costs for the two-parent families separate state program is five percent based on Stage One expenditures from Calendar Year 2004;

CalWORKs Child Care - Stage One Services and Administration

KEY DATA/ASSUMPTIONS (continued):

- ♦ In FY 2004-05, the child care costs for the recent noncitizen entrants were based on actual expenditures from Calendar Year 2004. Those expenditures were approximately one percent of the total Stage One Child Care expenditures and reflects a shift of funds to the Basic Program for the federal portion of the mixed household.
- ♦ In the current year, it is assumed $10 million in TANF is transferred to Title XX for Stage One.
- ♦ There is a holdback of $10 million in the current year.

- In FY 2005-06, the cost of providing CalWORKs child care per child used the following key data/assumptions:
  - ♦ The projected monthly caseload is 65,128 based on a regression analysis projection using actual caseload reported on the CW115 and CW 115A reports;
  - ♦ The monthly cost of CalWORKs child care is $628 per child. This is based on child care expenditures and caseload from Calendar Year 2004 as reported on the county expense claims, the CW115 and CW115A reports, and a 4.07 percent increase based on the California Necessities Index (CNI) was adjusted to negate the impact of Child Care reforms (of $33.4 million);
  - ♦ The CalWORKs child care administrative ratio of ten percent is based on the actual administrative expenditures compared to service expenditures for Calendar Year 2004;
  - ♦ The child care costs for the two-parent families separate state program is five percent based on Stage One expenditures from Calendar Year 2004;
  - ♦ In FY 2005-06, the child care costs for the recent non-citizen entrants were based on actual expenditures from Calendar Year 2004. Those expenditures were approximately one percent of the total Stage One Child Care expenditures and reflects a shift of funds to the Basic Program for the federal portion of the mixed household.
  - ♦ In the budget year, it is assumed $10 million in TANF is transferred to Title XX for Stage One.
  - ♦ The holdback is $28.3 million based on five percent of the expenditures including the effect of all premises affecting child care basic.

METHODOLOGY:

- The Stage One Child Care services costs are calculated by multiplying the caseload by the cost per child.
- The Stage One Child Care administrative costs are calculated by multiplying the services costs by the administrative ratio.
- The total Stage One Child Care costs are calculated by adding the services and administrative costs.

CalWORKs Child Care - Stage One Services and Administration

METHODOLOGY: (continued)

- The Stage One two-parent child care costs are calculated by multiplying the total Stage One child care costs by five percent in FYs 2004-05 and 2005-06. Those funds are then shifted to State General Fund (GF).
- The total Stage One Child Care cost in FYs 2004-05 and 2005-06 is increased 0.29 and 0.37 percent, respectively, for the recent influx of Hmong refugees and will receive child care services. This equates to an increase in expenditures of $1.5 million and $1.9 million.
- The Stage One estimate is reduced one percent in FYs 2004-05 and 2005-06 for Recent Noncitizen Entrants and reflects a shift of funds to the Basic Program for the federal portion of the mixed household. Refer to that premise description for more information.
- The total Stage One Child Care cost in FY 2005-06 is reduced by approximately $28.3 million and held in the Stage One/Stage Two Holdback. This amount is based on five percent of the total Stage One estimated need.

FUNDING:

Stage One Child Care for single parents is funded with 100 percent TANF. Child Care for two-parent families is funded with 100 percent GF, which is countable toward the State's TANF maintenance of effort requirement.

CHANGE FROM PRIOR SUBVENTION:

The caseload and cost per person has been updated using the most current available data.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in budget year is the net result of an increased caseload and increased cost per case.

CASELOAD:

	2004-05	2005-06
	Average Monthly Children	Average Monthly Children
Adult Parent	64,974	65,128

CalWORKs Child Care –
Stage One Services and Administration

EXPENDITURES:

(in 000's)	2004-05		2005-06	
	Services	County Admin.	Services	County Admin.
Total	$465,056	$44,671	$469,299	$46,695
Federal	439,367	42,337	443,612	44,361
State	25,689	2,334	25,687	2,334
County	0	0	0	0
Reimbursements	0	0	0	0

Los Angeles Retroactive Payments

DESCRIPTION:

This premise reflects the savings associated with the discontinuance of retroactive child care payments in Los Angeles (LA) County provided by a new provider 30 days beyond the first day of services. Starting July 1, 2002, California Work Opportunity and Responsibility to Kids (CalWORKs) applicants and recipients receiving Stage One Child Care will sign a notice acknowledging they have been informed of the availability of child care while they are working or participating in a Welfare to Work activity. Clients will receive this notice at application and when a Welfare to Work plan is signed.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2002.

KEY DATA/ASSUMPTIONS:

- The average monthly retroactive payments from January 2003 through December 2004 were 1,508.
- The average monthly dollars associated with these payments are $656,128.
- The new state policy was implemented in July 2003. Due to a three-month delay in implementation, the new policy took effect October 2003 and required a nine month phase in of current caseload.
- As a result of the phase in the amount of savings achieved in the base funding for the Stage One Child Care cost per case during Calendar Year 2004 is $6,779,989.
- Beginning July 2004, it is assumed that a monthly savings of $656,128 will continue through the budget year for a total annual savings for Fiscal Year (FY) 2004-05 and FY 2005-06 of $7,873,536.

METHODOLOGY:

The savings reflected in the premise is the difference between the total annual savings and the savings already achieved in the base funding ($1,093,547).

FUNDING:

The savings in this premise are reflected as 100 percent TANF.

CHANGE FROM PRIOR SUBVENTION:

The Current Year and Budget Year were updated to reflect the incremental savings amount not captured in the Stage One Child Care Basic Services and Administration premise.

Los Angeles Retroactive Payments

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)	2004-05	2005-06
Total	-$1,094	-$1,094
Federal	-1,094	-1,094
State	0	0
County	0	0
Reimbursements	0	0

Stage One Child Care Reforms

DESCRIPTION:

This premise reflects the savings associated with the reforms made to California's subsidized child care system. California Work Opportunity and Responsibility to Kids (CalWORKs) participants that are receiving CalWORKs Stage One and Stage Two child care will be affected by these reforms. These reforms include changes in Regional Market Rate (RMR) regulations, RMR Ceilings, Grandfathered Families, Age Eligibility, and Family Fees.

IMPLEMENTATION DATE:

This premise implemented on October 1, 2003.

KEY DATA/ASSUMPTIONS:

- New RMR changes include simplifying the RMR rate categories, providing statewide consistency on how child care providers are reimbursed under the RMR, prohibiting hourly rates for full-time care and providing the evening/weekend premium rate only to licensed providers.
- The reimbursement rates will change for providers that serve both subsidized and unsubsidized families from approximately the 93rd percentile to the 85th percentile of the RMR.
- The Administration percentage charged was reduced by one percent.
- Services will be eliminated for 13-year old children and families whose income is above 75 percent of the Statewide Median Income (SMI) and who receive child care services because they were grandfathered into the current system in 1998.
- For Fiscal Year (FY) 2004-05 and FY 2005-06, the savings to Stage One are $33.4 million as a result of the regulations and reimbursement rate changes.
- For FY 2004-05 and FY 2005-06, the savings to Stage Two is $62.5 million as a result of the regulations and reimbursement rate changes, the elimination of the grandfathered families and 13-year olds. The savings is reflected in the "Transfer to CDE for Stage Two" premise.

METHODOLOGY:

The estimated savings are based on statistical modeling techniques that incorporated the administration's reform proposals.

FUNDING:

This premise reflects 100 percent TANF savings.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

Stage One Child Care Reforms

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
Total	-$33,427	-$33,427
Federal	-33,427	-33,427
State	0	0
County	0	0
Reimbursements	0	0

Reduction for 11- and 12-Year Olds

DESCRIPTION:

This premise (formerly titled New Stage One Reforms) reflects the savings associated with the reforms made to California's subsidized child care system. California Work Opportunity and Responsibility to Kids (CalWORKs) participants that are receiving CalWORKs Stage One and Stage Two child care will be affected by these reforms.

Currently, under Education Code Section 8263.4, the preferred placement of 11 and 12 year olds who are eligible for subsidized child care is in an after school program. If families enroll their 11 or 12 year olds in an after school program, they must certify that the after school program meets their child care needs.

In Fiscal Year (FY) 2005-06, the language will change from "preferred placement" to "required placement" unless the family certifies that the after school program does not meet their needs or that one is not available.

IMPLEMENTATION DATE:

This premise will be implemented on July 1, 2005.

KEY DATA/ASSUMPTIONS:

- Based on a study by The Center for Law and Social Policy (CLASP), it is assumed that 51 percent of current and former TANF families and other low-income families work some amount of non-traditional hours. The Budget Year estimated savings assumes that one half of those families working non-traditional hours will shift their 11 and 12 year old children to before and after school programs.

- For FY 2005-06, the savings to Stage One are $6.4 million.
- For FY 2005-06, the savings to Stage Two are $7.7 million.

METHODOLOGY:

The estimated savings are based on statistical modeling techniques that incorporated the Administration's reform proposals.

FUNDING:

This premise reflects 82 percent TANF savings and 18 percent General Fund/Maintenance of Effort savings.

CHANGE FROM PRIOR SUBVENTION:

The estimate has been updated with the most current caseload and expenditure information.

Reduction for 11- and 12-Year Olds

REASON FOR YEAR-TO-YEAR CHANGE:

Late notification caused an implementation delay resulting in no measurable savings in CY.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
Total	$0	-$6,414
Federal	0	-5,259
State	0	-1,155
County	0	0
Reimbursements	0	0

Tiered Reimbursement Savings

DESCRIPTION:

This premise reflects the savings associated with the reforms made to California's subsidized child care system. California Work Opportunity and Responsibility to Kids (CalWORKs) participants that are receiving CalWORKs Stage One and Stage Two child care will be affected by these reforms.

Currently, the Regional Market Rate (RMR) reimbursement system reimburses providers based on what they charge private pay families. Reimbursements must not exceed published ceilings. Under current law, licensed providers are reimbursed up to the 85th percentile of the rates charged by providers in the area who offer the same type of child care. License-exempt providers are reimbursed at 90 percent of the family child care home (FCCH) ceiling.

This reform links reimbursement rates to the quality of care provided. Financial incentives are available to providers who obtain accreditation, teacher permits, or obtained specified scores on environmental rating scales. License-exempt providers will receive a financial incentive if they obtain health and safety training, an assistant teacher permit, or complete the State Department of Education's licensed exempt training. This reform encourages license-exempt providers to become licensed. Providers would qualify for reimbursement at the maximum rates available to them only if they met the highest quality standards set by the State.

IMPLEMENTATION DATE:

This premise will be implemented on July 1, 2005 for license-exempt providers. Reimbursement rate adjustments for licensed providers will not be implemented until July 1, 2007.

KEY DATA/ASSUMPTIONS:

A two-tiered reimbursement rate is created for license-exempt providers and a three-tiered reimbursement rate is created for licensed providers.

<u>License-exempt providers</u>

- 55 percent of the FCCH ceiling if no training after 180 days
- 60 percent of the FCCH ceiling if provider has Health and Safety training, Child Development Division (CDD) License-exempt training, or an Assistant Teacher Permit within 90 days

<u>Licensed Family Child Care Homes</u>

- 75 percent of the 85th percentile if no training
- 85 percent of the 85th percentile if an average of 4 on Family Day Care Environmental Rating Scale (FDCERS) or an Associate Teacher Permit
- 85th percentile if an average of 5.5 on FDCERS, Teacher permit or an Associates of Arts (AA) degree, or National Association for Family Child Care (NAFCC) accreditation

<u>Centers</u>

- 75 percent of the 85th percentile if no training
- 85 percent of the 85th percentile if an average of 4 on Early Childhood Environmental Rating Scale (ECERS), Infant/Toddler Environmental Rating Scale (ITERS), or

Tiered Reimbursement Savings

KEY DATA/ASSUMPTIONS (continued):

School-Aged Care Environmental Rating Scale (SACERS) or all teachers have an Associate Teacher Permit

- 85th percentile if an average of 5.5 on ECERS, ITERS, or SACERS, all teachers with a Bachelor of Arts (BA) degree, or National Association for the Education of Young Children (NAEYC)or National School-Age care Alliance (NSACA) accreditation

- For FY 2005-06, the savings to Stage One is $58.0 million as a result of reimbursement rate changes for license-exempt providers, assuming that 70 percent of the providers will receive training.
- For FY 2005-06, the savings to Stage Two is $47.0 million as a result of reimbursement rate changes for license-exempt providers, assuming that 70 percent of the providers will receive training. (Please refer to the Transfer to CDE for Stage Two Child Care premise)

METHODOLOGY:

The estimated savings are based on statistical modeling techniques that incorporated the Administration's reform proposals.

FUNDING:

This premise reflects 100 percent TANF savings for Stage One (savings in Stage Two are 100 percent Proposition 98 General Fund).

CHANGE FROM PRIOR SUBVENTION:

The budget year (BY) decrease is based on updated expenditures and caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects reform savings.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
Total	$0	-$58,000
Federal	0	-58,000
State	0	0
County	0	0
Reimbursements	0	0

Rates for Not-In-Market

DESCRIPTION:

This premise reflects the savings associated with the reforms made to California's subsidized child care system. California Work Opportunity and Responsibility to Kids (CalWORKs) participants that are receiving CalWORKs Stage One and Stage Two child care will be affected by these reforms.

Senate Bill 1104 suspended sections (18074.3 and 18074.4) of the Regional Market Rate (RMR) regulations until July 1, 2005. Therefore, in Fiscal Year (FY) 2005-06 these regulations will trigger an alternative rate-setting mechanism for providers that serve only subsidized families.

IMPLEMENTATION DATE:

This premise will be implemented on July 1, 2005.

KEY DATA/ASSUMPTIONS:

- For FY 2005-06, the savings to Stage One is $1.7 million as a result of reimbursement rate changes.
- For FY 2005-06, the savings for Stage Two is $3.0 million as a result of the reimbursement rate changes. (Please refer to Transfer to CDE for Stage Two Child Care premise)

METHODOLOGY:

The estimate assumes that 30 percent of the Family Child Care Home (FCCH) providers are serving only subsidized families, and their rate will be reduced to the average FCCH payment (85 percent of the RMR FCCH ceiling).

FUNDING:

This premise reflects 100 percent TANF savings for Stage One (savings in Stage Two are 100 percent Proposition 98 General Fund).

CHANGE FROM PRIOR SUBVENTION:

The budget year (BY) decrease is based on updated expenditures and caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects reform savings.

Rates for Not-In-Market

EXPENDITURES:
(in 000's)

	2004-05	2005-06
Total	$0	-$1,705
Federal	0	-1,705
State	0	0
County	0	0
Reimbursements	0	0

State-Only Cal Learn Child Care

DESCRIPTION:

This premise reflects the costs of providing child care services to sanctioned teen parents participating in the Cal Learn Program. The Cal Learn Program, including child care services, was authorized by Senate Bill (SB) 35 (Chapter 69, Statutes of 1993) and SB 1078 (Chapter 1252, Statutes of 1993). Assembly Bill 2772 (Chapter 902, Statutes of 1998) changed the status of the Cal Learn Program from a five-year federal demonstration project to a permanent program.

Federal law (Public Law 104-193) prohibits the use of Temporary Assistance to Needy Families (TANF) funds to teen parents who do not participate in school or another approved activity. Cal Learn teen parents who do not attend school, do not turn in a report card or receive poor grades are subject to a $100 sanction. Because the Cal Learn Program operated under a five-year federal waiver as a California Work Pays Demonstration Project, the program was not affected by the federal rules. However, effective March 31, 1999, the federal waivers for the Cal Learn Program expired. In order to provide support services to sanctioned teens, the cost for the State-Only Cal Learn Child Care Program is funded with State General Fund (GF).

IMPLEMENTATION DATE:

This premise implemented on April 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11331.7.
- The percentage of sanctioned teens for Fiscal Year (FY) 2004-05 are two hundredths of a percent based on the total CalWORKs Stage One Child Care expenditures from FY 2003-04 as reported on the county expense claims.
- The percentage of sanctioned teens for FY 2005-06 are two hundredths of a percent based on the total CalWORKs Stage One Child Care expenditures from Calendar Year 2004 as reported on the county expense claims.
- Refer to the “Stage One Services and Administration” premise for more information regarding the Cal Learn Child Care estimate.

METHODOLOGY:

The sanction rate for each year was applied to the total Stage One Child Care cost to determine the State-Only Cal Learn Child Care need.

FUNDING:

This premise is funded with 100 percent GF and is countable toward the State’s maintenance of effort (MOE) under the TANF federal requirements.

CHANGE FROM PRIOR SUBVENTION:

The estimate was updated using the most recent actual data.

State-Only Cal Learn Child Care

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year is the result of an increase in caseload, cost per child and a 4.07 percent cost-of-living adjustment based on the California Necessities Index.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$104	$109
Federal	0	0
State	104	109
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 1994), 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.

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) and licensed fee-exempt providers.

The Community Care Licensing Division (CCLD) is responsible for processing the applications pursuant to AB 753 (Chapter 843, Statutes of 1997). CCLD contracts with the Department of Justice (DOJ) and the California Child Care Resource and Referral (CCR&R) Network to process the fingerprint and index search file activities. Additionally, CCLD contracts with Sylvan/Identix, 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 in a matter of seconds.

IMPLEMENTATION DATE:

The initial program implementation was September 1, 1995. The implementation for the second set of fingerprints, as required by SB 933, was January 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: 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. In addition, providers whose services are used less than 30 days are not required to register in Trustline.
- The Trustline applications for voluntary applicants are included in this premise because the California Department of Social Services (CDSS) is required to reimburse the DOJ for these costs. Payments from the voluntary applicants are reflected as State General Fund (GF) revenue.
- In Fiscal Years (FYs) 2004-05 and 2005-06, the cost of providing for the Trustline for CDSS, CDE, and voluntary applicants is based on the following key data and assumptions:
- The projected number of Trustline applications in the current year (CY) for CDE, CDSS, and voluntary are 28,958. This is based on a 12 month regression analysis using the number of actual applications for Trustline fingerprinting from FY 2002-03.

Child Care – Trustline

KEY DATA ASSUMPTIONS (continued):

- The projected number of Trustline applications in the budget year (BY) for CDE, CDSS, and voluntary are 29,987. This is based on a 12 month regression analysis using the number of actual applications for Trustline fingerprinting from Calendar Year 2004.
- In FY 2004-05 the manual-to-automated fingerprinting ratio of 80:20 was based on historical data and applied to the caseload.
- In FY 2005-06 the manual-to-automated fingerprinting ratio of 90:10 was based on historical data and applied to the caseload.
- FY 2004-05 the county administration cost per case is $76 based on actual county expenditures divided by the number of DOJ applications for FY 2002-03.
- FY 2005-06 the county administration cost per case is $96 based on actual county expenditures divided by the number of DOJ applications for Calendar Year 2004.
- The fees for the contracted services are as follows:

	FY 2004-05	FY 2005-06
DOJ Fingerprinting/Criminal history file	$32	$32
DOJ CA Child Abuse Central Index	$15	$15
DOJ FBI Fingerprints	$24	$24
CCR&R Network	$25	$25
DOJ Cardscan Fee [1]	$10	$10
Sylvan/Identix Live Scan [1]	$16	$16

[1] - The Cardscan Fee is not charged for the cases utilizing Live Scan.

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.
- The breakout of funding is as follows:

	FY 2004-05	FY 2005-06
DOJ	$2,093,719	$2,159,057
CCR&R Agency	$ 723,950	$ 749,675
Sylvan/Identix Live Scan[3]	$ 500,792	$ 508,824
CDSS Administrative Costs	$ 38,232	$ 0
County Administrative Costs	$1,135,042	$1,566,086

[3-] Trustline Application Registry Process (TARP) costs of $77,000 in the Budget Year are included in the Sylan/Identix Live Scan Contract.

Child Care – Trustline

FUNDING:

The State share reflects the percent of two-parent families utilizing child care. The State-Only Two-Parent Program is countable toward the State's maintenance of effort requirement. The federal Temporary Assistance for Needy Families Program share reflects the cost for all other families.

CHANGE FROM PRIOR SUBVENTION:

There is no change in the current year.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY increase reflects a growth in trend caseload, an influx of Hmong refugees and increased participation due to Welfare Reform changes and an increase in the cost per case for county administration.

CASELOAD:

	2004-05	2005-06
Average Monthly CDSS Trustline Caseload	1,245	1,338
Average Monthly CDE Trustline Caseload	992	980
Average Monthly Voluntary Trustline Caseload	177	142

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$4,492	$4,984
Federal	3,010	3,197
State	288	456
County	0	0
Reimbursements	1,194	1,331

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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 1994), 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: Welfare and Institutions Code section 11324.
- In Fiscal Year (FY) 2004-05 the projected cost of self-certification is based on the following key data and assumptions:
    - ♦ The projected number of Trustline applications (13,519) for CDSS using a 12 month linear trend projection using the number of applications for Trustline fingerprinting from Calendar Year 2004.
    - ♦ The statewide cost of self-certification ($110) is based on Calendar Year 2004 actual county expenditures divided by total Trustline applications processed from Calendar Year 2004.
- In FY 2005-06 the projected cost of self-certification is based on the following key data and assumptions:
    - ♦ The projected number of Trustline applications (16,313) for CDSS using a 12 month linear trend projection using the number of applications for Trustline fingerprinting from Calendar Year 2004.
    - ♦ The statewide cost of self-certification ($110) is based on Calendar Year 2004 actual county expenditures divided by total Trustline applications processed from Calendar Year 2004.

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.

FUNDING:

The State share reflects the percentage of two-parent families utilizing child care. The State-Only Two-Parent Program is countable toward the State’s maintenance of effort requirement. The federal Temporary Assistance for Needy Families Program share reflects the cost for all other families.

Self-Certification

CHANGE FROM PRIOR SUBVENTION:

The current year and budget year were updated for caseload and cost per case changes.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in budget year is the result of an increase in trend caseload, and an increase due to an influx of Hmong refugees and Welfare Reform changes.

CASELOAD:

	2004-05	2005-06
Average Annual Caseload	13,519	16,313

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$1,487	$1,794
Federal	1,405	1,695
State	82	99
County	0	0
Reimbursements	0	0

CalWORKs Child Care Fund
Transfer to CDE for Stage Two as CCDBG

DESCRIPTION:

This premise reflects the amount of Temporary Assistance for Needy Families (TANF) Program funds transferred to the Child Care and Development block grant (CCDBG) for Stage Two. The transfer of TANF funds is authorized by the annual Budget Act. The California Work Opportunity and Responsibility to Kids (CalWORKs) Child Care Program is authorized by Assembly Bill 1542 (Chapter 270, Statutes of 1997).

The CalWORKs Child Care Program is administered in two stages. Stage One is funded through the California Department of Social Services (CDSS). Stage Two is funded through the California Department of Education (CDE) and serves individuals determined to be in a more stable situation, either working or participating in a work activity while on aid, and participants transitioning off aid due to increased employment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 10553 and 10554.
- The transfer of TANF funds to the CCDBG funds will be completed by CDSS and will represent an increase to the total amount of CCDBG funds available for CalWORKs Child Care.
- The projected caseload for Fiscal Year (FY) 2004-05 is 86,412 and 2005-06 is 84,535 and is based on a regression analysis projection based on actual caseload reported to CDE.
- In FY 2004-05, the monthly cost per child for Stage Two Child Care is $487 and was based on Calendar Year 2004 expenditures and caseload, multiplied by a 1.38 percent increase based on the California Necessities Index; the expenditures were adjusted to negate the savings due to Child Care reforms ($62.5 million).
- In FY 2005-06, the monthly cost per child for Stage Two Child Care is $507 and was based on Calendar Year 2004 expenditures and caseload, multiplied by a 4.07 percent increase based on the California Necessities Index; the expenditures were adjusted to negate the savings due to Child Care reforms ($62.5 million).
- The Stage Two Child Care cost for FY 2005-06 was reduced by approximately $29.7 million based on five percent of the net Stage Two estimated need. These funds are placed in the Stage One/Stage Two Holdback.
- The administrative ratio is 20 percent for FY 2004-05 and FY 2005-06. The ratio is the comparison between administrative expenditures and service costs from Calendar Year 2004.
- The annual family fee offset of 1.0 percent for FY 2004-05 and FY 2005-06 is based on the ratio of family fees and expenditures reported to CDE from Calendar Year 2004.

CalWORKs Child Care Fund
Transfer to CDE for Stage Two as CCDBG

KEY DATA/ASSUMPTIONS (continued):

- In FY 2004-05 the estimated need for Stage Two was increased by $26.8 million associated with CalWORKs participants reaching the CalWORKs 60-month time limit. Refer to the "60-Month CalWORKs Time Limit" premise description for more detailed information.
- In FY 2005-06 the estimated need for Stage Two was increased by $34.0 million associated with CalWORKs participants reaching the CalWORKs 60-month time limit. Refer to the "60-Month CalWORKs Time Limit" premise description for more detailed information.
- In FY 2004-05 and FY 2005-06 the estimated need for Stage Two was decreased by $62.5 million and $62.5 million, respectively, for the savings due to child care reforms. Refer to the "Child Care Reform Savings" premise for more information.
- In FY 2005-06 the estimated need for Stage Two were decreased by $57.7 million for the savings due to the child care reforms. Refer to the "Reduction for Eleven and Twelve Year Olds", "Tiered Reimbursement Savings" and "Rates for Not-In-Market". (See these premise descriptions for more information.)
- The total Stage Two estimated need is $600.0 million in FY 2004-05 and $611.1 million in FY 2005-06.
- CDE funds available for Stage Two Child Care are $228.8 million in FY 2004-05 and $160.8 million in FY 2005-06.
- In the current year, the Budget Act of 2002 provides that a total of $20.0 million of TANF funds may be transferred to Title XX for child care: $10 million for Stage One Child Care Program and $10 million for Stage Two Child Care Program, in order to broaden access to Child and Adult Care Food Program benefits for low-income children in proprietary child care centers. The Department of Finance approval is required before the transfers can be made. In the budget year (BY), it is assumed that the same transfers will occur.

METHODOLOGY:

- The services cost was calculated by multiplying the caseload by the cost per case.
- The administrative cost was calculated by multiplying the services cost by the administrative ratio.
- The family fee was calculated by multiplying the services and administrative costs by one percent.
- The total Stage Two Child Care basic cost was calculated by adding the services cost to the administrative cost and subtracting the family fees.

CalWORKs Child Care Fund
Transfer to CDE for Stage Two as CCDBG

METHODOLOGY (continued):

- The total Stage Two Child Care cost in FY 2004-05 was increased by $26.8 million for the CalWORKs 60-month savings. In addition the costs were decreased by $62.5 million for the child care reforms. (See these premise descriptions for more information.)
- The total Stage Two Child Care cost in FY 2005-06 was reduced by five percent for the Stage One/Stage Two Holdback in the amount of $29.1 million and increased by $34.0 million for the CalWORKs 60-month savings. In addition the costs were decreased by $57.7 million for the savings due to the child care reforms. Refer to the “Reduction for Eleven and Twelve Year Olds”, “Tiered Reimbursement Savings” and “Rates for Not-In-Market” premise descriptions for more information. (See these premise descriptions for more information.)
- The transfer of TANF funds to CCDBG was calculated by subtracting CDE’s available CCDBG and Proposition 98 funding from the net Stage Two Child Care cost.

FUNDING:

Funds are 100 percent TANF transferred to the CCDBG.

CHANGE FROM PRIOR SUBVENTION:

In the current year the caseload and cost per person have been updated using the most current available data.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects a net increase as a result of a decrease in caseload, an increase in cost per child, and an increased percentage of recipients timing off offset by an increased cost of safety net dollars due to increased Stage One child care.

EXPENDITURES:

(in 000’s)	2004-05	2005-06
	Grant	Grant
Total	$325,530	$339,923
Federal	325,530	339,923
State	0	0
County	0	0
Reimbursements	0	0

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Child Care
Stage One/Two Holdback

DESCRIPTION:

This premise reflects the amount of Temporary Assistance for Needy Families (TANF) Program funds established in reserve to be used for Stage One and/or Stage Two California Work Opportunity and Responsibility to Kids (CalWORKs) Program child care. The reserve of TANF funds is authorized by the annual Budget Act. The CalWORKs Child Care Program was authorized by Assembly Bill 1542 (Chapter 270, Statutes of 1997).

The CalWORKs Child Care Program is administered in three stages. Stage One is funded through the California Department of Social Services. Stage Two is funded through the California Department of Education (CDE) and serves individuals that the county welfare departments determine to be in a more stable situation, either working or participating in a work activity while on aid, and participants transitioning off aid due to increased employment. Stage Three is also funded through CDE and serves participants that have been off aid for two years and the working poor.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 10553 and 10554.
- In Fiscal Year (FY) 2004-05, the holdback reflects the additional need for Stage One child care in the current year.
- In FY 2005-06, the net need after adjustments for 60-month time limit, child care reforms, LA Retroactive payments and Welfare Reform for Stage One Child Care is $578.7 million.
- In FY 2005-06, the net need after adjustments for 60-month time limit and child care reforms for Stage Two Child Care is $594.0 million.
- A total of five percent from Stage One and Stage Two will be held in the reserve.

METHODOLOGY:

- In FY 2004-05, Stage One has a holdback of $10.0 million for the additional need in the Stage One program.
- In FY 2005-06, five percent of Stage One ($28.3 million), Stage Two ($29.7 million) are summed for a total holdback. No funding is reserved above the need in this premise.

FUNDING:

Funds are 100 percent TANF. TANF funds will be transferred from the reserve as needed for Stage One Child Care. TANF funds will be transferred from the reserve to the Child Care and Development Block Grant as needed for Stage Two Child Care.

Child Care
Stage One/Two Holdback

CHANGE FROM PRIOR SUBVENTION:

In the current year, the $10.0 million reflects a holdback for Stage One only.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects a five percent holdback for Stage One and Stage Two Child Care.

EXPENDITURES:

(in 000's)	2004-05 Grant	2005-06 Grant
Total	$10,000	$58,036
Federal	10,000	58,036
State	0	0
County	0	0
Reimbursements	0	0

Juvenile Assessment/Prevention Services

DESCRIPTION:

This premise reflects the Temporary Assistance for Needy Families (TANF) funds made available to counties for benefits and services provided to children in county juvenile assessment and residential treatment facilities. Originally, these payments were authorized under the Comprehensive Youth Services Act (CYSA) (Chapter 270, Statutes of 1997). However, the TANF funding provisions for this premise sunset on October 31, 2004. Therefore, in current year, State General Fund (GF) was appropriated for the program funding. In budget year (BY), funding Language has been proposed to reinstate the TANF funding provisions under the Emergency Assistance (EA) program. Through an Interagency Agreement the funds will be transferred to the Board of Corrections to administer the program.

The EA Program provided federal funding for benefits and services granted to children and families in emergency situations, with eligibility restricted to a single episode in any 12-month period. Phase I of the EA Program was the implementation of a probation component, providing funds for nonfederal foster care on behalf of wards and county juvenile assessment and residential treatment facilities. Federal Action Transmittal ACF-AT-95-9 prohibited the use of EA funds for children removed due to delinquent behavior as of January 1996, eliminating the probation component. However, the implementation of the TANF block grant allowed for use of TANF funds on behalf of children in county juvenile assessment and residential treatment facilities.

IMPLEMENTATION DATE:

This premise implemented in Fiscal Year 1997-98.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 18220 through 18226.
- Probation placement and administrative funds have been based on actual expenditures for Federal Fiscal Year (FFY) 1995. The funding level has not been subject to increase based on additional claiming or caseload changes.
- Administrative expenditures have been limited to 15 percent of total grant costs.
- TANF funding provisions for this premise sunset on October 31, 2004 and new language has been proposed to reinstate the TANF funding.
- The funds will be transferred to the Board of Corrections.

METHODOLOGY:

Probation and administrative costs have been level funded and based upon actual expenditures for FFY 1995.

Juvenile Assessment/Prevention Services

FUNDING:

Funding has been 100 percent TANF block grant funds, but GF is being used in the CY. Legislative language has been proposed that will allow the use of 100 percent TANF block grant funds in BY.

CHANGE FROM PRIOR SUBVENTION:

Legislative language is being proposed that will reinstate the provisions that allow TANF funds to be used for this program in BY.

REASON FOR YEAR-TO-YEAR CHANGE:

The authorizing statute for this premise sunset on October 31, 2004. Legislative language has been proposed that will reinstate authorizing statute for this premise in BY.

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$168,713	$168,713
Federal	56,238	168,713
State	0	0
County	0	0
Reimbursements	112,475	0

Temporary Assistance for Needy Families (TANF) for Emergency Assistance Probation Camps

DESCRIPTION:

The Budget Act of 1997 provided that $32.7 million in support of juvenile camps, forestry camps and ranches, formerly funded with State General Fund (GF) through the California Youth Authority (CYA), be transferred to the California Department of Social Services for funding of probation placements in such facilities. The funding provisions for this premise sunset on October 31, 2004. The Legislature provided funds to reimburse all anticipated costs in the current year (CY). Subsequently, Legislative language has been proposed to reinstate the TANF funding provisions for the Probation camps. Through an Interagency Agreement, the funds will be transferred to the Board of Corrections to implement this Program.

These funds may be used for the costs of shelter care on behalf of children whose behavior results in removal from the home and supervision by the probation department.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 18222 and 18223.
- Funding provisions for this premise sunset on October 31, 2004 and new language has been proposed that will reinstate the funding provisions that will allow TANF funds to be used for this program.
- For CY, the TANF funding level for this premise has been consistent with the GF appropriation formerly contained within the CYA budget (Item 5460-101-001) in support of the operation of county camps and ranches during Fiscal Year 1996-97. The funding level has not been subject to increase based on additional claiming or caseload changes.
- For Budget Year (BY), funds will be transferred to the Board of Corrections to implement the Program.

FUNDING:

Funding has been 100 percent TANF block grant funds, but GF is also used in the CY. Legislative language has been proposed that will reinstate the funding provisions that will allow 100 percent TANF block grant funds to be used for this program in BY.

CHANGE FROM PRIOR SUBVENTION:

The Legislature provided State reimbursement for anticipated costs in the CY. Language has been proposed that will reinstate the TANF funding provision in BY.

REASON FOR YEAR-TO-YEAR CHANGE:

The authorizing statute for this premise sunset on October 31, 2004. Legislative language has been proposed that will reinstate authorizing statute for this premise in BY.

Temporary Assistance for Needy Families (TANF) for Emergency Assistance Probation Camps

EXPENDITURES:

(in 000's)	2004-05	2005-06
	Grant	Grant
Total	$32,700	$32,700
Federal	10,900	32,700
State	0	0
County	0	0
Reimbursements	21,800	0

Kinship Guardianship Assistance Payment Program

DESCRIPTION:

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

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 twelve 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.

Kin-GAP rates are equal to 100 percent of the basic foster care rate for children placed in a licensed or approved home as specified at subdivisions (a) to (d), of Welfare and Institutions Code (W&IC) section 11461. 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.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 11360 through 11375.
- The Kin-GAP rate equals 100 percent of the basic foster care rate for children placed in a licensed or approved foster family home, as specified in statute.
- Caseload based on actual cases reported on the CA 800 KG (federal) and CA 800 KG (nonfederal), Summary Report of Expenditures for the Kin-GAP Program, through December 2004.
- Based on the most recent 12 months of actual data from the CA 237 KG report, 96 percent of Kin-GAP cases will shift from the AFDC-Foster Care (AFDC-FC) Program and four percent will shift from the California Work Opportunity and Responsibility to Kids (CalWORKs) Program.
- A State-Only Kin-GAP Program is available for those cases that are not eligible for CalWORKs but would be eligible for the Kin-GAP Program. Based on the caseload reported on the CA 800 KG, nonfederal cases represent an insignificant percentage of the total caseload.
- The average Kin-GAP grant payments are based on the most recent quarter of actual expenditures and cases reported on the CA 800 KG ending December 2004. The average federal Kin-GAP grant payment is $505.56 and the average nonfederal Kin-GAP grant payment is $516.28.

Kinship Guardianship Assistance Payment Program

KEY DATA/ASSUMPTIONS (continued):

- Effective June 1, 2003, the Temporary Assistance to Needy Families (TANF) portion of the Kin-GAP rate was standardized at $337.00. The rate increased to $347.00 on July 1, 2004, due to a 2.75 percent COLA in the CalWORKs Maximum Aid Payment (MAP) levels. The rate decreased to $323.00 on October 2005, due to a 6.5 percent reduction in the CalWORKs Maximum Aid Payment (MAP) levels.
- FC grant savings for Fiscal Year (FY) 2004-05 and FY 2005-06 are based on the average Kin-GAP grant payment of $505.58 (combined federal and state-only grants). CalWORKs grant savings are based on the standardized monthly rate of $347.00, with a decrease to $323.00 effective October 2005.
- Child Welfare Services (CWS) administrative savings of $335.00 per permanent placement case each month will be realized as a result of cases exiting the AFDC-FC and CalWORKs programs. In addition, eligibility worker savings of $57.12 per case per month will be realized as a result of cases exiting the FC Program.
- CalWORKs administrative savings of $19.19 per case per month will be realized as a result of cases exiting the CalWORKs Program.
- It is assumed that AFDC-FC and CalWORKs savings will only be realized on the new cases that exit these programs and enter the Kin-GAP Program after December 2004. The savings from cases exiting prior to December 2004 are reflected in AFDC-FC and CalWORKs caseload trends and basic expenditures. The savings to the CWS Program reflect the savings for cases exiting after October 2004. The savings for cases exiting prior to November 2004 are reflected in the CWS caseload trend and basic expenditures.
- Based on actual expenditures through December 2004, the cost of ongoing county Kin-GAP administrative functions is $24.93 per case per month.
- State and county expenditures associated with all cases are considered to be eligible for the State's TANF maintenance of effort requirement.
- This estimate assumes no Title IV-E funding.

METHODOLOGY:

- To estimate the cost of the Kin-GAP Program, the total number of projected casemonths is multiplied by the average Kin-GAP rate. Kin-GAP administrative costs are calculated by multiplying the projected casemonths by the monthly administrative cost per case.
- To estimate the FC Program savings, the projected number of casemonths avoided due to cases exiting the FC Program is multiplied by the average foster care grant. CWS administrative savings are calculated by applying the permanent placement cost per case to total casemonths avoided due to cases exiting from the AFDC-FC and CalWORKs programs. FC administrative savings are calculated by applying the eligibility worker cost per case to total casemonths avoided by those cases shifting from the AFDC-FC Program.
- To estimate the CalWORKs Program savings, the projected number of casemonths avoided due to cases exiting the CalWORKs Program is multiplied by the average CalWORKs grant. CalWORKs administrative savings are calculated by multiplying the number of casemonths avoided by the CalWORKs continuing cost per case.

Kinship Guardianship Assistance Payment Program

FUNDING:

The Kin-GAP rate shall be paid utilizing the applicable regional per-child CalWORKs grant from federal funds received as part of the TANF block grant. The balance of Kin-GAP is paid with 50 percent state and 50 percent county funds. For State-Only Kin-GAP cases, grant and administrative costs are shared 50 percent state and 50 percent county. The grant savings in the CalWORKs Program are 97.5 percent TANF and 2.5 percent county. The CalWORKs administrative savings are 100 percent TANF. FC Program, FC Administration and CWS Administrative savings are shared at the same ratios as in their respective programs.

CHANGE FROM PRIOR SUBVENTION:

The decrease in total costs and savings reflects a reduction in caseload growth compared to the Governor's Budget. The Kin-GAP administrative costs and the CWS Administration savings for FY 2004-05 were held to appropriation. The decrease in budget year Kin-GAP administration costs reflects the reduction in caseload growth compared to the Governor's Budget.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects continued caseload growth.

CASELOAD:

	2004-05	2005-06
Average Monthly Caseload	14,822	15,766

EXPENDITURES:

(in 000's)

ITEM 101 – Kin-GAP Basic Costs	2004-05 Grant	2005-06 Grant
Total	$89,917	$95,650
Federal	60,087	62,134
State	14,915	16,758
County	14,915	16,758
Reimbursements	0	0

Kinship Guardianship Assistance Payment Program

EXPENDITURES (continued):

(in 000's)

ITEM 101 – Kin-GAP Administration	2004-05 County Admin.	2005-06 County Admin.
Total	$4,391	$4,717
Federal	4,383	4,705
State	4	6
County	4	6
Reimbursements	0	0

ITEM 101 – CalWORKs Savings	2004-05 Grant	2005-06 Grant
Total	-$25	-$155
Federal	-24	-151
State	0	0
County	-1	-4
Reimbursements	0	0

ITEM 101 – Foster Care Savings	2004-05 Grant	2005-06 Grant
Total	-$956	-$6,040
Federal	-306	-1,932
State	-260	-1,643
County	-390	-2,465
Reimbursements	0	0

Kinship Guardianship Assistance Payment Program

EXPENDITURES (continued):

(in 000's)

ITEM 101 – CalWORKs Admin Savings	2004-05 County Admin.	2005-06 County Admin.
Total	-$1	-$9
Federal	-1	-9
State	0	0
County	0	0
Reimbursements	0	0

ITEM 141 – Foster Care Admin Savings	2004-05 County Admin.	2005-06 County Admin.
Total	-$108	-$682
Federal	-54	-341
State	-22	-136
County	-32	-205
Reimbursements	0	0

ITEM 151 – CWS Admin Savings	2004-05 County Admin.	2005-06 County Admin.
Total	-$5,582	-$4,438
Federal	-2,791	-2,219
State	-1,954	-1,553
County	-837	-666
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 (FFP) is assumed to be 50 percent based on the Federal Medical Assistance Percentage (FMAP) rate.

METHODOLOGY:

The estimates will be provided by DCSS.

FUNDING:

The FC child support collections will offset the Title IV-E share of FC expenditures.

CHANGE FROM PRIOR SUBVENTION:

The increase reflects updated FC collections.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects updated FC collections.

Offset Collections:
(in 000's)

	2004-05 Grant	2005-06 Grant
Total	-$14,191	-$14,264
Federal	-14,191	-14,264
State	0	0
County	0	0
Reimbursements	0	0

Recovery Fund:
(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$14,191	$14,264
Federal	14,191	14,264
State	0	0
County	0	0
Reimbursements	0	0

Foster Family Home – Basic Costs

DESCRIPTION:

This premise reflects expenditures associated with children eligible for foster care payments who are placed in foster family homes (FFHs).

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.

FFHs provide 24-hour care and supervision in a family environment for children who cannot live in their own home. FFHs have a capacity of six or less and are either homes licensed by state or county community care licensing agencies or are approved homes of relatives or nonrelated legal guardians. FFH reimbursement rates are based on the age of the child in placement and range from $425.00 to $597.00 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.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11461.
- The caseload presumed to be eligible for federal and nonfederal FC Program benefits is based on a six month period, ending December 2004, as reported by the counties on the FC Caseload Movement and Expenditures Report (CA 237 FC). Federal cases are projected to account for 74.7 percent of total FFH placements, which is an increase from the projection of 74.5 percent.
- Federal and nonfederal average grant computations utilized caseload and expenditure data reported by the counties on the CA 237 FC during a 12 month period ending December 2004. The projected federal grant is $688.05, and the nonfederal grant is $831.07.
- The percentage of federally-eligible expenditures is based on actual county expenditure data.
- The level of federal financial participation (FFP) is based on the following Federal Medical Assistance Percentage (FMAP) rates:

Effective Dates	Rates
October 1, 2003	50.00%
October 1, 2004	50.00%
October 1, 2005	50.00%

METHODOLOGY:

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

Foster Family Home – Basic 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 nonfederal program and the nonfederal share of federal program costs is 40 percent State General Fund and 60 percent county.

CHANGE FROM PRIOR SUBVENTION:

The increase reflects a higher caseload than projected in the Governor's Budget.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year decline reflects a projected decline in caseload.

CASELOAD:

	2004-05	2005-06
Average Monthly Caseload	42,748	42,562
Federal Caseload	31,911	31,772
Nonfederal Caseload	10,837	10,790

EXPENDITURES:

(in 000's)	2004-05	2005-06
FFH-Basic Costs	Grant	Grant
Total	$371,554	$369,938
Federal	118,849	118,331
State	101,082	100,643
County	151,623	150,964
Reimbursements	0	0

	2004-05	2005-06
FFH-Federal	Grant	Grant
Total	$263,474	$262,326
Federal	118,849	118,331
State	57,850	57,599
County	86,775	86,396
Reimbursements	0	0

Foster Family Home – Basic Costs

EXPENDITURES (continued):

(in 000's)	2004-05	2005-06
FFH-Nonfederal	Grant	Grant
Total	$108,080	$107,612
Federal	0	0
State	43,232	43,044
County	64,848	64,568
Reimbursements	0	0

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Group Home – Basic Costs

DESCRIPTION:

This premise reflects the costs associated with children eligible for foster care payments who are placed in group homes (GHs).

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.

GHs are private, nonprofit, nondetention facilities that provide services in a group setting to children in need of care and supervision. GHs are the most restrictive out-of-home placement alternative for children in foster care, providing an option for children with significant emotional or behavioral problems who would otherwise require more restrictive environments. 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 $1,454 to $6,371 per month.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11462.
- The caseload presumed to be eligible for federal and nonfederal FC Program benefits is based on a six month period, ending December 2004, as reported by the counties on the FC Caseload Movement and Expenditures Report (CA 237 FC). Federal cases are projected to account for 62.3 percent of total GH placements, which is a slight increase from the prior projection of 62.2 percent.
- Federal and nonfederal average grant computations utilized caseload and expenditure data reported by the counties on the CA 237 FC during the most recent twelve month period ending December 2004. The projected federal grant is $4,993.55 and the nonfederal grant is $5,109.91.
- The percentage of federally-eligible expenditures is based on actual county expenditure data.
- The level of federal financial participation (FFP) is based on the following Federal Medical Assistance Percentage (FMAP) rates:

Effective Dates	Rates
October 1, 2003	50.00%
October 1, 2004	50.00%
October 1, 2005	50.00%

METHODOLOGY:

Basic costs are the product of federal and nonfederal casemonths and average grant, as identified above. Federal, State and county sharing ratios are based on county expenditure data.

Group Home – Basic 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 nonfederal program and the nonfederal share of federal program costs is 40 percent State General Fund and 60 percent county.

CHANGE FROM PRIOR SUBVENTION:

The current and budget year decline reflects lower caseload growth and lower average grant than were projected in the Governor's Budget.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects anticipated caseload growth.

CASELOAD:

	2004-05	2005-06
Average Monthly Caseload	11,440	11,600
Federal Caseload	7,128	7,227
Nonfederal Caseload	4,312	4,373

EXPENDITURES:

(in 000's)	2004-05	2005-06
GH – Basic Costs	Grant	Grant
Total	$691,555	$701,217
Federal	192,679	195,364
State	199,550	202,341
County	299,326	303,512
Reimbursements	0	0
GH – Federal		
Total	$427,148	$433,100
Federal	192,679	195,364
State	93,788	95,094
County	140,681	142,642
Reimbursements	0	0
GH – Nonfederal		
Total	$264,407	$268,117
Federal	0	0
State	105,762	107,247
County	158,645	160,870
Reimbursements	0	0

Foster Family Agency – Basic Costs

DESCRIPTION:

This premise reflects the costs associated with children eligible for foster care payments who are placed with foster family agencies (FFAs).

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.

FFAs are nonprofit agencies licensed to recruit, certify, train and support foster parents for children needing placement. FFAs primarily serve children who would otherwise require group home care. 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 $1,589 to $1,844 per month. Reimbursement rates for FFAs participating in the Intensive Treatment Foster Care Program are based on the level of services provided to the child and range from $2,985 to $4,476. A clothing allowance may also be paid in addition to the FFA rate for an AFDC-FC eligible child.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 11463 and 18358.3.
- The caseload presumed to be eligible for federal and nonfederal FC Program benefits are based on a six month period ending December 2004, as reported by the counties on the FC Caseload Movement and Expenditures Report (CA 237 FC). Federal cases are projected to account for 83.1 percent of total FFA placements, a slight decrease from the prior projection of 83.2 percent.
- Federal and nonfederal average grants are based on caseload and expenditure data reported by the counties on the CA 237 FC during the most recent twelve month period ending December 2004. The projected federal grant is $1,710.14, and the nonfederal grant is $1,771.91.
- The percentage of federally-eligible expenditures is based on actual county expenditure data.
- The level of federal financial participation (FFP) is based on the following Federal Medical Assistance Percentage (FMAP) rates:

Effective Dates	Rates
October 1, 2003	50.00%
October 1, 2004	50.00%
October 1, 2005	50.00%

METHODOLOGY:

Basic costs are the product of federal and nonfederal casemonths and average grant, as identified above. Federal, State and county sharing ratios are based on county expenditure data.

Foster Family Agency – Basic 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 nonfederal program and the nonfederal share of federal program costs is 40 percent State General Fund and 60 percent county.

CHANGE FROM PRIOR SUBVENTION:

The current year decrease reflects lower caseload growth than projected in the Governor's Budget.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects anticipated caseload growth.

CASELOAD:

	2004-05	2005-06
Average Monthly Caseload	19,015	19,517
Federal Caseload	15,800	16,217
Nonfederal Caseload	3,215	3,300

EXPENDITURES:

(in 000's)	2004-05	2005-06
FFA – Basic Costs		
Total	$392,598	$402,972
Federal	146,256	150,120
State	98,537	101,141
County	147,805	151,711
Reimbursements	0	0
FFA – Federal		
Total	$324,233	$332,799
Federal	146,256	150,120
State	71,191	73,072
County	106,786	109,607
Reimbursements	0	0
FFA – Nonfederal		
Total	$68,365	$70,173
Federal	0	0
State	27,346	28,069
County	41,019	42,104
Reimbursements	0	0

Seriously Emotionally Disturbed Children
Basic Costs

DESCRIPTION:

This premise reflects the out-of-home board and care costs associated with children placed in accordance with the Seriously Emotionally Disturbed (SED) Program. Assembly Bill (AB) 3632 (Chapter 1747, Statutes of 1984) and AB 882 (Chapter 1274, Statutes of 1985) authorized the SED Program as a separate out-of-home care component. Eligible participants are children designated as SED by the California Department of Education (CDE).

Senate Bill 485 (Chapter 722, Statutes of 1992) modified the program by eliminating any California Department of Social Services participation in funding "for profit" facilities, shifting responsibility for the cost of children in those facilities to the CDE and local education agencies.

Payments may be made on behalf of SED children placed in privately operated residential facilities licensed in accordance with the Community Care Facilities Act, and shall be based on foster care rates established in accordance with Welfare and Institutions Code (W&IC) sections 11460 to 11467, inclusive. Most SED children are placed in group home psychiatric peer group Rate Classification Levels 12 through 14; however, some children are placed in foster family homes or foster family agencies. As there is no court adjudication, these children are eligible only for nonfederal foster care program benefits.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1987.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 18350-18356.
- Casemonths are based on trend caseload projections.
- Average grants are based on actual expenditure and caseload data for the most recent 18 months ending in December 2004. The projected average grant for Los Angeles County is $5,056.03. The projected average grant for the remaining counties is $6,011.17.

METHODOLOGY:

SED costs are the product of projected casemonths and the computed average grant. Program costs are the aggregate of separate projections for Los Angeles County and the remaining 57 counties.

FUNDING:

SED costs are shared 40 percent State General Fund and 60 percent county funds.

Seriously Emotionally Disturbed Children
Basic Costs

CHANGE FROM PRIOR SUBVENTION:

The current year estimate reflects a decrease in caseload and average grant compared to the Governor's Budget.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year estimate reflects adjustments for caseload growth.

CASELOAD:

	2004-05	2005-06
Average Monthly Caseload	1,352	1,365

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	Grant	Grant
Total	$92,274	$93,099
Federal	0	0
State	36,910	37,240
County	55,364	55,859
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 foster family homes (FFHs) or certified family homes of foster family agencies (FFAs).

Currently, counties have the authority to provide a clothing allowance, in addition to the basic foster care 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 costs.

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.

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).
- The statewide annual supplemental clothing allowance will be $100 per child.
- All FFH and FFA placements are eligible for the clothing allowance. The average monthly projected caseload is 61,763 for Fiscal Year (FY) 2004-05, and 62,218 for FY 2005-06.
- All cases shifting to the Kin-GAP Program are presumed to receive the clothing allowance prior to exiting foster care.
- The level of federal financial participation (FFP) is based on the following Federal Medical Assistance Percentage (FMAP) rates:

Effective Dates	Rates
October 1, 2003	50.00%
October 1, 2004	50.00%
October 1, 2005	50.00%

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 State General Fund.

CHANGE FROM PRIOR SUBVENTION:

The current year estimate reflects higher caseloads than projected and lower caseloads in the budget year compared to the Governor's Budget.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year estimate reflects a projected increase in caseload.

EXPENDITURES:

(in 000's)	2004-05	2005-06
	Grant	Grant
Total	$6,176	$6,222
Federal	2,386	2,406
State	3,790	3,816
County	0	0
Reimbursements	0	0

Rosales v. Thompson

DESCRIPTION:

This premise reflects the costs and savings associated with implementing the Ninth Circuit (federal) Court of Appeals decision of March 3, 2003 in Rosales v. Thompson, 321 F 3d 835 (9th CIR. [CAL]). In Rosales, the Court of Appeals upheld an earlier State court decision that re-interpreted federal statute so as to broaden eligibility and extend federal Title IV-E Foster Care (FC) benefits to relatives caring for foster children who were previously eligible only for CalWORKs benefits at significantly lower rates. The net effect will be increased federal, State and local FC costs. TANF savings will also result as children shift from CalWORKs to the FC payment program. The court order also has the effect of making some non-relative FC providers and adoptive parents eligible for federal Title IV-E benefits when they would otherwise only be eligible for non-federal benefits, thus creating a State General Fund (GF) savings. In addition, FC cases open March 3, 2003 are eligible for retroactive benefits to the date of dependency or December 23, 1997, whichever is later.

IMPLEMENTATION DATE:

The first Rosales costs are budgeted in the current year.

KEY DATA/ASSUMPTIONS:

- The average monthly caseload of dependent foster children supported by CalWORKs benefits for the period from March 3, 2003 through June 30, 2003 is estimated to be 8,853. The current estimate assumes that half of these CalWORKs cases will shift to federal Aid to Families with Dependent Children-Foster Care (AFDC-FC) Foster Family Home (FFH) payments as a result of Rosales. The prospective administrative cost associated with this shift is based on the average AFDC-FC administrative cost per casemonth of $32.78 based on Fiscal Year (FY) 2003-04 data. Counties will require one hour per case to determine eligibility for all cases open after March 3, 2003 and before December 1, 2003 at $57.11 per hour.
- The average difference between the average FFH grants and per child CalWORKs zero-parent family grants for the period from FY 1998-99 through FY 2002-03 is $410.79.
- Data made available by San Bernardino County and cited by the Legislative Analyst's Office indicates that approximately eight percent of the non-federal AFDC-FC cases will become eligible for federal funding, and that eight percent of the average monthly non-federal AFDC-FC caseload is 703.
- There are an estimated 279 new Adoption Assistance Program (AAP) cases each month, and approximately 13 percent or 36 of these cases are non-federal. It is assumed that approximately eight percent of these cases will become eligible for federal funding.
- Each CalWORKs case shifting to the AFDC-FC benefit program is assumed to be eligible for a Supplemental Clothing Allowance.
- The increase in total GF costs for Foster Family Homes results in a corresponding increase in Specialized Care Incentive Assistance Program (SCIAP) funding.

Rosales v. Thompson

KEY DATA/ASSUMPTIONS (continued):

- There are approximately 4,400 children in 2,290 zero-parent CalWORKs cases that will be impacted by Rosales statewide. CalWORKs grant savings will be calculated retroactively to March 2003.
- TANF administrative savings are based on quarterly savings of $57.57 per hour. Prospective Budgeting has been fully implemented as of June 2004.
- The average monthly CalWORKs grant savings for FY 2002-03 (March through June) is $238.01 per child; the average monthly CalWORKs grant savings for FY 2003-04, the current year (CY) and the budget year (BY) is $245.85 per child based on FY 2002-03 CalWORKs actual expenditures (CA 800) and caseload (CA 237) reports, adjusted for the June 2003 MAP COLA.
- The CalWORKs grant savings associated with the CY and BY COLAs are included in the Nine Month 2004 MAP COLA and the July 2005 MAP COLA premises, respectively.

METHODOLOGY:

Item 101 - Assistance Payments

- The retroactive FC grant costs are the product of total casemonths and the average difference between the CalWORKs and AFDC-FC benefits. The AFDC-FC grant costs after March 3, 2003 are the product of total casemonths and the average AFDC-FC Grant, plus the cost of supplemental clothing allowances. The CY is based on a 28 month period beginning in March 2003. The BY is based on the 12 month fiscal year.
- CalWORKs grant savings are calculated by multiplying the number of impacted children by the average zero-parent per child grant. For the CY, the total CalWORKs grant savings is $30.3 million, and in the BY, $13.1 million.

Item 101 - CalWORKs Administration

- The CalWORKs administrative savings for the BY is calculated by dividing the quarterly reporting administrative cost by three months to obtain a monthly cost of $19.19 per case per month. This cost is then multiplied by the number of child-only cases impacted.

Item 141 - County Administration

- The CY Foster Care Administrative costs are the product of cases with dependent children receiving CalWORKs benefits and the cost of a one-hour eligibility determination, added to the product of applicable casemonths, beginning December 1, 2003, and the average monthly FC administrative cost. The BY Foster Care Administrative costs are the product of casemonths and the average monthly FC administrative cost. The administrative costs associated with the review of both federal and non-federal cases active on March 3, 2003 for retroactive payments are the product of cases and three hours at $57.11 per hour, and an additional hour for fiscal processing of cases deemed eligible for federal funds.

Rosales v. Thompson

METHODOLOGY (continued):

Item 141 - County Administration (continued):

- The administrative cost for retroactive cases is calculated by multiplying the number of active cases on March 3, 2003 (8,124) by three hours at $57.11 per hour, with an additional hour for fiscal processing of dependency cases that will shift from CalWORKs to federal AFDC-FC benefits (3,973).
- The administrative cost for retroactive non-federal cases is calculated by multiplying the active cases on March 3, 2003 (8,645) by three hours at $57.11 per hour, with an additional hour for fiscal processing of dependency cases (692) that will shift from non-federal to federal AFDC-FC benefits.
- The administrative cost associated with this shift is based on the average AAP administrative cost per casemonth of $5.41 based on FY 2003-04 data, and an additional one-half hour at $57.11 per hour for fiscal processing.

Item 151 - Social Service Programs

- Funding for SCIAP is equal to five percent of the GF costs for Foster Family Homes and is reflected as part of the Child Welfare Services Basic cost.

FUNDING:

Item 101 - CalWORKs

CalWORKs grant payments for child-only cases are shared 97.5 percent TANF, and 2.5 percent county funds. CalWORKs administrative costs for these cases are funded with 100 percent TANF funds.

Item 101 – Foster Care

Federal funding for AFDC-FC assistance payments is provided by Title IV-E of the Social Security Act for cases meeting eligibility criteria. The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP). Funding for the non-federal AFDC-FC program and the non-federal share of federal program costs is 40 percent GF and 60 percent county funds.

Item 141 - County Administration

Foster Care Administrative costs are shared 50 percent federal, 35 percent State and 15 percent county.

Item 151 - Social Service Programs

Funding for SCIAP is 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

Rosales v. Thompson

REASON FOR YEAR-TO-YEAR CHANGE:

The CY reflects 28 months of costs / savings and the BY reflects 12 months. The CY also reflects the cost of retroactive payments pursuant to the Rosales order.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
Item 101 - Foster Care	Grant	Grant
Total	$109,660	$37,149
Federal	70,614	22,105
State	16,030	6,132
County	23,016	8,912
Reimbursements	0	0

	2004-05	2005-06
Item 101 – Adoption Assistance Program	Grant	Grant
Total	$0	$0
Federal	460	309
State	-345	-232
County	-115	-77
Reimbursements	0	0

	2004-05	2005-06
Item 141 - Foster Care	Admin	Admin
Total	$7,746	$3,092
Federal	3,873	1,546
State	2,711	1,082
County	1,162	464
Reimbursements	0	0

Rosales v. Thompson

EXPENDITURES (continued):
(in 000's)

	2004-05	2005-06
Item 151 - Social Services Program	CWS/SCIAP	CWS/SCIAP
Total	$362	$307
Federal	0	0
State	362	307
County	0	0
Reimbursements	0	0

	2004-05	2005-06
Item 101 – CalWORKs	Grant	Grant
Total	-$30,347	-$13,061
Federal	-29,588	-12,734
State	0	0
County	-759	-327
Reimbursements	0	0

	2004-05	2005-06
Item 101 – CalWORKs	Admin	Admin
Total	-$527	-$527
Federal	-527	-527
State	0	0
County	0	0
Reimbursements	0	0

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Promoting Safe and Stable Families Savings

DESCRIPTION:

This premise reflects the savings in the Foster Care (FC) Program as a result of the incremental increase in the Promoting Safe and Stable Families (PSSF) grant — formerly the Federal Family Preservation and Support Program.

The Omnibus Budget Reconciliation Act of 1993 established the capped PSSF grant program under Title IV-B to provide funding for community-based family support and preservation services. By providing preservation services, it is expected that some children in out-of-home care will spend less time in placement resulting in savings to the FC Program.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1994.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16600 through 16604.5
- Effective in Fiscal Year 2001-02, based on federal requirements, a minimum of 20 percent of PSSF funds must be spent on each of the four components of the program (Family Preservation Services, Family Support Services, Adoption Promotion and Support, and Time-Limited Family Reunification).

METHODOLOGY:

Since the Federal Fiscal Year (FFY) 2004 Grant was less than FFY 2003 and the FFY 2005 grant was less than FFY 2004, there are no additional, incremental savings to foster care grants in current year (CY) or budget year (BY). All savings from the PSSF Grants are already reflected in the Foster Care trends. See the Promoting Safe and Stable Families premise.

FUNDING:

There are no additional incremental PSSF Foster Care Savings in CY or BY.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Promoting Safe and Stable Families Savings

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Supportive Transitional Emancipation Program

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

IMPLEMENTATION DATE:
This premise implemented on January 1, 2002, but 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.

CHANGE FROM PRIOR SUBVENTION:
There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:
There is no change.

Supportive Transitional Emancipation Program

EXPENDITURES:

(in 000's)

101 – Assistance Payments – STEP	2004-05	2005-06
	Grant	Grant
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Item 141 – STEP Eligibility	2004-05	2005-06
	County Admin.	County Admin.
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Item 151 – STEP Plan Activity	2004-05	2005-06
	County Admin.	County Admin.
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) and General Assistance (GA) Programs, which provide 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. The "Juvenile Assessment/Prevention Services" premise discusses the use of Temporary Assistance for Needy Families (TANF) block grant funding for the EA-Probation population.

Public Law (P.L.) 104-193 eliminated Title IV-A funding for the EA Program but permitted use of TANF dollars for EA funding. Although P.L. 104-193 allowed TANF funding for this portion of the EA Program, the Budget Act of 1997 replaced the TANF funding with State General Fund (GF). Based on interpretation of the final TANF regulations, effective October 1, 1999, EA GF expenditures are not countable towards the TANF maintenance of effort requirement, and effective October 1, 1999, the GF was replaced with TANF funding.

The EA-GA Program provides funding for undocumented aliens and other cases that did not qualify for federal or state FC, and continues to be funded even though the probation component expired on January 1, 1996. Only those "qualified aliens" who entered the country before August 22, 1996, are eligible for TANF-funded services.

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 2004, the projected average grant for EA-FC cases is $1,395.01, and the projected average grant for EA-GA cases is $2,138.93.
- EA casemonths are projected using an 18-month linear trend forecast based on actual caseload data. EA-FC and EA-GA caseloads are projected separately.
- EA administrative costs were adjusted for projected caseload growth.
- Foster children receiving EA benefits are eligible to receive the $100 supplemental clothing allowance.

METHODOLOGY:

- **Item 101** – EA-FC and EA-GA costs are the product of projected casemonths and the computed average grant, plus the cost of the supplemental clothing allowance for each case.
- **Item 141** - Costs for administrative activities performed by county welfare department staff are based upon actual expenditures, adjusted for caseload growth in both Fiscal Years (FYs) 2004-05 and 2005-06. Administrative costs also include $35,000 for reimbursements to the California Department of Health Services for data processing activities associated with the Assistance to Children in Emergency System, which enables tracking of EA cases currently receiving assistance.

Emergency Assistance Program

FUNDING:

EA funding, although eliminated by P.L. 104-193, was 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; the EA-GA component is funded 50 percent TANF, 50 percent county; and, the EA administrative costs are funded 85 percent TANF and 15 percent county.

The supplemental clothing allowance component is funded 100 percent with TANF.

CHANGE FROM PRIOR SUBVENTION:

The current year decrease in cost reflects a lower caseload and a lower average grant compared to the Governor's Budget. The EA administrative costs for FY 2004-05 were held to appropriation. The EA administrative cost for FY 2005-06 was updated based on actual data.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase in EA grant costs reflects caseload growth.

CASELOAD:

	2004-05	2005-06
Average Monthly Caseload	3,390	3,411

EXPENDITURES:

(in 000's)

ITEMS 101 & 141 - EA	2004-05		2005-06	
	Grant	County Admin.	Grant	County Admin.
Total	$59,541	$5,683	$61,655	$5,260
Federal	41,640	4,836	43,124	4,476
State	0	0	0	0
County	17,901	847	18,531	784
Reimbursements	0	0	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 State General Fund (GF) participation, and the 50 percent match will be provided by participating counties. Under Title IV-E foster care 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 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 a State Plan Amendment is not necessary to implement this maintenance payment option.

IMPLEMENTATION DATE:

This premise will be implemented on July 1, 2005.

KEY DATA/ASSUMPTIONS:

- 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 (AFDC-FC). Title IV-E funds provide the state and counties with matching funds for out-of-home placement costs, e.g. foster care which now includes child care. Federal financial participation is available at the Federal Medical Assistance Payment (FMAP) rate of 50 percent. Counties will be responsible for providing the 50 percent match.
- Although full county participation has not been established, this premise assumes San Francisco, Santa Clara, and San Mateo counties, who currently provide child care reimbursement to foster parents, will participate.
- These counties will be allowed to claim retroactively for eligible child care costs.
- The participating counties will request retroactive payments for Fiscal Year (FY) 2003-04 and FY 2004-05 to be claimed in FY 2005-06 based on the same methodology as the budget year. The retroactive amount for 6 months in FY 2003-04 is estimated to be $2,935,085 total, $1,467,542 federal and $1,467,543 county share. The retroactive amount for FY 2004-05 is estimated to be $6,366,390 total, $3,183,195 federal and $3,183,195 county share.

METHODOLOGY:

To estimate the cost, the statewide monthly caseload was multiplied by the percent of childcare cases in the participating counties and multiplied by the counties share of statewide cases. The product was then multiplied by the average monthly CalWORK's Child Care Stage One reimbursement, and then multiplied by 12 months.

- The participating counties currently fund child care in 36.8 percent of their federal Foster Family Home (FFH) cases. The federal FFH eligible caseload in these counties is 6.8 percent of the total statewide monthly caseload (31,911).

Title IV-E Foster Parent Child Care Program

METHODOLOGY (continued):

- The monthly CalWORK's Child Care Stage One reimbursement including the California Necessities Index and administration cost is $690.80 for FY 2005-06.

FUNDING:

This premise is funded with 50 percent federal funds, 50 percent county funds. There is no State General Fund share.

CHANGE FROM PRIOR SUBVENTION:

This is a new Premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new Premise.

EXPENDITURES:

(in 000's)	2004-05	2005-06
Total	$0	$15,932
Federal	0	7,966
State	0	0
County	0	7,966
Reimbursements	0	0

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 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 the payment to be received.

The AAP benefit shall not exceed the age-related, foster family home 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.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16115 through 16123.
- Cases presumed to be eligible for the federal AAP make up 87.2 percent of the total AAP payment caseload, based on data from January 2004 through December 2004 as reported on the AD 800 claim forms.
- Caseload and expenditure data extracted from the AD 800 provide the basis for caseload and average grant projections.
- The federal and nonfederal average grants are $735.11 and $799.10, respectively, for Fiscal Year (FY) 2004-05 and $759.59 and $818.70 for FY 2005-06, based on an 18-month linear trend analysis.
- The level of federal financial participation (FFP) is based on the following Federal Medical Assistance Percentage (FMAP) rates:

Effective Dates	Rates
October 1, 2003	50.00%
October 1, 2004	50.00%
October 1, 2005	50.00%

Adoption Assistance Program – Basic Costs

METHODOLOGY:

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 for those cases meeting eligibility criteria, with the amount of FFP based on the FMAP rate. Federal case costs ineligible for FFP and the costs of the nonfederal program are shared 75 percent State General Fund and 25 percent county.

CHANGE FROM PRIOR SUBVENTION:

The current and budget year decline reflects lower caseload growth than were projected in the Governor's Budget.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects continuing caseload growth.

CASELOAD:

	2004-05	2005-06
Average Monthly Caseload	64,177	69,955

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$572,440	$644,005
Federal	241,256	271,735
State	248,360	279,171
County	82,824	93,099
Reimbursements	0	0

Refugee Cash Assistance – Basic Costs

DESCRIPTION:

This premise reflects the 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.

KEY DATA/ASSUMPTIONS:

- Section 1522 of Title 8 of the United States Code (U.S.C.) authorizes the federal government to provide grants to the states to assist refugees who resettle in the U.S.
- Sections 13275 through 13282 of the Welfare and Institutions Code authorize the Department to administer the funds provided under Title 8 of the U.S.C. It also provides the Department authority to allocate the federal funds to the counties.
- The average grant cost for RCA recipients for Fiscal Year (FY) 2004-05 is $299.07, which reflects actual expenditures through November 2004. The average grant for the remaining months of FY 2004-05 is $307.71, which reflects a 2.89 percent increase, consistent with the CalWORKs grant. Effective July 1, 2005, the average grant will decrease to $286.85, consistent with the CalWORKs 6.5 percent grant reduction.
- The average monthly caseload for FYs 2004-05 and 2005-06 is estimated at 1,374 and 1,771 cases, respectively.
- The RCA caseload is expected to increase by almost 600 cases by August 2005 due to an anticipated influx of Hmong refugees.

METHODOLOGY:

The RCA average grant is multiplied by the estimated caseload to arrive at total RCA costs for each fiscal year.

FUNDING:

The program is 100 percent federally funded with the Cash, Medical and Administration Grant through the Office of Refugee Resettlement.

CHANGE FROM PRIOR SUBVENTION:

Current year costs have decreased due to a lower average grant and monthly caseload than previously estimated.

REASON FOR YEAR-TO-YEAR CHANGE:

The total costs increase in FY 2005-06 is due to a higher average monthly caseload attributable to the anticipated influx of Hmong refugees.

Refugee Cash Assistance – Basic Costs

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$4,903	$6,097
Federal	4,903	6,097
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 State Franchise Tax Board (FTB) and State Controller's Office 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 the EFAP.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Revenue and Taxation Code sections 18851 through 18855.
- The current year reflects the actual amount of contributions made to the EFAP fund available in Fiscal Year (FY) 2004/05.
- The budget year estimate reflects the estimated amount of contributions to be made to the EFAP fund from June 2004 through May 2005 of $441,000 and estimated interest of $8,000.
- The estimated annual administrative costs for the FTB, State Controller's Office, and statewide general administrative (pro rata) costs are $6,129 in the current year and $6,834 in the budget year.
- These funds are provided to supplement, and not supplant, existing program funds.

METHODOLOGY:

The current year reflects the actual amount available for expenditure in FY 2004/05. The budget year reflects the estimated amount of contributions to the EFAP fund in the state income tax year, plus accrued interest, less the annual administrative costs for the FTB, the State Controller's Office, and statewide general administrative (pro rata) costs.

FUNDING:

The costs are 100 percent from the EFAP fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

Emergency Food Assistance Program Fund

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects an increase in the estimated contributions to be made in state income tax year 2004.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	Grant	Grant
Total	$351	$442
Federal	0	0
State	351	442
County	0	0
Reimbursements	0	0

California Food Assistance Program

DESCRIPTION:

This premise reflects the coupon 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 (P.L.) 104-193, provided that legal noncitizens who entered the United States (U.S.) on or after August 22, 1996, were ineligible for federal food stamp benefits unless they were exempt under certain refugee categories. Federal food stamp benefits for the ineligible legal noncitizens were terminated in August 1997. The CFAP serves legal noncitizens over 18 and under 65 years of age, 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 and legal noncitizens that entered the country on or after August 22, 1996, and are otherwise eligible. California purchases food stamp coupons from Food and Nutrition Service (FNS) to provide to recipients of CFAP.

The Food Stamp Reauthorization Act of 2002 (H.R. 2646 Farm Bill) restored federal food stamp eligibility 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.

IMPLEMENTATION DATE:

This premise originally implemented on September 1, 1997.

The H.R. 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 Food Stamp (NAFS) trend forecasts.
- The total number of CFAP recipients is projected by applying the CalWORKs and NAFS trend forecast to January 2005 actual recipients.
- The average monthly number of CFAP recipients is 19,488 in Fiscal Year (FY) 2004-05, and 20,159 in FY 2005-06.
- The average monthly number of CFAP households is 7,965 in FY 2004-05 and 8,240 in FY 2005-06.
- Based on actual data reported from the counties for July 2004 through January 2005, the average coupon value per person is $86.30.
- The average monthly administrative cost per case is $25.01.
- The processing fee charged by FNS for electronic benefit transfer (EBT) is $314 per $1 million.
- The ratio between public assistance (PA) and nonassistance (NA) is 29.79 percent PA and 70.21 percent NA.

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.
- The 6.5 percent Maximum Aid Payment (MAP) reduction will cause some CalWORKs cases, including a percentage of the Recent Noncitizen Entrants caseload, to lose eligibility. It is assumed that these cases will receive Transitional Benefits for 5 months then some recipients will be eligible for NAFS CFAP. The cases eligible for NAFS CFAP would require a calculation of benefits and processing.
- The Mexican Consulate Outreach program will increase the NAFS CFAP caseload due to an agreement between Food and Nutrition Services and the Mexican embassy to outreach to Mexicans possessing a green card and residing in California. It is assumed that 2,390 new CFAP cases will result from these outreach efforts.

METHODOLOGY

- The coupon costs are calculated by multiplying the average coupon value per person by the projected monthly number of recipients. The processing fees are included in the annual coupon costs.
- Administrative costs are calculated by multiplying the average administrative cost per case by the projected monthly number of cases.

FUNDING:

The expenditures are State General Fund (GF) only. The PA portion of the costs is eligible to be counted towards the MOE requirement.

CHANGE FROM PRIOR SUBVENTION:

This premise has been revised to reflect updated caseload and expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year reflects caseload growth. The BY increase reflects costs for the new premises (6.5 percent MAP Reduction and Mexican Consulate Outreach).

CASELOAD:

	2004-05	2005-06
Average Monthly Number of Recipients	19,488	20,159

California Food Assistance Program

EXPENDITURES:
(in 000's)

	2004-05		2005-06	
	Coupon	County Admin.	Coupon	County Admin.
Total	$19,262	$2,533	$21,969	$2,813
Federal	0	0	0	0
State	19,262	2,533	21,969	2,813
County	0	0	0	0
Reimbursement	0	0	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; and,
- 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.
- Section 1611 of Title XVI defines the amount of SSI benefits an individual may be eligible to receive.
- Section 12200 of the Welfare and Institutions Code defines the maximum payment standard available under each living arrangement.
- The basic costs per case for SSI and SSP estimates are developed from actual state and federal expenditures reported on the State Data Exchange (SDX) and SSA 8700 reports. The SSI and SSP average basic grants, based on actual data through December 2004, are as follows:

	SSI	SSP
Aged	$ 274.02	$224.09
Blind	337.05	278.56
Disabled	370.16	225.34

METHODOLOGY:

The SSI/SSP basic costs are computed for each aged, blind, and disabled component, then summed to produce total basic costs. Both the SSI and SSP basic average grants were adjusted to exclude the effects of payments to recipients residing in medical facilities. The adjusted average grants were multiplied by the estimated caseloads to arrive at an adjusted basic cost. Estimated expenditures for recipients in medical facilities were then added to total basic costs.

SSI/SSP – Basic Costs

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 State General Fund. Costs for each component are computed separately.

CHANGE FROM PRIOR SUBVENTION:

The estimate has decreased due to a lower average grant and monthly caseload than previously estimated.

REASON FOR YEAR-TO-YEAR CHANGE:

Expenditures increase in the budget year due to caseload growth of 2.4 percent.

CASELOAD:

	2004-05	2005-06
Average Monthly Persons	1,186,047	1,214,170

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$7,986,752	$8,169,957
Federal	4,807,097	4,915,542
State	3,179,655	3,254,415
County	0	0
Reimbursements	0	0

SSI/SSP – January 2005 COLA

DESCRIPTION:

This premise reflects the impact of passing through the federal cost-of-living adjustment (COLA) to Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program recipients effective January 1, 2005. The State COLA based on the California Necessities Index (CNI) estimated to be 2.75 percent for January 2005, is being suspended. The SSI grant will increase by the Consumer Price Index (CPI), which is estimated at 2.7 percent for 2005, and the SSP grant will remain unchanged.

IMPLEMENTATION DATE:

This premise implements on January 1, 2005.

KEY DATA/ASSUMPTIONS:

- Section 1617 of Title XVI of the Social Security Act authorizes the COLA for SSI recipients.
- Section 12201 of the Welfare and Institutions Code authorizes the COLA for SSP recipients.
- The State COLA based on the CNI of 2.75 percent for 2005 is suspended.
- The CPI is estimated at 2.7 percent for 2005.

METHODOLOGY:

- The SSI average grants increase as a result of the CPI COLA. The CPI is applied to the 2004 SSI payment standard and the result is the new SSI payment standard. The new SSI payment standard is subtracted from the 2004 total payment standard; the result is the reduced SSP payment standard.
- The new payment standards are used in a statistical model to determine a change to the basic SSI/SSP average grant due to the COLAs. The change in average grant is multiplied by the caseload and the result is the change to the SSI/SSP Program for the January 2005 COLA.

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 State General Fund. Each component is costed separately.

CHANGE FROM PRIOR SUBVENTION:

The estimated costs have decreased due to a slight decrease in the projected SSI/SSP caseload.

SSI/SSP – January 2005 COLA

REASON FOR YEAR-TO-YEAR CHANGE:

The estimate increases in budget year to reflect the full-year impact of the COLA.

EXPENDITURES:

(in 000's):

	2004-05 Grant	2005-06 Grant
Total	$70,718	$144,180
Federal	70,805	144,356
State	-87	-176
County	0	0
Reimbursements	0	0

SSI/SSP – April 2005 COLA

DESCRIPTION:

This premise reflects the impact of a 2.75 percent cost-of-living adjustment (COLA) to be provided to Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program recipients effective April 1, 2005. The total payment an individual receives will increase by the California Necessities Index (CNI) of 2.75 percent for 2005.

IMPLEMENTATION DATE:

This premise implements April 1, 2005.

KEY DATA/ASSUMPTIONS:

- Section 12201 of the Welfare and Institutions Code authorizes the COLA for SSP recipients.
- The CNI is 2.75 percent for 2005.
- Reprogramming fees of $1 million are added to total costs, as SSA charges a fee for changes made in a month other than January.

METHODOLOGY:

- The SSP average grants increase as a result of the COLA. The CNI is applied to the total 2004 payment standard and then rounded to the nearest dollar for the new total payment standard. The 2005 SSI payment standard is subtracted from the new total payment standard; the result is the new SSP payment standard.
- The new payment standards are used in a statistical model to determine a change to the basic SSI/SSP average grant due to the COLA. The change in average grant is multiplied by the caseload and the result is the change to the SSI/SSP Program for the April 2005 COLA.

FUNDING:

The SSP portion of the SSI/SSP payment is funded with 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

The estimate has decreased due to a slight decrease in the projected SSI/SSP caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects a full year of costs.

SSI/SSP – April 2005 COLA

EXPENDITURES:

(in 000's):

	2004-05 Grant	2005-06 Grant
Total	$26,784	$104,709
Federal	0	0
State	26,784	104,709
County	0	0
Reimbursements	0	0

SSI/SSP – January 2006 COLA

DESCRIPTION:

This premise reflects the impact of cost-of-living adjustments (COLAs) given to Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program recipients effective January 1, 2006. The SSI Consumer Price Index (CPI) COLA of 2.6 percent will not be passed through to recipients, resulting in an increase in the SSI portion of the grant payment and an equal decrease in the SSP portion of the grant payment. The total payment an individual receives will not change. The estimated California Necessities Index (CNI) of 4.07 percent will be suspended.

IMPLEMENTATION DATE:

This premise implements on January 1, 2006.

KEY DATA/ASSUMPTIONS:

- Section 1617 of Title XVI of the Social Security Act authorizes the COLA for SSI recipients.
- Section 12201 of the Welfare and Institutions Code authorizes the COLA for SSP recipients.
- The State COLA based on the CNI is estimated at 4.07 percent for 2006 and will be suspended.
- The CPI is estimated at 2.6 percent for 2006.
- The Non-Medical Out-of-Home Care, Restaurant Meals Allowance, and Title XIX payment standard categories are exempt from the payment standard reduction.

METHODOLOGY:

- The SSI and SSP average grants change as a result of the COLA. The CPI is applied to the 2005 SSI payment standards and the result is the new SSI payment standards for 2006.
- The SSP payment standards decrease as a result of not passing-through the federal COLA. The new 2006 SSI payment standard is subtracted from the total 2005 payment standards; the result is the new reduced SSP payment standard.
- The new payment standards are used in a statistical model to determine a change to the basic SSI/SSP average grant due to the COLAs. The change in average grant is multiplied by the caseload and the result is the change to the SSI/SSP Program for the January 2006 COLA.

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 State General Fund. Each component is costed separately.

CHANGE FROM PRIOR SUBVENTION:

Savings have decreased slightly due to a lower average monthly SSI/SSP caseload.

SSI/SSP – January 2006 COLA

REASON FOR YEAR-TO-YEAR CHANGE:

The COLA is not effective until January 1, 2006.

EXPENDITURES:

(in 000's):

	2004-05 Grant	2005-06 Grant
Total	$0	-$26,505
Federal	0	70,201
State	0	-96,706
County	0	0
Reimbursements	0	0

SSI/SSP – SSP 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 SSA provides services beyond the expected level, such as payment standard reductions or increases made on other than 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 the 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).
- Effective October 1, 2004, the fee increased from $8.77 to $9.06, based on a 3.3 percent increase in the CPI from June of the current year compared to June of the previous year. Effective October 1, 2005, the fee is projected to increase to $9.20 per payment.

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 consist of 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

The current year estimate has decreased due to a lower average monthly caseload than previously estimated.

REASON FOR YEAR-TO-YEAR CHANGE:

Expenditures increase due to a higher average monthly caseload and in increase in the fee per payment from $9.06 to $9.20 on October 1, 2005.

SSI/SSP – SSP Administration

CASELOAD:

	2004-05	2005-06
Average Monthly Payments	1,201,437	1,228,669

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$129,582	$135,134
Federal	0	0
State	129,582	135,134
County	0	0
Reimbursements	0	0

Special Disability Workload Impact

DESCRIPTION:

This premise reflects the impact of the approval of new positions in the Departments Disability and Adult Programs Division (DAPD) that will complete Special Disability Workload (SDW) claims. A General Fund (GF) savings will be realized for those SDW cases that are eligible for Title II benefits. The additional benefit will result in a reduction in State Supplementary Payment (SSP) grant costs for SDW cases entitled to Title II benefits.

IMPLEMENTATION DATE:

This premise will implement on January 1, 2004.

KEY DATA/ASSUMPTIONS:

- The Social Security Administration (SSA) is scheduled to send 3,217 SDW cases annually to the DAPD for three years.
- SSA projects 78.2 percent, or 2,516 of the SDW cases will be eligible for Title II benefits.
- The average SSP grant for a disabled individual is $225.34. The average SSI grant for a disabled individual is $370.16. The SSI grant will increase on January 1 of 2005 and 2006 due to the federal cost-of-living adjustment (COLA). The SSP grant will increase on April 1, 2005, due to the State COLA, and will decrease on January 1, 2006, due to the no-pass of the federal COLA.
- Based on data from the State Data Exchange through January 2005, the average Title II benefit received by SSI/SSP recipients was $501.51. The average benefit amount was increased to $514.55 to reflect the January 2006 federal cost-of-living adjustment.

METHODOLOGY:

- The average SSI grant is subtracted from the average Title II benefit for SSI/SSP recipients to arrive at the amount the SSP grant will be reduced.
- The number of SDW cases projected to be eligible for Title II benefits is multiplied by the average SSP grant reduction.

FUNDING:

The savings is 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

SSA had anticipated reviewing just over 3,000 claims, however, SSA has revised the number of claims to just over 3,200, thereby increasing GF savings.

REASON FOR YEAR-TO-YEAR CHANGE:

The average SSP grant reduction decreases slightly in the budget year, resulting in less GF savings.

Special Disability Workload Impact

EXPENDITURES:

(in 000's)	2004-05	2005-06
	Grant	Grant
Total	-$3,739	-$3,483
Federal	0	0
State	-3,739	-3,483
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 veterans of World War II who 1) return to the Republic of the Philippines and no longer have a place of residence in the state; and 2) were receiving SSP benefits on December 14, 1999. The California Veterans Cash Benefit (CVCB) payments are authorized under Assembly Bill 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 this bill are the equivalent of SSP benefits the veterans would receive under the SSI/SSP Program.
- An average benefit payment of $240.14 will be paid to eligible recipients in current year. The average grant will increase to $247.55 on April 1, 2005, to coincide with the 2.75 percent State cost-of-living adjustment (COLA) applied to SSI/SSP payment standards. The average grant will decrease to $231.70 on January 1, 2006, due to a no-pass of the federal COLA and suspension of the State COLA for SSI/SSP grants.
- The Social Security Administration (SSA) administers the CVCB Program in conjunction with benefits under Title VIII of the federal Social Security Act.
- SSA charges a monthly administrative fee equivalent to the SSP administrative fee per payment of $8.77. The ongoing administrative fee increased to $9.06 on October 1, 2004, and will increase to $9.20 on October 1, 2005.
- The average monthly number of participating veterans is 1,825 in Fiscal Year (FY) 2004-05, and 1,840 in FY 2005-06.

METHODOLOGY:

The cost of the program is estimated by multiplying the number of participating veterans by the benefit and administrative costs per case.

FUNDING:

This program is funded 100 percent with GF.

CHANGE FROM PRIOR SUBVENTION:

The estimate has decreased due to a lower average monthly caseload and average grant than previously estimated.

REASON FOR YEAR-TO-YEAR CHANGE:

Total program costs increase slightly in FY 2005-06 due to a small increase in the average monthly caseload.

California Veterans Cash Benefit Program

EXPENDITURES:

(in 000's)

CVCB Costs	2004-05 Grant/ Administration	2005-06 Grant/ Administration
Total	$5,476	$5,494
Federal	0	0
State	5,476	5,494
County	0	0
Reimbursements	0	0

Cash Assistance Program for Immigrants (CAPI)

DESCRIPTION:

This premise reflects the costs to implement the CAPI Program. The CAPI Program provides benefits to aged, blind, and disabled legal immigrants who successfully complete an application process. The benefits received are equivalent to those benefits that these immigrants would have received if they were eligible for the Supplemental Security Income and/or State Supplemental Payment (SSI/SSP) Program, less $10 per individual and $20 per couple. This premise includes costs for both the grant and administrative costs necessary for implementation.

CAPI recipients in the base program include the following immigrants: 1) those 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 2) 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:

- Chapter 10.3 of the Welfare and Institutions Code (W&IC) gives the California Department of Social Services the authority to administer the CAPI Program.
- Section 18940 of the W&IC states that the CAPI Program will be governed by the same federal and state regulations which govern the SSI/SSP Program.
- Section 18941 of the W&IC 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 $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 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 number of total CAPI cases will be 8,366 in Fiscal Year (FY) 2004-05, and 8,451 in FY 2005-06.
- The average monthly grant is $628.23 for the Base CAPI cases, based on actual expenditures through December 2004. The average grant will change to mirror the SSI/SSP payment standards which increased due to a 2.7 percent federal cost-of-living adjustment (COLA) effective January 1, 2005. The average Base CAPI grant will also increase on April 1, 2005 (2.75 percent), and remain the same on January 1, 2006, to reflect the no-pass of the federal COLA and suspension of the State COLA.

Cash Assistance Program for Immigrants (CAPI)

KEY DATA/ASSUMPTIONS (continued):

- The average monthly grant is $760.23 for the Extended CAPI cases, based on actual expenditures through December 2004. The average grant will change to mirror the SSI/SSP payment standards as discussed above for the Base CAPI cases.
- The average monthly administrative cost per case for FY 2004-05 of $106.17 is based on actual expenditures through December 2004. For FY 2005-06, the average administrative cost per case will remain unchanged.

METHODOLOGY:

Base CAPI program costs are estimated by multiplying the projected monthly 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 GF.

CHANGE FROM PRIOR SUBVENTION:

The estimate has decreased due to a lower average monthly caseload and average grant.

REASON FOR YEAR-TO-YEAR CHANGE:

CAPI costs increase due to a higher average monthly caseload in the Extended program. The average grant for Extended cases is higher than the Base CAPI cases, resulting in higher program expenditures.

EXPENDITURES:

(in 000's)	2004-05	2005-06
Total CAPI[1]	Grant	Grant
Total	$80,232	$83,317
Federal	0	0
State	80,232	83,317
County	0	0
Reimbursements	0	0

1 Does not include the impact of the "CAPI Advocacy" premise.

Cash Assistance Program for Immigrants (CAPI)

EXPENDITURES (continued):

(in 000's)	2004-05	2005-06
Base CAPI	Grant	Grant
Total	$42,296	$36,995
Federal	0	0
State	42,296	36,995
County	0	0
Reimbursements	0	0

(in 000's)	2004-05	2005-06
Extended CAPI	Grant	Grant
Total	$37,936	$46,322
Federal	0	0
State	37,936	46,322
County	0	0
Reimbursements	0	0

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CAPI Advocacy

DESCRIPTION:

This premise reflects the estimated net General Fund (GF) savings due to the transfer of Cash Assistance Program for Immigrants (CAPI) recipients to the federal Supplemental Security Income (SSI) Program as a result of increased advocacy efforts, including assisting CAPI recipients in the application process for SSI.

IMPLEMENTATION DATE:

This premise implemented on March 1, 2005.

KEY DATA/ASSUMPTIONS:

- Section 18939(b) of the Welfare and Institutions Code (W&IC) requires counties to establish an advocacy program to assist CAPI applicants and recipients in the application process for the SSI Program.
- Section 18939(d) of the W&IC states that the Department shall reimburse counties for legal fees incurred by attorneys or other authorized representatives during the appeals phase of the SSI application process only when the county demonstrates that the legal representative successfully secures approval of SSI benefits.
- The potential number of Base CAPI cases eligible to transfer to SSI is 3,643, based on CA 1037 data. Caseloads from counties with less than 50 cases were excluded. Los Angeles (LA) County's caseload was also excluded, as LA County currently provides advocacy efforts and the impact of savings is already reflected in the trend caseload and expenditures.
- Based on data from LA County, of the potential Base CAPI cases, 38.1 percent (1,388 cases) will file an SSI application. Of those that file, 81.6 percent (1,132 cases) will be approved for eligibility to SSI.
- The average monthly grant is $643.23 for the Base CAPI cases, based on actual expenditures through October 2004. The average grant will change to mirror the SSI/SSP payment standard changes.
- The average SSP grant for aged recipients is $224.09 based on actual expenditures through October 2004.
- The legal fee reimbursement per case shall not exceed twice the difference between the maximum monthly individual CAPI payment and the maximum monthly SSP payment. For 2005, the maximum is $1,108 ($802 - $233 = $569 x 2 = $1,138).
- There will be 209 cases upon appeal that will successfully transfer to the SSI Program, resulting in legal fee reimbursements of $237,842 to attorneys and or other authorized representatives.

METHODOLOGY:

CAPI program savings are estimated by multiplying the projected monthly caseload transferring by the net difference in the CAPI average grant and SSP average grant. Reimbursements for legal fees incurred are netted against grant savings to arrive at net CAPI GF savings.

CAPI Advocacy

FUNDING:

Savings are 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

The estimate has decreased due to a delay in implementation of the advocacy efforts and realization of savings from December 2004 to March 2005, as well as a decrease in the number of cases estimated to transfer to SSI/SSP.

REASON FOR YEAR-TO-YEAR CHANGE:

The GF savings increase is due to the full year impact of cases transferring from CAPI to SSI/SSP.

EXPENDITURES:

(in 000's)	2004-05	2005-06
	Grant	Grant
Total	-$595	-$5,017
Federal	0	0
State	-595	-5,017
County	0	0
Reimbursements	0	0

Additional TANF/MOE Expenditures in CDSS SSP MOE Eligible

DESCRIPTION:

This premise reflects the State Supplementary Payment (SSP) expenditures countable towards the State Temporary Assistance for Needy Families (TANF) Program maintenance of effort (MOE). More specifically, the increase in SSP expenditures for disabled SSP children in California Work Opportunity and Responsibility to Kids (CalWORKs) families since the inception of the TANF Program is considered countable as MOE.

Public Law (P.L.) 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. States must meet an 80 percent MOE to receive their full block grant allocation. The MOE is reduced to 75 percent for states that meet the work participation rate requirement. For California, the amount of the MOE is based on state and county expenditures in Federal Fiscal Year (FFY) 1994. The State has consistently met its work participation agreement, therefore the MOE level is lowered from $2.9 billion (80 percent) to $2.7 billion, which constitutes 75 percent of the 1994 level.

The State may count both local and state expenditures made by CDSS or 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, JOBS, Child Care for AFDC recipients, At-Risk Child Care or Transitional Child Care programs in FFY 1995, the entire 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.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: 45 Code of Federal Regulations section 263.2.
- The average number of SSP children living in a CalWORKs household for July through September 2004 was 10,404, or 14.0 percent of total SSP children living with relatives.
- SSP expenditures for SSP children living with relatives were $52.8 million in 1995. SSP expenditures for the same population are estimated at $129.1 million in Fiscal Year (FY) 2004-05.
- The SSP payment standard will increase on April 1, 2005, from $115 to $119 due to a 2.75 percent State cost-of-living adjustment (COLA). The SSP payment standard is projected to decrease on January 1, 2006, to $104 due to not-passing through the federal COLA and suspension of the State COLA.
- The projected expenditures for SSP children living in a CalWORKs household for FYs 2004-05 and 2005-06 will be $18.1 and $17.1 million, respectively.

Additional TANF/MOE Expenditures in CDSS SSP MOE Eligible

METHODOLOGY:

- Expenditures for SSP children living in a CalWORKs household in 1995 is estimated at $8.5 million.
- Expenditures for FYs 2004-05 and 2005-06 are forecasted based on the increase or decrease in the SSP payment standard from year to year. For FY 2004-05, the SSP payment standard will increase by 0.9 percent. For FY 2005-06, the SSP payment standard is projected to decrease by 3.0 percent.
- The percentage of SSP children living in a CalWORKs household (14.0 percent) is multiplied by the estimated SSP expenditures for each fiscal year to arrive at expenditures attributable to SSP children living in a CalWORKs household. For FYs 2004-05 and 2005-06, SSP expenditures for this population are estimated at $18.1 and $17.1 million, respectively.
- For FY 2004-05, the amount by which allowable current year expenditures exceed the total State program expenditures in 1995 is $9.6 million ($18.1 - $8.5 million).
- For FY 2005-06, the amount by which allowable SSP expenditures will exceed the total State program expenditures in 1995 is $8.6 million ($17.1 - $8.5 million).

FUNDING:

The SSP expenditures are funded with 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

Due to a lower percentage of SSP children living with relatives in a CalWORKs household than previously estimated, the estimated level of countable SSP expenditures has decreased.

REASON FOR YEAR-TO-YEAR CHANGE:

The level of MOE-eligible expenditures decreases due to the reduction in the SSP average grant effective January 1, 2006.

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$9,551	$8,632
Federal	0	0
State	9,551	8,632
County	0	0
Reimbursements	0	0

Personal Care Services Program/Residual IHSS Basic Costs

DESCRIPTION:

This premise reflects the basic costs for the In-Home Supportive Services (IHSS) Program. Assembly Bill (AB) 1773 (Chapter 939, Statutes of 1992) required the California Department of Health Services to submit a Medicaid state plan amendment to the federal Health Care Financing Administration to include a portion of the IHSS Program as a Title XIX eligible service. This portion of the IHSS Program is known as the Personal Care Services Program (PCSP). A Residual Program provides for services on behalf of individuals who are not eligible for PCSP.

The IHSS Program enables eligible individuals 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.

AB 925 (Chapter 1088, statutes of 2002) allows recipients to utilize authorized personal care services in locations outside of the home, including their place of employment, as authorized by the director. Services and service hours remain limited to those authorized for the recipient in their own home.

The following services are PCSP-eligible services:

- Domestic services such as meal preparation, laundry, shopping, and errands;
- Non-medical personal care services;
- Assistance while traveling to medical appointments or to other sources of supportive services;
- Teaching and demonstration directed at reducing the need for supportive services; and,
- Certain paramedical services ordered by a physician.

The Residual Program provides services to recipients who are not eligible for PCSP. The Residual Program cases include the following:

- Cases requiring protective supervision tasks;
- Cases with domestic services only;
- Cases with spousal providers;
- Cases with parents providing services to their own minor children;
- Cases with recipients receiving advance pay;
- Cases with recipients who are covered by third party insurance; and,
- Cases with recipients receiving a restaurant meal allowance (RMA). The RMA is provided to those who need to purchase meals or help with meal preparation and cleanup.

In-Home Supportive Services are provided in any of three service delivery modes. Those service modes are the individual provider (IP) mode, the county contract (CC) mode, and the welfare staff (WS) mode. The WS mode is also referred to as the county homemaker mode. The IP mode consists of an individual, hired by the recipient, who provides services to the recipient. The CC mode provides for IHSS services to be performed by a service provider under contract with the individual counties. The contractor employs the individuals who provide the services to the recipient. The WS mode utilizes county employees to provide services for recipients.

Personal Care Services Program/Residual IHSS Basic Costs

DESCRIPTION (continued):

The State Compensation Insurance Fund (SCIF), under contract, administers the workers' compensation insurance for the IPs providing services for IHSS recipients.

The Department of General Services (DGS), under contract, acts as agent for the Department in the management and supervision of SCIF. DGS also monitors high cost cases ($50,000 and over in paid costs) on a quarterly basis.

The IHSS Case Management Information and Payrolling System (CMIPS) authorizes payments and provides the Department and the counties with information regarding wages, taxes, hours per case, cost per hour, PCSP and Residual Program caseload and funding ratios, share of cost, RMA, and the number of providers in the IP mode. Please see the CMIPS premise for more information.

IMPLEMENTATION DATE:

The PCSP 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 and Residual Program are 82.21 percent and 17.79 percent, respectively, based on the average caseloads for July 2004 through December 2004.
- The CC and WS modes were assumed to be the average caseload for July 2004 through December 2004. PCSP caseloads were 2816 and 123, respectively and Residual caseloads were 749 and 18 respectively. The balance of the caseload is IP.
- The PCSP CC mode average monthly hours per case is assumed to be 55.8 hours at a cost per hour of $17.25. The WS average monthly hours per case is assumed to be 8.95 hours at a cost per hour of $15.05.
- The Residual CC mode average monthly hours per case is assumed to be 24.6 hours at a cost per hour of $17.73. The Residual WS average monthly hours per case is assumed to be 7.32 hours at a cost per hour of $13.31.
- The IP wage rate and average monthly hours per case are based on the individual counties data.
- The payroll tax rate associated with the IP wages is assumed at ten percent.
- Based on actuals for July 2004 through December, the average recipient PCSP Program share of cost (SOC) is assumed to be $311 per case in the current and budget year in the IP mode of service. The average recipient Residual program share of cost is assumed to be $241 and $239 per case in the IP mode and CC/WS modes of service, respectively.

-Personal Care Services Program/Residual IHSS Basic Costs

KEY DATA/ASSUMPTIONS (continued):

- In the PCSP program, the average monthly SOC caseload is assumed to be 6,136 in both current and budget years.
- In the Residual Program, the average monthly SOC caseload is assumed to be 2,320 in the IP Mode and 84 in the CC/WS for both current and budget years.
- The RMA cost per case is $62.
- The RMA cost is estimated to be $636,742 for current year and $685,092 in the budget year.
- The SCIF contract cost is assumed to be $51.9 million for the current year and $57 million for the budget year.
- The DGS contract cost is set at $120,000 for both the current and budget year.

METHODOLOGY:

- The estimated PCSP basic cost is computed by multiplying the casemonths times the average hours per case times the cost per hour, plus the associated payroll taxes, minus the share of costs. In addition, the PCSP caseload percentage of the SCIF and DGS contract costs are added.
- The estimated Residual basic cost is computed by multiplying the casemonths times the average hours per case times the cost per hour, plus associated payroll taxes, minus the share of costs. In addition, the Residual Program caseload percentage of the SCIF and DGS contract costs and RMA are added.

FUNDING:

- In the PCSP, the Title XIX Federal Medical Assistance Percentage rate is 50%.
- The nonfederal share is split 65 percent state and 35 percent county. The county share of costs is reflected as a reimbursement, consistent with actual cash flow.
- The administration recently received a waiver for the federal government to pick up a share of costs for the Residual program. (See Waiver Program/Medical State Plan Amendment for Residual)
- In the Residual Program Basic Costs, the state share is 65 percent of the total, and the county share is 35 percent. The county share of costs is reflected as a reimbursement, consistent with actual cash flow.

Personal Care Services Program/Residual IHSS Basic Costs

CHANGE FROM PRIOR SUBVENTION:

The estimate has been updated for more current caseload and expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects wage and benefits increases and caseload growth.

CASELOAD:

	2004-05	2005-06
Average Monthly PCSP Caseload	286,620	374,219
Average Monthly Residual Program Caseload	62,163	66,948

EXPENDITURES:

(in 000's)

PCSP	2004-05 Grant	2005-06 Grant
Total	$2,707,275	$2,957,400
Federal	0	0
State	865,430	944,892
County	0	0
Reimbursements	1,841,845	2,012,508

Residual Program	2004-05 Grant	2005-06 Grant
Total	$634,366	$676,021
Federal	0	0
State	408,115	434,428
County	0	0
Reimbursements	226,251	241,593

Case Management Information and Payrolling System (CMIPS) and Associated Costs

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). The CMIPS consists of the following three components:

Case Management

The CMIPS stores the case record of each individual recipient. The case record of each recipient contains information on eligibility, needs assessment, share of cost, if appropriate, and all changes affecting the recipient's case. The CMIPS also generates notices of action, cost-of-living adjustments, and rate changes. The CMIPS further 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. In current year ongoing CIN transactions are processed through the Health and Human Services Data Center server. In budget year CIN transactions will be processed through the Office of Systems 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 warrants for payments for services provided by the individual-provider mode and prepares all employer tax forms and reports. These reports are utilized 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 the individual 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.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12302.2.
- The CMIPS contract is currently held by Electronic Data Systems (EDS).
- The estimated costs for the SCO and STO contracts were updated.

Case Management Information and Payrolling System (CMIPS) and Associated Costs

KEY DATA/ASSUMPTIONS (continued):

- The estimated CIN transaction costs are based on a projection of the number of transactions and a cost of 0.7 cents per transaction.

	2004-05	2005-06
EDS	$8,516,023	$8,996,557
STO	$761,464	$856,063
SCO	$4,081,250	$4,306,000
CIN Transaction	$7,837	$8,307
Total Costs	$13,666,574	$14,166,927

METHODOLOGY:

The estimate is computed by summing the EDS, STO, SCO and CIN data and transaction fee costs. The total cost is split between the Personal Care Services Program (PCSP) and the Residual Program based on percentages to total caseload.

FUNDING:

- In the PCSP Program, the federal Title XIX reimbursement represents 50 percent of the total funding in the current and budget year. The nonfederal share is split 70 percent state and 30 percent county.
- In the Residual Program, the state share is 70 percent of the total, and the county share is 30 percent.

CHANGE FROM PRIOR SUBVENTION:

This premise has been updated for expenditure information.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the current year reflects STO costs due to an increased number of warrants and a revised per item cost of $.07277. The budget year increases are attributed to an increased number of warrants processed by the SCO and STO, and an increase in STO's per item cost to $.07640.

Case Management Information and Payrolling System (CMIPS) and Associated Costs

EXPENDITURES:

(in 000's)

PCSP	2004-05 Grant	2005-06 Grant
Total	$10,988	$11,646
Federal	0	0
State	3,846	4,076
County	1,648	1,747
Reimbursements	5,494	5,823

Residual Program	2004-05 Grant	2005-06 Grant
Total	$2,378	$2,520
Federal	0	0
State	1,665	1,764
County	713	756
Reimbursements	0	0

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Case Management Information and Payrolling System (CMIPS) Enhancements to Support a Federal Waiver and Quality Assurance (QA)

DESCRIPTION:

This premise reflects the funding required for several CMIPS enhancements needed to meet the documentation and data collection and reporting requirements of the In-Home Supportive Services (IHSS) QA Initiative and the California Independence Plus waiver program. The enhancements include a new interface with the California Medicaid Management Information System to identify fraudulent activities, as well as provision of statewide registry and enrollment data for eligible IHSS Plus waiver recipients.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12317 [Chapter 229, Statutes of 2004 (Senate Bill 1104)].
- Electronic Data Systems programming cost per hour is $86.50.
- CMIPS enhancements for the QA Initiative require 10,400 hours of programming.
- CMIPS enhancements for the California Independence Plus waiver program require 4,050 hours of programming.

METHODOLOGY:

The estimate is computed by summing the programming costs for the IHSS QA Initiative and the California Independence Plus waiver program.

FUNDING:

- In the Personal Care Service Program, the federal Title XIX reimbursement represents 50 percent of the total funding in the current and budget year. The nonfederal share is split 35 percent state and 15 percent county.
- In the Residual Program, the state share is 70 percent of the total, and the county share is 30 percent. The shift of 50 percent of the funding to federal Title XIX is shown in the Waiver for Residual Program premise.

CHANGE FROM PRIOR SUBVENTION:

This premise is amended to attribute expenditures to both current and budget year.

REASON FOR YEAR-TO-YEAR CHANGE:

The timeline for completing the required enhancements has been extended to include Fiscal Year 2005-06.

Case Management Information and Payrolling System (CMIPS) Enhancements to Support a Federal Waiver and Quality Assurance (QA)

EXPENDITURES:

(in 000's)

PCSP	2004-05	2005-06
Total	$148	$592
Federal	0	0
State	52	207
County	22	89
Reimbursements	74	296

Residual Program	2004-05	2005-06
Total	$102	$408
Federal	0	0
State	71	286
County	31	122
Reimbursements	0	0

Case Management Information and Payrolling System (CMIPS) II Contract Procurement

DESCRIPTION:

This premise reflects the costs for contracting with the State of California Health and Human Services Data Center (HHSDC) in Fiscal Year (FY) 2004-05 and the Office of Systems Integration (OSI) in FY 2005-06 for development, support, and implementation of a new and enhanced In-Home Supportive Services (IHSS) Case Management Information and Payrolling System (CMIPS). 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, 2000.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 12302.2.

METHODOLOGY:

The estimated costs are detailed in the May 2004 Planning Advance Planning Document Update.

FUNDING:

- In the Personal Care Services Program (PCSP), the Title XIX Federal Medical Assistance Percentage rate is 50 percent.
- The nonfederal share is funded 100 percent State General Fund (GF).
- In the Residual Program, the funding is 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

The FY 2005-06 budget reflects a reduction in funding due to delays in completing planning and procurement activities.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects an increase in projected costs for HHSDC-OSI to extend the planning phase through October 2005 and begin the implementation phase FY 2005-06. Nine additional consultant positions will be added May 2006 to assist with the implementation ramp-up activities.

Case Management Information and Payrolling System (CMIPS) II Contract Procurement

EXPENDITURES:

(in 000's)

PCSP	2004-05	2005-06
	County Admin.	County Admin.
Total	$1,693	$13,215
Federal	0	0
State	847	6,608
County	0	0
Reimbursements	846	6,607

Residual Program	2004-05	2005-06
	County Admin.	County Admin.
Total	$3	$26
Federal	0	0
State	3	26
County	0	0
Reimbursements	0	0

CDSS/HHSDC-OSI PARTNERSHIP:

(in 000's)	2004-05	2005-06
Total	$1,696	$13,241
CDSS	74	43
HHSDC-OSI	1,622	13,198

Income Eligible Shift
Share of Cost (SOC) Buyout

DESCRIPTION:

This premise reflects the cost for the State to buy down the In-Home Supportive Services (IHSS) income-eligible recipients' SOC from the Supplemental Security Income/State Supplementary Payment (SSI/SSP) SOC level to the Medi-Cal SOC level. This premise applies to those recipients who receive services under the Personal Care Services Program (PCSP) and the IHSS Plus Waiver program who would otherwise be required to pay the higher Medi-Cal SOC.

IMPLEMENTATION DATE:

This premise implemented on April 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12305.1 and 14132.95.
- The average monthly SOC caseload is 8,029 in budget year.
- The breakout for the SOC caseload between individuals (80.4 percent) and couples (19.6 percent) is assumed to be the same as the breakout in SSI/SSP.

METHODOLOGY:

- The SOC buyout rates are computed by subtracting the monthly Medi-Cal rate from the monthly SSI/SSP rate.
- The estimated cost is computed by multiplying the caseload for income-eligible individuals and couples by the applicable SOC buyout rates and multiplying the total buyout costs by the federal medical assistance payment rate of 50 percent to determine the federal share.

	Medi-Cal	April 2005 Rates		Jan 2006 Rates	
MONTHLY RATES	**Rates**	**SSI/SSP**	**DIFF**	**SSI/SSP**	**DIFF**
Individuals Rate	$ 600.00	$ 812.00	$ 212.00	$ 812.00	$ 212.00
Couples Rate	$ 934.00	$ 1,437.00	$ 503.00	$ 1,437.00	$ 503.00
Couple Member Difference			$ 251.50		$ 251.50

CHANGE FROM PRIOR SUBVENTION:

Add the SOC buyout in Budget Year.

Income Eligible Shift
Share of Cost (SOC) Buyout

REASON FOR YEAR-TO-YEAR CHANGE:

Recipients who receive PCSP or IHSS Plus waiver services must have a Medi-Cal eligibility determination. Therefore, some recipients who currently do not have an IHSS SOC may have their SOC increased using the Medi-Cal standards. In keeping with the intent of AB 2779 and to ensure that recipients impacted under the IHSS Plus waiver or who now qualify for the PCSP program are not financially disadvantaged, this premise is re-funded for budget year.

EXPENDITURES:

(in 000's)

PCSP	2004-05	2005-06
Total	$0	$10,586
Federal	0	0
State	0	10,586
County	0	0
Reimbursements	0	0

Public Authority Services (Wages and Benefits)

DESCRIPTION:

This premise reflects the costs of participating in increased Public Authority (PA) wages and benefits pursuant to Welfare and Institutions Code (WIC) Section 12306.1. This statute provides that the State will share in up to a $1.00 increase in each of several years if the Department of Finance determines that specific revenue targets will be met. For Fiscal Year (FY) 2004-05, the State participates in PA provider wages up to $9.50 and individual health benefits up to $0.60 per hour, but there was no increase over FY 2003-04, and no increase in wage or benefit levels is anticipated for FY 2005-06. For subsequent years, the State will participate in total wages and individual health benefits up to $12.10 per hour, not to exceed a $1.00 per hour increase in any FY, provided that the May Revise forecast of State General Fund (GF) revenue exceeds by at least five percent the most current estimate of revenues, excluding transfers.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: WIC sections 12301.6 and 12306.1.
- In the current year, the State participates in wages and health benefits up to $9.50 and $0.60 per hour, respectively.
- In the budget year, it is assumed that the State will not participate in wages and health benefits above $9.50 and $0.60 per hour, respectively.

METHODOLOGY:

The estimated cost is computed by multiplying the casemonths by the average hours per case and the increase in wages and benefits pursuant to WIC Section 12306.1.

FUNDING:

Since this premise only reflects the costs of the increases in the state participation rate, costs are 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Public Authority Services (Wages and Benefits)

EXPENDITURES:
(in 000's)

PCSP	2004-05 Grant	2005-06 Grant
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Residual Program	2004-05 Grant	2005-06 Grant
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Public Authority Administration

DESCRIPTION:

This premise reflects the Public Authority (PA) administrative costs. Senate Bill 1780 (Chapter 206, Statutes of 1996) defined the make-up and functions of PAs. A county board of supervisors may elect to establish a PA to provide for the delivery of In-Home Supportive Services (IHSS). PAs are separate entities from the county in which they operate. Employees of the PA shall not be employees of the county for any reason. PAs are the employer of IHSS providers for the purposes of collective bargaining over wages, hours, and other terms of employment. However, IHSS recipients retain the right to hire, fire, and supervise the work of any IHSS worker providing services to them.

A PA shall provide, but is not limited to, the following functions:

- The provision of assistance to recipients in finding IHSS providers through the establishment of a registry;
- The investigation of the qualifications and background of potential providers;
- The establishment of a referral system under which IHSS providers shall be referred to recipients;
- The provision of training for providers and recipients; and,
- Other functions related to the delivery of IHSS.

The PA rate includes the hourly costs for wages, employer taxes, benefits, and administrative costs. The PA rate cannot exceed 200 percent of the current minimum wage in order to qualify for federal financial participation. 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 Services (CDHS) for final approval. After CDHS approves the rate, the PA can claim its costs.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 12301.

METHODOLOGY:

The estimated cost is computed by multiplying the casemonths by the average hours per case by the administrative hourly rates for each PA.

Public Authority Administration

FUNDING:

- In the Personal Care Services Program (PCSP), the Title XIX Federal Medical Assistance Percentage rate is 50 percent.
- The nonfederal share is split 65 percent state and 35 percent county.
- In the Residual Program, the State share is 65 percent of the total, and the county share is 35 percent.

CHANGE FROM PRIOR SUBVENTION:

The current estimate has been updated to incorporate the most current PA administrative rate information.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects the addition of Stanislaus County as a public authority.

EXPENDITURES:

(in 000's)

PCSP	2004-05 Grant	2005-06 Grant
Total	$34,904	$37,978
Federal	0	0
State	11,344	12,343
County	0	0
Reimbursements	23,560	25,635

Residual Program	2004-05 Grant	2005-06 Grant
Total	$9,974	$10,791
Federal	0	0
State	6,483	7,014
County	0	0
Reimbursements	3,491	3,777

PCSP Three-Month Retroactive Benefits

DESCRIPTION:

This premise reflects the costs in the Personal Care Services Program (PCSP), associated with implementing a Medi-Cal rule that provides reimbursement for eligible In-Home Supportive Services (IHSS) Personal Care services rendered up to three months prior to application.

IMPLEMENTATION DATE:

This premise will implement on January 1, 2005.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Budget Act of 2004.
- Based on the number of approvals in July through December 2004, 1.68 percent of cases each month will be new applicants.
- Based on Medi-Cal data from April 2003, it was assumed that 0.465 percent of all applicants would be eligible for at least one month of retroactive benefits for the period prior to the month of application. It was also assumed that on average the applicants would receive 1.16 months of retroactive benefits.
- In addition, it was assumed that double the number of applicants would be eligible to receive a retroactive benefit for a portion of the month in which they applied. The average period of retroactive benefit was assumed to be two weeks.
- The administrative cost of processing the retroactive payments is assumed to require 1.5 additional hours.

METHODOLOGY:

The number of cases to receive retroactive benefits was derived using the percentage of new cases and the percentage of cases that receive retroactive benefits.

Estimated costs for benefits were based on the number of retroactive cases, the average monthly cost per case and the assumption that each case would receive either two weeks or 1.16 months of retroactive benefits.

Estimated costs for administration were based on the estimated number of cases, a cost per hour of $60.55 and the assumption that each case eligible for retroactive benefits would require 1.5 hours of additional time.

PCSP Three-Month Retroactive Benefits

FUNDING:

- In the PCSP, the Title XIX Federal Medical Assistance Percentage rate is 50 percent.
- The nonfederal share is split 65 percent state and 35 percent county. The county share of costs is reflected as a reimbursement, consistent with actual cash flow.
- The nonfederal State and county sharing ratios for administrative costs are 70 percent and 30 percent, respectively.

CHANGE FROM PRIOR SUBVENTION:

The estimate has been updated to reflect the percent of new case approvals and current caseload information.

REASON FOR YEAR-TO-YEAR CHANGE:

Full year costs for benefits are reflected in the budget year and the administrative activities are assumed to be performed by a Medi-Cal eligibility worker rather than an IHSS worker in Fiscal Year 2005-06.

EXPENDITURES:

(in 000's)

PCSP	2004-05 Grant	2005-06 Grant
Total	$224	$489
Federal	0	0
State	73	159
County	0	0
Reimbursements	151	330

RESIDUAL	2004-05 Grant	2005-06 Grant
Total	$54	$112
Federal	0	0
State	35	73
County	0	0
Reimbursements	19	39

PCSP Three-Month Retroactive Benefits

EXPENDITURES (continued):
(in 000's)

ADMINISTRATION	2004-05 Admin.	2005-06 Admin.
Total	$100	$0
Federal	0	0
State	35	0
County	15	0
Reimbursements	50	0

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Roll Back Wages to the June 30, 2004 Level

DESCRIPTION:

This premise reflects the savings from limiting the State's participation in the costs of In Home Supportive Services (IHSS) wages and benefits to the wage and benefit levels in effect as of June 2004.

Sixteen counties negotiated contracts which increased IHSS service providers' wages and benefits in Fiscal Year 2004-05. Under this proposal, the state would not participate in these unbudgeted rate increases in Fiscal Year 2005-06.

Under current law, IHSS/Personal Care Services Program (PCSP) providers may organize and collectively bargain for wages and individual health benefits on a county-by-county basis. In the current year, State law provides that the State will share in up to $10.10 per hour for IHSS provider wages and health benefits in the counties that have an IHSS Public Authority (PA) or Non-Profit Consortium (NPC). In subsequent years, if statutorily specified State revenue triggers are met, this amount can grow in two $1.00 annual increments to a $12.10 maximum. For the counties that have neither a PA nor NPC, the law provides for the State to share in the cost of wages only up to the State minimum wage plus 5.31 percent ($7.11/hr) with no State share in health benefits.

These provisions of current law will be repealed and the State will only share in the costs of wages and benefits through the June 2004 levels. The reduction will occur on July 1, 2005.

IMPLEMENTATION DATE:

This premise will be implemented on July 1, 2005.

KEY DATA/ASSUMPTIONS:

- Statutory changes will be made prior to the reduction in state share of costs.
- It was assumed that wages would be reduced to the June 30, 2004 level as of July 1, 2005.

METHODOLOGY:

- Savings are based on the difference between the current Individual Provider wage and benefits in each county and the wage and benefit levels in effect as of June 30, 2004.
- The statewide savings reflect the estimated caseload and hours in each of the sixteen counties which approved increases in 2004-05.

FUNDING:

- The Title XIX federal sharing ratio is based on the Federal Medical Assistance Percentage rate of 50 percent.
- The nonfederal share is split 65 percent state and 35 percent county. The county share of costs is reflected as a reimbursement, consistent with actual cash flow.

Roll Back Wages to the June 30, 2004 Level

CHANGE FROM PRIOR SUBVENTION:

This premise is updated to include the most current wage and caseload information.

REASON FOR YEAR-TO-YEAR CHANGE:

The implementation date is July 1, 2005.

EXPENDITURES:

(in 000's)

PCSP	2004-05 Grant	2005-06 Grant
Total	$0	-$137,578
Federal	0	0
State	0	-42,562
County	0	0
Reimbursements	0	-95,016

Residual	2004-05 Grant	2005-06 Grant
Total	$0	-$28,724
Federal	0	0
State	0	-8,949
County	0	0
Reimbursements	0	-19,775

Reduce State Participation to the Minimum Wage

DESCRIPTION:

This premise reflects the savings from reducing the State's participation in the costs of In-Home Supportive Services (IHSS) wages and benefits to the minimum wage, currently $6.75 per hour.

Under current law, IHSS/Personal Care Services Program (PCSP) providers may organize and collectively bargain for wages and individual health benefits on a county-by-county basis. In the current year, State law provides that the State will share in up to $10.10 per hour for IHSS provider wages and health benefits in the counties that have an IHSS Public Authority (PA) or Non-Profit Consortium (NPC). In subsequent years, if statutorily specified State revenue triggers are met, this amount can grow in two $1.00 annual increments to a $12.10 maximum. For the counties that have neither a PA nor an NPC, the law provides for the State to share in the cost of wages only up to the State minimum wage plus 5.31 percent ($7.11/hour) with no State share in health benefits. For the counties that have a Contract Mode, current statute provides for state participation in the costs up to maximum allowable contract rate (MACR). These provisions of current law will be repealed and the State will only share in the costs of wages at the minimal wage. The reduction will occur on October 1, 2005.

IMPLEMENTATION DATE:

This premise will be implemented on October 1, 2005.

KEY DATA/ASSUMPTIONS:

- Statutory changes will be made prior to the reduction in the State share of costs.
- The State minimum wage is currently $6.75 per hour.
- It was assumed that wages would be reduced to the June 2004 level as of July 1, 2005.
- It was assumed that implementation could begin on October 1, 2005.

METHODOLOGY:

- Savings are based on the difference between the current Individual Provider wage and benefits in each county and the minimum wage.
- The statewide savings reflect the estimated caseload and hours in each county.
- The savings from the reduction of wages to the June 2004 levels was deducted from the total minimum wage savings to estimate the additional impact of this proposal.

FUNDING:

- The Title XIX federal sharing ratio is based on the Federal Medical Assistance Percentage rate of 50 percent.
- The nonfederal share is split 65 percent state and 35 percent county. The county share of costs is reflected as a reimbursement, consistent with actual cash flow.

Reduce State Participation to the Minimum Wage

CHANGE FROM PRIOR SUBVENTION:

This premise is updated to reflect current wage and caseload information.

REASON FOR YEAR-TO-YEAR CHANGE:

The implementation date is October 1, 2005.

EXPENDITURES:

(in 000's)

PCSP	2004-05 Grant	2005-06 Grant
Total	$0	-$437,038
Federal	0	0
State	0	-131,653
County	0	0
Reimbursements	0	-305,385

Residual	2004-05 Grant	2005-06 Grant
Total	$0	-$98,894
Federal	0	0
State	0	-30,571
County	0	0
Reimbursements	0	-68,323

Waiver Personal Care Services

DESCRIPTION:

This premise, formerly called Extended Personal Care Services (Assembly Bill (AB) 668), reflects the costs for Personal Care Services that are provided above a recipient's assessed limit in the In-Home Supportive Services/Personal Care Services Program (IHSS/PCSP).

AB 668 (Chapter 896, Statutes of 1998) provided for additional hours on behalf of eligible PCSP recipients if they needed more than the 283 monthly hours allowed under IHSS and qualified for the Medi-Cal Skilled Nursing Facility Level of Care (SNFLOC) home and community based services waiver program. The SNFLOC waiver program was approved by the Health Care Financing Administration effective July 1, 1999.

The Centers for Medicare and Medicaid Services (CMS) has since renewed the nursing facility waiver, which now includes A and B levels of care (NF A/B). Approval has also been received for a new waiver for adult and pediatric subacute (NF Subacute) levels of care. "Waiver Personal Care Services" has been redefined in these two waivers to include services that differ from those in the State Plan and which allow beneficiaries to remain at home. Although there will no longer be a requirement that waiver consumers receive the maximum of 283 hours of State Plan Personal Care Services (SPPCS) prior to receiving waiver personal care services, waiver consumers must be receiving some SPPCS. Waiver personal care services will be one option on a menu of services that waiver participants may choose from, to the extent that waiver cost neutrality is assured. These services will be provided through the counties' IHSS programs and will be paid via an interagency agreement with the California Department of Social Services, or will be provided by home health agencies.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 14132.97.
- The NF A/B average monthly caseload is assumed to be 294 in the current year, and 421 in the budget year. The NF Subacute average monthly caseload is assumed to be 118 in the current year, and 164 in the budget year.
- The NF A/B average monthly hours of service per case are 172 in the current year, and 158 in the budget year. The NF Subacute average monthly hours of service per case are 314 in the current year, and 309 in the budget year.
- The cost per hour is assumed at $9.00.

METHODOLOGY:

The estimated cost is computed by multiplying the caseload by the average hours per case by the cost per hour by twelve months.

Waiver Personal Care Services

FUNDING:

The Title XIX Federal Medical Assistance Percentage rate is 50 percent. The nonfederal share of the service costs is reimbursed 100 percent by the Department of Health Services.

CHANGE FROM PRIOR SUBVENTION:

The estimate was updated to include the most recent actuals.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects projected caseload growth and increased projected hours of service.

EXPENDITURES:

(in 000’s)

PCSP	2004-05 Grant	2005-06 Grant
Total	$9,343	$12,529
Federal	0	0
State	0	0
County	0	0
Reimbursements	9,343	12,529

IHSS Quality Assurance

DESCRIPTION:

This premise reflects the savings from the implementation of a Quality Assurance (QA) program that will reduce the costs of the In-Home Supportive Services (IHSS) Program by improving the quality of service need assessments and authorizations. The department proposes to (1) require and support quality assurance functions in each county, (2) increase state resources for monitoring and supporting county QA functions, (3) provide standardized assessment training for county IHSS workers, and (4) provide periodic written notices to providers that remind them of their legal obligations to submit accurate timesheets.

IMPLEMENTATION DATE:

This premise will be implemented on December 1, 2004.

KEY DATA/ASSUMPTIONS:

- County QA staff and the additional IHSS workers will be hired on December 1, 2004.
- Training for county workers will begin in March 2005 and one-half of the current county workers will complete the training during Fiscal Year (FY) 2005-06.
- The average hours for new cases or cases reassessed after the county workers have completed the training will be reduced by ten percent due to the use of uniform assessment guidelines.
- Hiring additional IHSS workers will reduce workers caseloads. The reduced workloads will result in a one percent reduction of costs statewide from improved assessments, better documentation and explanation of case decisions.
- There will also be a one percent reduction in costs as a result of actions taken by county QA workers and a one percent reduction in costs due to new fraud activities.
- Twelve percent of cases will have conditions which will be expected to improve and will be flagged for reassessments prior to the annual review. There will be an average of three percent reduction in hours for those cases that are reassessed.

METHODOLOGY:

COSTS

County Staff

- It is assumed that 110 County QA Staff and 110 IHSS workers will be needed.
- The annual Social Worker (SW) cost is assumed to be $129,083.
- The estimated current year county assurance staff costs are $18.9 million [$6.8 million General (GF)]. It was assumed that the workers would be hired in December 2004. The estimated budget year costs are $28.4 million ($10.2 million GF).

State level training for SWs

- Both the initial training and the refresher course will require 4.5 days.

IHSS Quality Assurance

METHODOLOGY (continued):

State level training for SWs

- 1,345 county workers will attend training in FY 2005-06.
- Hourly costs are assumed to be $48.07 per hour.
- During the first year, there will be an additional $200,000 cost for curriculum development.
- Total estimated costs for FY 2004-05 will be $2.2 million ($0.7 million GF) and the total estimated costs for FY 2005-06 will be $4.2 million ($1.5 million GF).

SAVINGS

Reduced hours due to the use of uniform assessment guidelines

- It is assumed that the average hours for new cases and cases reassessed after the county workers have completed training will be reduced by ten percent due to the use of uniform assessment guidelines.
- Savings will be phased in as county workers who have completed the training assess new cases or complete reassessments.
- Savings for FY 2004-05 are estimated to be $2.3 million ($0.7 million GF) for FY 2004-05 and $108 million ($35 million GF).

Other savings

Savings which will result from the hiring of additional staff, earlier reassessments and fraud activities are expected to begin in March 2005.

The percentage of anticipated savings was applied to the sum of the estimated Basic Costs and the two premises which would reduce wages for the PCSP and Residual programs to determine the amount of savings.

Savings for the each of the one percent reductions for the additional QA staff, the additional IHSS workers and the fraud activates will be $11.1 million ($3.6 million GF) in FY 2004-05 and $29.3 million ($9.5 million GF) in FY 2005-06.

Savings for the earlier reassessments of recipients whose conditions are expected to improve will be $4.0 million ($1.3 million GF) in FY 2004-05 and $10.5million ($3.4million in GF) in FY 2005-06.

FUNDING:

- The Title XIX reimbursement rate is 50 percent.
- The nonfederal share is split 65 percent State and 35 percent county. The county share of costs is reflected as a reimbursement, consistent with actual cash flow.
- In administration, the Title XIX reimbursement rate is consistent with the IHSS Administration-Basic Costs rate of 48.77 percent. The State and county sharing ratios are 70 percent and 30 percent, respectively, of the nonfederal share.

IHSS Quality Assurance

CHANGE FROM PRIOR SUBVENTION:

This estimate was updated to reflect current wage and caseload information.

REASON FOR YEAR-TO-YEAR CHANGE:

The current and budget year decreases reflect adjustments to the projected caseload and casemonths. Also, for BY the estimated Title XIX reimbursement percentage for administration is updated.

EXPENDITURES:

(in 000's)

PCSP	2004-05	2005-06
Total	-$32,206	-$170,006
Federal	0	0
State	-$10,467	-55,252
County	0	0
Reimbursements	-$21,739	-114,754

Residual	2004-05	2005-06
Total	-$7,501	-$36,468
Federal	0	0
State	-2,438	-11,852
County	0	0
Reimbursements	-5,063	-24,616

Administration	2004-05	2005-06
Total	$21,157	$32,602
Federal	0	0
State	7,539	11,691
County	3,338	5,011
Reimbursements	10,280	15,900

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Tyler v. Anderson Settlement and Implementation

DESCRIPTION:
This premise reflects court settlement and implementation costs associated with the Tyler v. Anderson lawsuit. The Tyler v. Anderson lawsuit was the result of misinterpreting the range-of-motion services coverage under the In-Home Supportive Services (IHSS) Program. As a result, some counties authorized range-of-motion services, while other counties did not. Range of motion became a covered service with the implementation of the Personal Care Services Program (PCSP) in 1993. The plaintiffs who were denied those services sued for retroactive payment. The lawsuit was settled on January 22, 1999.

KEY DATA/ASSUMPTIONS:
- The retroactive payments are for Fiscal Years (FYs) 1990-91, 1991-92, and 1992-93.
- The range-of-motion services were classified as either rubbing-of-skin services or paramedical services.
- The minimum wage in effect during the period covered by Tyler v. Anderson was $4.25 per hour.
- This estimate uses a tax-to-wages ratio of 9.79 percent.
- The initial estimate assumed that 482,000 notices would be mailed out to potentially eligible claimants. This represents the number of recipients who received IHSS and the number of IHSS service providers for FYs 1990-91, 1991-92, and 1992-93.
- The current year (CY) estimate includes costs associated with the re-mailing of 73,438 notices returned as undeliverable during the initial mailing.
- The administrative costs associated with this premise are included in the "IHSS Court Cases" premise.

METHODOLOGY:
Anticipated payments resulting from claims in the CY total $400,000. These costs reflect only payments for claims that were received too late to process in the prior year.

FUNDING:
The CY costs associated with this premise are paid with State General Fund.

CHANGE FROM PRIOR SUBVENTION:
There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:
All costs will be paid in the CY.

Tyler v. Anderson Settlement and Implementation

EXPENDITURES:
(in 000's)

	2004-05	2005-06
Total	$400	$0
Federal	0	0
State	400	0
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 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 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; and,
5. Securing referral or admission for institutional care when other forms of care are not appropriate or providing services to individuals in institutions.

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

- IHSS Residual Program (goals 3 and 4);
- Foster Care services (goal 3);
- Child Welfare Services (CWS) (goals 3 and 4);
- Deaf Access Program (goals 1 and 2); and,
- Community Care Licensing (CCL) (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 to supplant the State share without affecting county funds.
- It is assumed that State statute will be amended to permit Title XX funds to be used in Foster Care to supplant State share without affecting county funds.
- The Title XX funding awarded to California was $205.8 million for Federal Fiscal Year (FFY) 2004, $206.2 million for FFY 2005, and is estimated to be $206.2 million for FFY 2006. An additional $85.6 million in TANF grant dollars will be transferred to Title XX in FY 2004-05, and $192.6 million in FY 2005-06.
- The FFY awards are adjusted to conform to FY funding needs.

Title XX Funding

METHODOLOGY:

- In FY 2005-06, $55.1 million in TANF grant dollars will be transferred into the Title XX Block Grant to fund services for children residing in group homes.
- In FY 2004-05, $147.9 million in Title XX funds are being shifted to the Department of Developmental Services (DDS) for CWS. In addition, $65.6 million in TANF funds are being transferred to Title XX to supplant a portion of the State share of CWS eligible expenditures in the California Department of Social Services (CDSS). For FY 2005-06, $147.9 million in Title XX funds are being shifted to DDS. In addition, $104.8 million in TANF funds are being transferred to Title XX for the following purposes: $61.5 million to supplant the State share of CWS eligible expenditures, and $56.0 million to be added to the Title XX funds shifted to DDS.
- In the Deaf Access Program, $3.2 million Title XX funds will reduce State General Fund (GF) in an otherwise 100 percent GF program.
- In CCL, $2.0 million Title XX funds will be used for non-Title IV-E claimable costs.
- In State Support, $53.2 million Title XX funds will be used in CCL.
- In the current year and budget year, $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 (CDE) child care programs, in order to broaden access to Child and Adult Care Food Program (CACFP) benefits for low-income children in proprietary child care centers.

FUNDING:

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

CHANGE FROM PRIOR SUBVENTION:

A current year amount was added for the transfer of TANF grant dollars to the Title XX Block Grant to fund services for 9 months.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year growth reflects an increase in the TANF transfer to Title XX for foster care and CWS DDS.

Title XX Funding

EXPENDITURES:
(in 000's)

	2004-05 Grant	2005-06 Grant
Total Title XX	**$291,854**	**$398,864**
Title XX Grant	206,275	206,275
TANF Transfer In	85,579	192,589
Foster Care (Item 101)	$0	$0
Foster Care (Transfer from TANF)		
Federal	0	55,100
State	0	-55,100
CWS (Item 151)	$147,903	$203,903
CWS (Transfer to DDS)	$147,903	$203,903
CWS (Title XX Transfer to DDS)	$147,903	$147,903
Federal	147,903	147,903
State	0	0
CWS (Transfer from TANF)		
For Transfer to DDS		
Federal	0	56,000
State	0	0
For CWS		
Federal	65,579	61,489
State	-65,579	-61,489

Title XX Funding

EXPENDITURES (continued):

(in 000's)

	2004-05 Grant	2005-06 Grant
Deaf Access (Item 151)	$0	$0
Federal	3,200	3,200
State	-3,200	-3,200
CCL (Item 151)	$0	$0
Federal	2,019	2,019
State	-2,019	-2,019
CCL (State Support)	$0	$0
Federal	53,153	53,153
State	-53,153	-53,153
CalWORKs Child Care (Transfer from TANF)		
	$20,000	$20,000
Federal	20,000	20,000
State	0	0

Waiver Program/Medi-Cal State Plan Amendment for Residual

DESCRIPTION:

This premise reflects the savings associated with implementation of a federal Medicaid (Medi-Cal) Waiver and PCSP state plan amendments that allows In-Home Supportive Services (IHSS) Residual Program consumer services to qualify for federal Title XIX funds. The IHSS Program enables eligible individuals to remain safely in their own homes as an alternative to out-of-home care. Eligible IHSS recipients are aged, blind or disabled individuals who receive public assistance or have low incomes and can be cared for by a relative or nonrelative. In July 2004, the State received a five-year Independence Plus, Section 1115 Demonstration Waiver from the federal Centers for Medicare and Medicaid Services (CMS). This waiver will permit the State to provide in-home consumer directed services with federal funds to individuals historically served in the non-federal IHSS Residual Program. The individuals to be covered under the waiver include 1) recipients whose services are provided by a spouse or parent (if the recipient is a minor child), 2) recipients receiving advance cash payments, and 3) recipients with restaurant meal allowances. Residual cases not covered under the waiver, such as cases with protective supervision services where the providers are not parents or spouses, and domestic and related services only cases, will be covered under a Medi-Cal funded Personal Care Services Program. After the State Plan is amended and approved, the State can claim federal Title XIX funds for these eligible cases.

IMPLEMENTATION DATE:

The IHSS Plus Waiver is effective on August 1, 2004 and claiming under the state plan amendments will be permitted to cover the waiver and state plan costs retroactively for July and for a as yet undetermined period in FY 2003-04.

KEY DATA/ASSUMPTIONS:

Most Residual Program cases will become eligible for federal Title XIX funds under the IHSS Plus Waiver or the Medi-Cal State Plan amendments.

METHODOLOGY:

The savings are determined by computing a federal Medi-Cal share of cost for projected Residual Program expenditures with amended corresponding State and county shares.

Prior to calculating the savings, the estimate for the Basic costs was reduced by $929,485 ($604,165 State General Fund (GF)) for current year and $945,698 ($614.704 GF) for the budget year to adjust for an estimate of the number of cases which will be ineligible for services under the waiver.

Waiver Program/Medi-Cal State Plan Amendment for Residual

FUNDING:

- The Title XIX federal sharing ratio is based on the July 1, 2004 Federal Medical Assistance Percentage rate of 50 percent.
- The nonfederal share is split 65 percent state and 35 percent county. The county share of costs is reflected as a reimbursement, consistent with actual cash flow.
- The Title XIX funds are shown as a reimbursement from the California Department of Health Services.

CHANGE FROM PRIOR SUBVENTION:

Waiver costs reflect the total changes to the residual program. This premise is updated to reflect current wage and caseload information.

REASON FOR YEAR-TO-YEAR CHANGE:

Waiver costs reflect the total changes to the residual program.

EXPENDITURES:

(in 000's)

Residual Program	2004-05	2005-06
Total	$0	$0
Federal	0	0
State	-210,063	-223,904
County	-372	-439
Reimbursements	210,435	224,343

In-Home Supportive Services Administration – Basic Costs

DESCRIPTION:

This premise reflects the costs of administering the In-Home Supportive Services (IHSS) Program. Assembly Bill 1773 (Chapter 939, Statutes of 1992) required the California Department of Health Services to submit a Medicaid state plan amendment to the federal Health Care Financing Administration 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.

IMPLEMENTATION DATE:

The Title XIX eligible Personal Care Services Program was implemented in April of 1993.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12300 through 12314 and 14132.95.
- The social worker (SW) unit cost is held at $60.55 per hour in the current and budget years.
- The standard hours per case are 11.5 hours.
- The Supported Individual Provider (SIP) expenditures are assumed to increase with caseload growth. The estimated caseload growth is 6.6 percent in the budget year.
- The estimated Title XIX reimbursement percentage is 48.77 percent, based on actual expenditure information as reported on the county administrative expense claim for fiscal year 2004-05.

METHODOLOGY:

The estimated cost is computed by multiplying the caseload times the standard hours per case times the SW unit cost, plus the estimated SIP costs.

FUNDING:

- The State and county sharing ratios are 70 percent and 30 percent, respectively, of the nonfederal share.
- The Title XIX reimbursements are as follows:
  - (a) Costs incurred from activities to help Medi-Cal eligible adults are eligible for Title XIX reimbursements at either 75 percent or 50 percent, depending on the type of service provider; and,
  - (b) Costs incurred from non-health related activities are not eligible for Title XIX reimbursements.

In-Home Supportive Services Administration – Basic Costs

CHANGE FROM PRIOR SUBVENTION:

The estimate for budget year is updated to reflect current expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects adjustments to the projected caseload.

CASELOAD:

	2004-05	2005-06
Average Monthly Caseload	348,783	374,986

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$257,058	$268,926
Federal	0	0
State	92,515	96,444
County	39,638	41,333
Reimbursements	124,905	131,149

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.

AB 2235 (Chapter 1135, Statutes of 2002) further requires any county, not in compliance with the mandates of AB 1682 within a specified timeframe, to act as the employer of record 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, Lassen, Mariposa and Tuolumne counties will act as employer of record for both the current year and the budget year. Stanislaus County acted as employer of record through December 2004 and became a public authority January 1, 2005.
- The estimated Title XIX reimbursement percentage is 48.72 percent based on actual expenditure information as reported on the county administrative expense claim for Fiscal Year (FY) 2003-04.

METHODOLOGY:

The Current Year and Budget Year estimated cost is the sum of the projected annual costs for each county.

FUNDING:

The State and county sharing ratios are 70 percent and 30 percent, respectively, of the nonfederal share.

CHANGE FROM PRIOR SUBVENTION:

This premise is updated to reflect Stanislaus County as employer of record through December 2004.

County Employer of Record (AB 2235)

REASON FOR YEAR-TO-YEAR CHANGE:

Stanislaus County is now a public authority.

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$1,572	$954
Federal	0	0
State	566	343
County	242	147
Reimbursements	764	464

In-Home Supportive Services (IHSS) Program
Court Cases

DESCRIPTION:

This premise reflects the cost of court settlements and attorney fees relating to the IHSS Program. The costs result from settlement of lawsuits pertaining to local assistance in accordance with Budget Letter 98-22 and instructions from the Department of Finance.

KEY DATA/ASSUMPTIONS:

The estimate for settlement costs and attorney fees relating to court cases is based in part on actual payments for cases in the current year (CY), and the Legal Division's projection of costs that will be paid in both CY and budget year (BY).

METHODOLOGY:

The CY and BY estimates of costs reflect known and anticipated settlements and attorney fees relating to the IHSS Program and $40,000 for other court cases. These are state-only costs.

FUNDING:

IHSS costs for case settlement and attorney fees are funded with 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

This premise is updated for expenditure information.

REASON FOR YEAR-TO-YEAR CHANGE:

Court case expenditures may fluctuate from year to year.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$267	$227
Federal	0	0
State	267	227
County	0	0
Reimbursements	0	0

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In-Home Supportive Services - 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 act as or establish an employer-of-record for IHSS providers on or before January 1, 2003, and establish advisory committees for IHSS purposes. The advisory committees are to submit recommendations to the Board of Supervisors on the preferred mode of IHSS service to be utilized in the county.

IMPLEMENTATION DATE:

This premise implemented July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12300 through 12314.
- The estimate assumes the average annual cost for advisory committees is $52,974 per county.
- The estimate assumes that all counties have established and will operate advisory committees in the current and budget years.
- The estimated Title XIX reimbursement percentage is 47.00 percent in the current and budget year, based on actual expenditure information as reported on the county administrative expense claims for Fiscal Year 2003-04.

METHODOLOGY:

The estimated cost is computed by multiplying the average annual cost per county times 58 counties.

FUNDING:

The federal Title XIX reimbursement represents 47.00 percent of the total funding in the current and budget years. The remaining nonfederal share is funded with 100-percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

In-Home Supportive Services - Advisory Committees

EXPENDITURES:
(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$3,072	$3,072
Federal	0	0
State	1,628	1,628
County	0	0
Reimbursements	1,444	1,444

Title XIX Reimbursement – In-Home Supportive Services/CSBG/Child Welfare Services

DESCRIPTION:

This premise reflects the level of reimbursement associated with Title XIX eligible services. Federal financial participation (FFP) is 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 for Title XIX federal funding. Additionally, certain health-related (HR) activities in the Child Welfare Services (CWS) Program are also eligible for these funds.

The California Department of Social Services has coordinated with the Department of Health Services to establish the necessary claiming processes to identify the applicable FFP.

KEY DATA/ASSUMPTIONS:

IHSS

- Authorizing statute: Welfare and Institutions Code (W&IC) sections 12300 through 12317.2.
- The IHSS Personal Care Services Program (PCSP) is eligible for Title XIX funding at the Federal Medical Assistance Percentage (FMAP).
- The IHSS Program costs are eligible for the Title XIX funding at the enhanced administrative rate of 75 percent for the Skilled Professional Medical Personnel (SPMP) and the non-enhanced administrative rate of 50 percent for health-related costs.
- The Independence Plus Waiver for the Residual Program became effective August 1, 2004, and state plan amendments to the PCSP will permit claiming of the Residual Program expenditures retroactively to the date the waiver was submitted.

CWS

- Authorizing statute: W&IC section 16500.
- The CWS Program costs are eligible for the Title XIX funding at the enhanced administrative rate of 75 percent for the SPMP and the non-enhanced administrative rate of 50 percent for health-related costs.

CSBG/APS

Authorizing statute: W&IC sections 13004 through 13007 (CSBG) and sections 15703 through 15705.40 (APS).

METHODOLOGY:

IHSS PCSP/Residual Waiver

The Title XIX federal sharing ratio is based on the FMAP rate of 50 percent.

Title XIX Reimbursement – In-Home Supportive Services/CSBG/Child Welfare Services

METHODOLOGY (continued):

IHSS Administration

- HR activities performed in support of Medi-Cal eligible recipients are eligible for Title XIX reimbursement at 50 percent. These same activities, if performed by SPMP (those staff who have a health care license or certificate) are eligible for Title XIX Reimbursement at an enhanced rate of 75 percent.
- The federal share of actual expenditures for Fiscal Year (FY) 2003-04 (48.72 percent) was used in the current year (CY) and budget year (BY) estimates.

CWS

For FY 2004-05 and FY 2005-06, the Title XIX reimbursement was calculated using prior year actual expenditures.

CSBG/APS

- HR activities in support of Medi-Cal eligible recipients are eligible for Title XIX reimbursement at 50 percent. Activities performed by SPMP are eligible for Title XIX reimbursement at an enhanced rate of 75 percent.
- Costs in CY were held at the Appropriation and BY costs are based on FY 2003-04 actual expenditures.

CHANGE FROM PRIOR SUBVENTION:

The estimate has been updated to reflect current data.

REASON FOR YEAR-TO-YEAR CHANGE:

The change reflects changes in program costs.

EXPENDITURES:

(in 000's)	2004-05 Grant	2005-06 Grant
Title XIX Total	**$1,916,171**	**$1,648,633**
IHSS Services	**$1,685,600**	**$1,407,586**
PCSP	1,366,186	1,145,016
Waiver/State Plan Amendment	319,424	262,570
Total Health Related	**$230,571**	**$241,047**
IHSS Administration	137,443	148,957
CWS	49,406	48,482
CSBG	10,321	10,207
APS	33,401	33,401

Foster Care & NAFS Administrative Costs – Basic

DESCRIPTION:

This premise reflects the administrative costs and staff development costs for the Foster Care (FC) and Non-Assistance Food Stamps (NAFS) 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 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 foster care case. Recertification is also required on a biennial basis.

IMPLEMENTATION DATE:

This premise is an annual appropriation.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 14154.
- The FY 2003-04 base funding for FC Administrative Costs Basic was $90.1 million for FY 2004-05 and $86.1 million for FY 2005-06.
- The FC caseload growth projections for FY 2004-05 and FY 2005-06 are 1.2 percent and 0.7 percent, respectively.
- The AAP cost, $8.4 million, was based on FY 2003-04 actual expenditures for FY 2004-05 and $8.8 million, based on Calendar Year (CY) 2004 for FY 2005-06.
- Contract costs for FC are $143,000 for FY 2004-05 and FY 2005-06, based on FY 2003-04 actual expenditures.
- The FY 2003-04 base funding for NAFS Administrative Costs Basic was $401.1 million.
- For FY 2004-05, the NAFS Administrative Basic funding has been held to the November 2004 Governor's Budget.
- Effective October 2002, via the H.R. 2646 Farm Bill, all disabled legal noncitizens became eligible for the Federal Food Stamp Program; effective April 2003, all legal noncitizens who have lived in the United States for five years or more became eligible for the Federal Food Stamp Program; and, effective October 2003, all legal noncitizen children became eligible for the Federal Food Stamp Program. The NAFS administrative funding associated with the Farm Bill are now included in NAFS Basic.
- For FY 2005-06, the NAFS caseload growth projection is 4.2 percent.

Foster Care & NAFS Administrative Costs – Basic

KEY DATA/ASSUMPTIONS (continued):

- An estimated 591 new cases are expected to establish NAFS eligibility in the current year as a result of the Hmong Refugees who will be resettling in California. The first refugees arrived in July 2004 with additional arrivals expected through the end of February 2005. This results in an increased cost of $207,000 in FY 2004-05 and $162,000 in FY 2005-06.
- SAWS Development and Testing Interface costs for NAFS are $236,000 for FY 2004-05 and $294,000 for FY 2005-06, based on FY 2003-04 actual expenditures.
- The Mexican Consulate Outreach Program will increase the NAFS caseload due to an agreement between Food and Nutrition Services and the Mexican Embassy to outreach to Mexican immigrants possessing a green card and residing in California. Assuming a July 2005 implementation date and a phase-in of the cases, it is anticipated that by the end of the budget year 27,484 new NAFS cases will result from these outreach efforts.
- Contract costs for NAFS are $3.3 million for FY 2004-05 and FY 2005-06, based on FY 2003-04 actual expenditures.
- Staff development for NAFS, $6.3 million for FY 2004-05 and FY 2005-06 were based on FY 2003-04 actual expenditures and CY 2004 actual expenditures, respectively.
- Staff development for FC, $790,000 for FY 2004-05 were based on FY 2003-04 actual expenditures and $909,000 for FY 2005-06 were based on CY 2004 actual expenditures.
- The NAFS and FC estimates were adjusted due to a shift of administrative costs ($97,000 and $7,776, respectively) related to the MAGIC system in Merced County that were formerly in a separate premise line and are now included in basic.

METHODOLOGY:

The NAFS and FC basic funding were adjusted to reflect caseload growth and for NAFS, the impact of both the Hmong refugees and the Mexican Consulate Outreach Program. Staff development expenditures, the MAGIC system, and contract costs were added to both the NAFS and FC estimates. AAP administrative expenditures were also added to the FC estimate.

An adjustment to the methodology in calculating the FC base funding for FY 2005-06 has been made to account for the cases initially in FC that have been transferred into the Kin-GAP Program and are no longer in the FC caseload.

FUNDING:

FC & NAFS costs are shared 50 percent federal, 35 percent state, and 15 percent county.

Note: W&IC section 15204.4 requires maintenance of effort (MOE) from the counties based on expenditures during FY 1996-97, which include the administration of food stamps. Please reference the “County MOE Adjustment” premise.

Foster Care & NAFS Administrative Costs – Basic

CHANGE FROM PRIOR SUBVENTION:

For FC, in FY 2005-06, the adjustment to the base due to the impact of Kin-GAP has decreased the base funding from FY 2004-05. In addition, updated staff development and AAP actual expenditures have increased. For NAFS, in FY 2004-05, former premises Transitional Benefits, Vehicle Exclusion and Face to Face Interviews have now been included in the basic. In FY 2005-06 the estimated increase due to caseload growth is less than projected in the November Subvention and the new Mexican Consulate Outreach Program is now included.

REASON FOR YEAR-TO-YEAR CHANGE:

For FC the changes are due to the adjustment to the base funding to account for the impact of the Kin-GAP Program and the adjustment to the projected caseload growth. For NAFS, the changes are due to the addition of the new Mexican Consulate Outreach Program and the adjustment to the projected caseload growth.

EXPENDITURES:

(in 000's)

Foster Care	2004-05 County Admin.	2005-06 County Admin.
Total	$100,474	$96,544
Federal	50,436	48,501
State	36,279	35,094
County	13,759	12,949
Reimbursements	0	0

NAFS	2004-05 County Admin.	2005-06 County Admin.
Total	$453,626	$476,398
Federal	227,606	238,841
State	170,805	179,335
County	55,215	58,222
Reimbursements	0	0

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Financial Audits

DESCRIPTION:

This premise reflects the costs associated with providing financial assistance to group homes (GH) and foster family agencies (FFA) for conducting triennial financial audits. These payments are authorized under Senate Bill 933 (Chapter 311, Statutes of 1998).

In order to receive a foster care rate, all GH and FFA programs that provide treatment services are required to have a financial audit conducted on an annual or triennial basis. FFA treatment providers and GHs with a licensed capacity of 12 or less, which receive less than $300,000 in federal funds, are eligible for partial reimbursement of the costs of triennial financial audits. Federal law also requires FFA and GH providers with federal expenditures over $300,000 to conduct an annual audit under Office of Management and Budget Circular A-133 (OMB A-133) requirements. An OMB A-133 audit requires a financial review utilizing government auditing standards that encompasses GH and FFA internal accounting controls, program compliance, allowable activities and costs specific to the Title IV-E Foster Care Program.

IMPLEMENTATION DATE:

This premise became effective in Fiscal Year (FY) 2000-01. The change to audits being conducted on a triennial basis became effective FY 2002-03.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11466.21.
- An eligible provider may receive up to $2,500 reimbursement for audit costs, or one-half of the costs, whichever is less.
- The Department shall review and determine that the financial audit report meets specified requirements prior to approval of reimbursement.
- Effective in FY 2002-03, annual audit requirements for facilities with a licensed capacity of 12 or less that receive less than $300,000 federal funds per year were changed to a triennial basis.
- The number of Claims for reimbursement is projected to be 130 for FY 2004-05.
- Based on actual claims, the average reimbursement for a financial audit is $1,755.
- Facilities with a capacity of 12 or less that receive $300,000 or more in federal funds per year are still required under OMB A-133 to conduct annual audits but are not eligible for reimbursement.

METHODOLOGY:

The costs of providing financial assistance for conducting audits in FY 2004-05 is calculated by multiplying the number of eligible claims by the average reimbursement rate.

Financial Audits

FUNDING:
Reimbursements of financial audit claims are funded 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:
There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:
The funding for the program has been discontinued. (See Foster Care Reform Premise)

EXPENDITURES:

(in 000's)	2004-05	2005-06
	County Admin.	County Admin.
Total	$228	$0
Federal	0	0
State	228	0
County	0	0
Reimbursements	0	0

Foster Care Reforms

DESCRIPTION:

The California Department of Social Services is implementing several Foster Care Reforms that are expected to result in current year (CY) savings of $12.5 million and budget year (BY) savings of $10.6 million. These reforms are as follows:

- Eliminate supplemental group home and foster family agency (FFA) Financial Audit reimbursements -- As one part of a larger initiative to increase the accountability of foster care providers, and recognizing that audit costs are a standard and unavoidable cost of doing business, this discontinues the supplemental State reimbursement now available over and above the basic group home and FFA rates for group home and FFA audit costs. This will result in CY savings of approximately $.2 million General Fund (GF).
- Require only annual redeterminations of eligibility for Foster Care (FC) grants -- State regulations had required twice annual redeterminations of FC eligibility, but federal rules require only annual redeterminations. This changed state statute to require only annual FC eligibility redeterminations and will result in GF savings in CY of $4.3 and BY of $3.7 million.

IMPLEMENTATION DATE:

These premises implemented July 1, 2004.

KEY DATA/ASSUMPTIONS:

The level of federal financial participation (FFP) is based on the following Federal Medical Assistance Percentage (FMAP) rates:

Effective Dates	Rates
October 1, 2003	50.00%
October 1, 2004	50.00%
October 1, 2005	50.00%

METHODOLOGY:

- Eliminate supplemental group home and FFA audit reimbursements -- Savings are reflected in CY, but since program funding has been discontinued there are no BY savings.
- Annual redeterminations of eligibility for Foster Care grants -- The estimate assumes a 20 percent reduction in continuing caseload eligibility costs as a result of reducing the redetermination requirement from every 6 months to every 12 months.

Foster Care Reform

FUNDING:
Federal funding is provided by Title IV-E of the Social Security Act for cases meeting eligibility criteria, with the level of FFP based on the FMAP rate. Funding for the nonfederal share of federal program costs and for cases not meeting federal eligibility criteria is 40 percent GF and 60 percent county funds.

CHANGE FROM PRIOR SUBVENTION:
The current and budget year decrease in savings is due to lower caseload growth than projected in the Governor's Budget.

REASON FOR YEAR-TO-YEAR CHANGE:
Foster Care caseload for FY 2005-06 is slightly lower than was projected in the Governor's Budget, and there is no savings associated with the Foster Family Financial Audit Reimbursement.

ADMINISTRATIVE:

(in 000's)	2004-05	2005-06
Total	-$12,509	-$10,621
Federal	-6,141	-5,311
State	-4,526	-3,717
County	-1,842	-1,593
Reimbursements	0	0

Food Stamp Administrative Reduction

DESCRIPTION:

This premise reflects the reduction in federal reimbursement of California's food stamp administrative costs based on amounts charged to the former Aid to Families with Dependent Children (AFDC) Program that could have been allocated to the Food Stamps and Medi-Cal programs for common administrative costs. Section 501 of the Agriculture Research, Extension, and Education Reform Act of 1998 (Public Law (P.L.) 105-185) required states to determine such common administrative costs during the State's Temporary Assistance for Needy Families (TANF) Program base year, Federal Fiscal Year (FFY) 1995.

The TANF block grant, which replaced the AFDC Program, is based on the historical spending levels of the former program. With the elimination of the AFDC Program and the approval of revised public assistance cost allocation plans, the federal Office of Management and Budgets (OMB) cost principles applicable to the states (OMB Circular A-87) required that common costs be allocated to all benefiting programs. Consequently, California had to determine the amount of common costs attributable to eligibility determinations charged to AFDC that could have been allocated to the Food Stamp (FS) Program. In order to assist in this process, the federal Department of Health and Human Services (DHHS) issued a guide entitled, "Implementation of Cost Allocation Determinations under the Agriculture Research, Extension and Education Reform Act." This guide provided direction to the states in determining their AFDC total base year administrative expenditures. California reviewed the base year's cost allocation methodology and the administrative costs charged to the AFDC Program. The California Department of Social Services used a primary program cost allocation methodology rather than a benefiting program cost allocation methodology for the county administrative costs during the TANF block grant base year, FFY 1995. As a result, California received federal approval of its proposed reduction amount on January 15, 1999.

The amount attributable to food stamps is to be deducted from food stamps administrative claims. The provisions of P.L. 105-185 stipulate that states may not use TANF funds to pay for this reduction, nor does it provide for a decrease in the maintenance of effort expenditures under TANF.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: P.L. 105-185, section 501.
- Based on a review of quarterly federal financial reports submitted to DHHS during FFY 1995, the total federal share of common administrative expenditures was $280,097,927.
- Non-AFDC Program administrative costs and discrete AFDC costs, as defined in the guide, were identified in quarterly federal financial reports. These costs, as well as other allowable adjustments stipulated in the guide, totaled $59,412,705 and were deducted from the total federal share of common administrative expenditures.
- California's AFDC total base year administrative expenditure is $220,685,222.

Food Stamp Administrative Reduction

METHODOLOGY:

- California elected to use the optional formula described in the guide to determine the amount of the FS administrative reimbursement reduction. The optional formula is to multiply the AFDC total base year administrative expenditure by 80 percent and divide by three (for the three benefiting programs of AFDC, FS, and Medi-Cal).
- California's FS administrative reimbursement reduction is $58,849,393 ($220,685,222 x 0.80 ÷ 3).
- Assuming that the TANF block grant will be reauthorized at the same level, California will continue to reflect the reduction to the FS administrative claims.

FUNDING:

The cost is funded with 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$0	$0
Federal	-58,849	-58,849
State	58,849	58,849
County	0	0
Reimbursements	0	0

Food Stamp Sanction Settlement

DESCRIPTION:

This premise reflects legal costs associated with a sanction imposed on the State by the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) due to county quality control (QC) error rates being above the national averages for Federal Fiscal Year (FFY) 2001, FFY 2002, and FFY 2003. The Department and the FNS have negotiated a settlement agreement for these Food Stamp Sanction Liabilities (refer to the "Food Stamp Sanction Reinvestment" premise for more detailed information).

IMPLEMENTATION DATE:

The remaining legal costs for settling these liabilities are expected to be expended in Fiscal Year 2004-05 only.

KEY DATA/ASSUMPTIONS:

- The federal food stamp sanction is imposed pursuant to Title 7, Code of Federal Regulations, Section 275.23.
- The Department and the FNS have negotiated a settlement agreement for the Food Stamp Sanction Liabilities for FFY 2000, FFY 2001, and FFY 2002.

METHODOLOGY:

Funds are included for contract services to settle the liabilities for multiple FFYs.

FUNDING:

The contract services are funded 100 percent with State General Fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

No funds are necessary in the budget year.

Food Stamp Sanction Settlement

EXPENDITURES:
(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$100	$0
Federal	0	0
State	100	0
County	0	0
Reimbursements	0	0

Food Stamp Reinvestment

DESCRIPTION:

This premise reflects costs associated with a sanction imposed on the State by the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) due to county quality control (QC) error rates being above the national averages for federal fiscal year (FFY) 2001, FFY 2002, and FFY 2003. The Department and the FNS have negotiated a settlement agreement which would hold “at risk” a total of $62.5 million (or $12.5 million per year) in relation to California’s Food Stamp error rate over the period FFY 2003-07. The error rate target for this period is 7.4 percent. Reinvestment by the State or waiver by FNS, of all or a portion of $12.5 million each year shall be contingent upon the level of payment accuracy the State achieves during each year.

IMPLEMENTATION DATE:

Food Stamp sanction reinvestment activities are expected to begin in Fiscal Year (FY) 2005-06.

KEY DATA/ASSUMPTIONS:

- The federal food stamp sanction is imposed pursuant to Title 7, Code of Federal Regulations, and section 275.23.
- The State achieved a payment error rate of 7.96 percent in FFY 2003; therefore pursuant to the settlement agreement the State must reinvest $1,000,000 for program improvements by January 2006.
- All reinvestment expenditures shall be unmatched with federal funds and shall be in addition to the cost of the minimum program administration required by law and regulation.
- County expenditures on food stamp reinvestment activities are not countable towards their maintenance of effort requirement in the CalWORKs and Food Stamp programs.
- The California Department of Social Services Manual of Policies and Procedures, Division 15, Chapter 15-621, allows a portion of the Food Stamp sanction imposed on the State to be passed on to those Performance Sample Counties whose program payment error rate exceeded the federal tolerance level during the FFY for which the sanction was incurred.

METHODOLOGY:

The $1 million reinvestment activities for improving operations in the Food Stamp program will be shared 10.4 percent by the State and 89.6 percent by the county.

FUNDING:

Reinvestment activities are funded with 10.4 percent State General Fund and 89.6 percent county funds.

Food Stamp Reinvestment

CHANGE FROM PRIOR SUBVENTION:

No funding is needed in the FY 2004-05. Funding was shifted to FY 2005-06, since the reinvestment activities are expected to occur during FY 2005-06. The portion of the sanction to be passed on to the Performance Sample Counties whose error rate exceeded the federal tolerance level was updated resulting in a revision to the state and county shares.

REASON FOR YEAR-TO-YEAR CHANGE:

The reinvestment activities are expected to occur during FY 2005-06.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$0	$1,000
Federal	0	0
State	0	104
County	0	896
Reimbursements	0	0

Food Stamp Employment and Training Program

DESCRIPTION:

This premise reflects the costs for the Food Stamp Employment and Training (FSET) Program, which provides job search assistance, work experience and supportive services to eligible Non-Assistance Food Stamp Program recipients. This program was established under the Food Security Act of 1985 (Public Law (P.L.) 99-198). Employment and training opportunities enable recipients to become self-sufficient and reduce their need for food stamps. 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 United States Department of Agriculture Food and Nutrition Service (USDA-FNS) provides unmatched federal employment and training funding each year. The Food Stamp Reauthorization Act of 2002 (Public Law 107-171), signed into law on May 13, 2002, and effective October 1, 2002, made significant changes to the FSET 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 FSET 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 (ABAWDs) in qualifying FSET activities.

IMPLEMENTATION DATE:

This premise implemented on April 1, 1987.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18901.
- There are 25 counties participating in the FSET Program.
- The State Fiscal Year (SFY) 2004-05 costs for this program were held to the November 2004 Subvention.
- The SFY 2005-06 costs for this program were based on the local assistance costs identified in the FSET Program state plans approved for FFY 2004 and proposed for FFY 2005.

METHODOLOGY:

SFY 2005-06 represents 100 percent of the amount in the proposed FFY 2005 FSET Program state plan.

Food Stamp Employment and Training Program

FUNDING:

The costs in excess of the enhanced funding cap and for participant reimbursement are shared 50 percent federal and 50 percent county.[1]

2004-05: (in 000's)	**Total**	**Federal**	**State (cap)**	**County**
Enhanced Funds (100 percent)	$10,166	$10,166	$0	$0
Normal Funds [1]	$47,794	$23,897	$0	$23,897
Participant Reimbursement	$9,644	$4,822	$0	$4,822
Total	**$67,604**	**$38,885**	**$0**	**$28,719**

2005-06: (in 000's)	**Total**	**Federal**	**State (cap)**	**County**
Enhanced Funds (100 percent)	$9,544	$9,544	$0	$0
Normal Funds [1]	$48,416	$24,208	$0	$24,208
Participant Reimbursement	$9,644	$4,822	$0	$4,822
Total	**$67,604**	**$38,574**	**$0**	**$29,030**

[1] - Normal funds are used once costs exceed the enhanced funding cap and participant reimbursement costs.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The costs were updated to reflect federally approved and proposed funding levels.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$67,604	$67,604
Federal	38,885	38,574
State	0	0
County	28,719	29,030
Reimbursements	0	0

California Nutrition Promotion Network

DESCRIPTION:

This premise reflects the amount of federal matching funds that the California Department of Social Services (CDSS) passes through to the Department of Health Services (DHS). The California Nutrition Promotion Network is a statewide marketing campaign to promote healthy eating and physical activity among food stamp recipients. The Network is a collaborative effort among DHS, CDSS, California Department of Education, University of California Cooperative Extension, and private agencies. The California Nutrition Promotion Network partners with faith communities, local health departments, parks and recreation departments, and school districts. DHS is the lead agency administering the project. CDSS serves as the pass-through agency for the matching federal funds.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1996.

KEY DATA/ASSUMPTIONS:

- The budget approved by the Food and Nutrition Service (FNS) for Federal Fiscal Year (FFY) 2005 of $98,305,324 was used to estimate funding for the current year (CY).
- The budget year (BY) assumes continuation of the CY funding level.

METHODOLOGY:

- The CY estimate is based on the approved funding for FFY 2005.
- The BY estimate is based on the CY funding level.

FUNDING:

The pass-through consists of 100 percent FNS federal funds.

CHANGE FROM PRIOR SUBVENTION:

This premise reflects an adjustment to the amount approved by FNS for FFY 2005.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

California Nutrition Promotion Network

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$98,305	$98,305
Federal	98,305	98,305
State	0	0
County	0	0
Reimbursements	0	0

Food Stamp Nutrition Education Plan

DESCRIPTION:

This premise reflects the amount of federal matching funds that the California Department of Social Services (CDSS) passes through to the University of California Cooperative Extension (UCCE). Food stamp applicants and recipients will be provided nutrition education services in 41 counties by local university county extension offices. California's Food Stamp Nutrition Education Plan is a cooperative effort between CDSS and UCCE. CDSS serves as the pass-through agency for the matching federal funds.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1995.

KEY DATA/ASSUMPTIONS:

- The budget approved by the Food and Nutrition Service (FNS) for Federal Fiscal Year (FFY) 2005 of $5,467,438 was used to estimate funding for the current year (CY).
- The budget year (BY) assumes continuation of the CY funding level.

METHODOLOGY:

- The CY estimate is based on the approved funding for FFY 2005.
- The BY estimate is based on the CY funding level.

FUNDING:

The pass-through consists of 100 percent FNS federal funds.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Food Stamp Nutrition Education Plan

EXPENDITURES:
(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$5,467	$5,467
Federal	5,467	5,467
State	0	0
County	0	0
Reimbursements	0	0

Electronic Benefit Transfer Administrative Impact

DESCRIPTION:

This premise reflects the net impact to county administrative costs associated with eliminating the current Food Stamp (FS) delivery system and California Work Opportunity and Responsibility to Kids (CalWORKs) warrant issuance and delivery, and implementing new activities for the Statewide Electronic Benefit Transfer (EBT) Project. Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, mandates an EBT system for FS by October 2002. The Department has received a federal waiver to extend the October 2002 deadline for statewide EBT implementation.

Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) established the authority for a statewide EBT system to issue FS benefits and, at county option, the issuance of cash benefits. At this time, 54 counties have selected to use EBT for delivery of CalWORKs benefits. EBT uses debit card technology and retailer point-of-sale terminals to automate benefit authorization, delivery, redemption and financial settlement. This system will eliminate the need for FS coupons statewide and CalWORKs warrants in some counties. EBT also increases the assurance that benefit dollars are used appropriately and provides effective ways to reduce and prevent fraud and abuse. For the recipient, EBT increases security and safety while reducing the stigma associated with receiving public assistance.

IMPLEMENTATION DATE:

This premise implemented August 1, 2002.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10077 and 7 Code of Federal Regulations 274.12.
- The Non-Assistance Food Stamps (NAFS) Administration funding for Fiscal Year (FY) 2004-05 was held to the November 2004 Subvention Estimate.
- Although San Bernardino and San Diego counties have previously implemented automated FS issuance systems, they will be conforming to the statewide EBT system by May 2005.
- The FY 2003-04 CalWORKs actual caseload ratio for each county is applied to the May 2005 statewide CalWORKs caseload projection used for this estimate, to project each county's monthly and annual caseload.
- The calendar year 2004 FS caseload ratio for each county based on the FS Program Participation and Benefit Issuance Report, DFA 256, is applied to the November 2004 FS caseload projections to estimate each county's monthly and annual caseload in the budget year.
- Based on county survey data collected during March 2003, on average 5.54 percent of the CalWORKs cases will remain in the Direct Deposit system. Specific percentages from counties participating in Direct Deposit are used to adjust each county's EBT caseload. For counties that did not provide survey data, the average percentage was applied.

Electronic Benefits Transfer Administrative Impact

KEY DATA/ASSUMPTIONS (continued):

- The projected casemonths impacted by EBT are 4,563,412 for CalWORKs and 95,585 for California Food Assistance Program (CFAP) in FY 2004-05 and 5,100,771 for CalWORKs; 8,432,421 for FS; and 98,879 for California Food Assistance Program (CFAP) in FY 2005-06.
- The elimination of printing and issuance of current CalWORKs benefit warrants results in county specific average monthly savings per case based on individual county data. Although the statewide average monthly savings per case was not used in computing the administrative savings, it equates to $1.82.
- The elimination of Direct Service Delivery for FS coupon result in county specific average monthly savings per case based on individual county expenditure data from county expense claims and caseload from the FS Program Participation and Benefit Issuance Report, DFA 256, from July 2003 through June 2004. Although the statewide average monthly savings per case was not used in computing individual county's savings; it equates to $1.82
- The elimination of the FS Automated Issuance and Recording (FAIR) system and the FS On-line Issuance System (FSOLIS), in Alameda, Fresno, Los Angeles, Merced, Sacramento, San Francisco, Santa Clara, Solano, Tulare, and Ventura counties and the automated FS issuance system in San Bernardino and San Diego counties result in county specific average monthly savings per case based on individual county expenditure data from county expense claims and caseload from the FS Program Participation and Benefit Issuance Report, DFA 256, from July 2003 through June 2004. Although the statewide average monthly savings per case was not used in computing individual county's savings; it equates to $1.90 per case. The projected casemonths impacted are 51,385 for CFAP in FY 2004-05 and 5,146,697 for FS and 60,363 for CFAP in FY 2005-06. It is assumed that counties will experience a one-month delay in the savings associated with the elimination of these systems.
- It is assumed that 1.36 percent of the average monthly CalWORKs caseload and 1.88 percent of the FS caseload would have required the processing of an affidavit of non-receipt before the implementation of EBT.
- It is assumed that implementation of EBT will eliminate the need for processing affidavit of non-receipt for lost or stolen coupons or warrants for ongoing CalWORKs and FS cases. Some costs are still assumed for processing affidavit of non-receipts for new EBT cases (4.05 percent for CalWORKs and 8.06 percent for FS).
- Based on county experience it requires 30 minutes of eligibility worker (EW) time and 20 minutes of clerical time to process an affidavit of non-receipt resulting in a $34.14 cost per case for FS.
- Based on county experience, it requires 60 minutes of EW time and 20 minutes of clerical time to process an affidavit of non-receipt resulting in a $62.57 cost per case for CalWORKs.

Electronic Benefits Transfer Administrative Impact

KEY DATA/ASSUMPTIONS (continued):

- It is assumed that there would be EWs statewide that would need EBT system access (2,881 EWs in FY 2004-05 for CalWORKs). With full implementation by the end of FY 2004-05, the costs for FY 2005-06 represent EBT system access costs for new EW's. It is assumed that the annual EW turnover would be 20 percent (1,565 in FY 2005-06 for CalWORKs, and 633 in FY 2005-06 for FS/CFAP).
- It is assumed that it would take 15 minutes of an Associate Information Systems Analyst (AISA) time ($7.45 per 15 minutes) to provide EBT system access and assistance.
- The United States Department of Agriculture (USDA) Food and Nutrition Services (FNS) requires specific daily settlement, reconciliation, and reporting activities for EBT. It is assumed that each county will need on average one full-time equivalent (FTE) staff person at a monthly salary rate of $4,653 to perform these new FS activities statewide.
- Pursuant to State regulations, CalWORKs and FS/CFAP recipients shall be eligible for a fair hearing process to dispute EBT system errors. The recipient will have 90 calendar days from the date of the notice of adjustment to request for a fair hearing.
- It is assumed that there would be 413 cases for CalWORKs in FY 2004-05 and 1,445 cases (465 for CalWORKs and 980 for FS/CFAP) in FY 2005-06 resulting in EBT system errors. It is assumed that it would take one hour of an EW's time to process the CalWORKs/FS/CFAP benefit adjustment claims ($57.57 for CalWORKs and $58.27 for FS/CFAP).
- It is assumed that 50 percent of all new CalWORKs and FS cases will require 15 minutes of training on how to access benefits with the EBT card. The number of estimated new cases per month requiring training in FY 2004-05 is 9,133 for CalWORKs; and 214 for CFAP and in FY 2005-06 is 9,062 for CalWORKs; 17,347 for FS; and 240 for CFAP. The EW cost for the 15 minutes of training is $14.39 per CalWORKs case and $14.57 per FS case.
- It is assumed that new county staff will require five additional training hours associated with EBT, $57.57 per hour for CalWORKs and $58.27 per hour for FS/CFAP with the exception of San Bernardino and San Diego counties.
- It is assumed that 2,640,000 EBT pamphlets and posters will be needed for new clients in FY 2005-06.
- The CFAP savings estimate is based on applicable assumptions as used for CalWORKs and FS.

METHODOLOGY:

- The administrative impact to the CalWORKs, FS, and CFAP programs is a net result of the total savings resulting from the elimination of obsolete activities and total costs associated with new activities for the EBT Program.

Electronic Benefits Transfer Administrative Impact

METHODOLOGY (continued):

- The net savings for FS/CFAP is the sum of the elimination of the direct service delivery system and FAIR/FSOLIS systems, elimination of affidavit of nonreceipt, and costs for the new daily, settlement, reconciliation, and reporting activity, EBT security, EBT benefit adjustment claim process, and training costs for new staff and new clients. Electronic Benefits Transfer Administrative Impact

- The net savings for the CalWORKs Program is the sum of the savings from eliminating the issuance of CalWORKs warrants, the cost for EBT benefit adjustment claims, system administration, and training costs for new staff and new clients.
- The total savings resulting from the elimination of the FS direct services delivery system is calculated by multiplying the savings per case by the number of affected months (e.g., for FS: $1.82 x 8,432,421).
- The total savings resulting from the elimination of the FAIR and FSOLIS systems is calculated by multiplying the savings per case by the number of affected casemonths (e.g., for FS: $1.90 x 5,146,697).
- The total savings from eliminating the issuance of CalWORKs warrants is calculated by multiplying the savings per case by the number of affected casemonths (e.g., $1.82 (statewide average) x 5,100,771 for FY 2005-06).
- The total savings resulting from the elimination of the affidavit of nonreceipt process is calculated by multiplying the costs per case by the number of cases per month that will no longer be subject to lost warrants/benefits for FS cases and CalWORKs cases. (e.g., for FS: $34.14 x 7,425 for FY 2005-06).
- The cost for processing EBT benefit adjustment claims as a result of EBT system errors are calculated by multiplying the number of adjustment claims during the year and one hour of EW cost (e.g., for CalWORKs: 465 x $57.57 for FY 2005-06).
- The total costs of the new FS daily settlement, reconciliation, and reporting activity is calculated by multiplying the number of FTEs by the EW's monthly salary by the number of affected casemonths (e.g., for FS: 0.84 x $4,653.00 x 582 for FY 2005-06).
- The total costs of the new EBT Security activity is calculated by multiplying the number of affected EWs (including turnover) by one quarter of the AISA's hourly salary (e.g., for FS: 633 x $7.45).
- The staff training is calculated by multiplying the number of EW turnover by five hours of the EW's salary (e.g., for FS: 568 x $291.35).
- The client training is calculated by multiplying the average monthly number of new applicant cases by one quarter of the EW's salary (e.g., for FS: 17,347 x $14.57).
- The printing cost for 2,640,000 EBT pamphlets and posters is $139,000 ($103,500 for FS and $35,500 for CalWORKs).
- The CFAP savings are included in the FS estimate.

Electronic Benefits Transfer Administrative Impact

FUNDING:

Funding for CalWORKs Administration is 90.45 percent TANF and 9.55 percent State General Fund (GF). The federal FS sharing ratio is 50 percent federal, 35 percent state, and 15 percent county funds. CFAP savings are 100 percent GF. The sharing ratios for the EBT printing costs are 50 percent federal and 50 percent state for FS and 100 percent TANF for CalWORKs.

CHANGE FROM PRIOR SUBVENTION:

This premise has been updated for more recent data. The NAFS funding for FY 2004-05 was held to the November 2004 Subvention Estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects increased savings resulting from statewide implementation.

EXPENDITURES:

(in 000's)

ITEM 101 – CalWORKs Administration	2004-05 County Admin.	2005-06 County Admin.
Total	-$10,238	-$11,451
Federal	-9,261	-10,350
State	-977	-1,101
County	0	0
Reimbursements	0	0

ITEM 141 – Food Stamp Administration	2004-05 County Admin.	2005-06 County Admin.
Total	-$-20,844	-$21,097
Federal	-10,275	-10,399
State	-7,471	-7,562
County	-3,098	-3,136
Reimbursements	0	0

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Transitional Benefits

DESCRIPTION:

This premise reflects the cost to provide for a Transitional Food Stamp (TFS) Program to households terminating their participation in the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. Assembly Bill (AB) 231 (Chapter 743, Statutes of 2003) mandated, to the maximum extent allowable by federal law, each county welfare department to provide transitional food stamp benefits to households terminating their participation in the CalWORKs program without the need to re-establish food stamp eligibility. The household may receive up to five months of benefits. Benefits would be the same as the amount received by the household prior to their termination from CalWORKs, adjusted for the loss of the CalWORKs grant.

IMPLEMENTATION DATE:

This premise implemented January 1, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18901.6
- Effective this subvention, this premise will reflect costs for automation reprogramming and manual workarounds.
- Processing will be done manually until reprogramming is completed. Based on county experience it is assumed that it will take 15 minutes to manually process a TFS case at a cost of $14.57 per case.
- There will be 93,610 cases requiring manual processing in Fiscal Year (FY) 2004-05 and 18,576 cases in FY 2005-06.
- It will cost $0.8 million in FY 2004-05 to reprogram existing systems to implement TFS based on information from the Health and Human Services Data Center.
- It will cost $0.3 million in FY 2005-06 to reprogram existing systems to implement TFS based on information from the Office of Systems Integration.

METHODOLOGY:

The administrative costs for manual workarounds are calculated by multiplying the number of TFS cases by the cost per manual workaround.

FUNDING:

The funding for NAFS administrative cost is 50 percent federal, 35 percent state, and 15 percent county. The automation reprogramming funds are shared the same as the consortia funding.

Transitional Benefits

CHANGE FROM PRIOR SUBVENTION:

This premise now only reflects costs for automation reprogramming and manual workarounds. The coupon and administrative costs are reflected in the Basic Program.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year decrease reflects a reduction in automation reprogramming and manual workaround costs.

FS Program Costs	2004-05	2005-06
	County Admin.	County Admin.
Total	$2,636	$596
Federal	1,315	295
State	974	212
County	282	41
Reimbursements	65	48

Simplification Options

DESCRIPTION:

This premise reflects the impact to Federal Food Stamp Administration and the California Food Assistance Program (CFAP) associated with the implementation of certain optional provisions allowed by the Federal Government. These options are designed to simplify the Food Stamp Program by easing administrative processes and by aligning certain aspects of the Food Stamp Program with the CalWORKs Program such as: 1) allowing the food stamp program to adopt certain income exclusions (educational loans, grants, scholarships, and child support disregard) and resource exemptions (restricted accounts, Individual Development Accounts (IDA), and Individual Retirement Accounts (IRA)) consistent with the CalWORKs Program, thereby increasing benefits for eligible recipients; and 2) allowing for the treatment of child support payments to a non-participating household member to be treated as an income exclusion rather than a deduction for the person paying the child support; and 3) requiring the use of the Standard Utility Allowance (SUA) instead of allowing households the option of choosing the standard or actual costs.

IMPLEMENTATION DATE:

This premise will implement January 1, 2006.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Farm Security and Rural Investment Act of 2002 (Public Law, 107-171), Food Stamp Reauthorization Act of 2002.
- The Public Assistance Food Stamps (PAFS) caseload is based on the May 2005 Revise CalWORKs projected caseload. The CalWORKs monthly average caseload for the last six months in Fiscal Year (FY) 2005-06 is 490,303.
- Based on FFY 2002 CalWORKs Characteristics Survey, 84.80 percent of CalWORKs cases receive Food Stamps.
- The Non-Assistance Food Stamps (NAFS) caseload is based on the May 2005 Revise NAFS projected caseload trend. The NAFS monthly average caseload for the last six months in FY 2005-06 is 419,333.
- The CFAP caseload is based on the May 2005 Revise CalWORKs and NAFS projected trend forecasts. The CFAP average monthly caseload for the last six months in FY 2005-06 is 8,351.
- The ratio between CFAP PAFS and NAFS is 29.79 percent PAFS and 70.21 percent NAFS.
- Based on the DFA 296 - Food Stamp Program Monthly Caseload Movement Statistical Report from December 2003 through November 2004, the denied NAFS/CFAP applicants are equivalent to 4.71 percent of the number of the NAFS/CFAP caseload.
- It is assumed that it will cost $51.00 per case for an Eligibility Worker (EW) to process new NAFS and CFAP cases.
- It is assumed that it will cost $33.69 per case for an EW to process NAFS and CFAP continuing cases on a quarterly basis.

Simplification Options

KEY DATA/ASSUMPTIONS (continued):

- It is assumed that 7.20 percent of the new cumulative caseload would be subject to mid-quarter reporting.
- It is assumed that it will cost $28.23 for an EW to process a mid-quarter report.
- It is assumed that the EW salary per hour is $58.27 for NAFS/CFAP.
- Based on actual data reported on the DFA 256, Food Stamp Program Participation and Benefit Issuance Report from October 2004 through January 2005, the average CFAP coupon value per case is $225.56.
- The average length of time a NAFS case remains on aid during any one occurrence is 33.5 months based on Federal Fiscal Year (FFY) 2002 Food Stamps Characteristics Survey.

Income Exclusions

- The exclusion of certain types of income results in an increase of NAFS/CFAP eligible cases.
- Based on Q5 data for FFY 2002, 0.3 percent of the NAFS/CFAP caseload receives educational loans, scholarships, or grants.
- Based on county experience, it currently requires 15 minutes of an EW time semiannually to process cases with educational loans, scholarships, or grant income. Therefore excluding these types of income will result in an annual savings of $29.14 per case.

Child Support Disregard

- The exclusion of the child support disregard results in administrative savings associated with the food stamp benefit determination and increased benefits for those receiving child support disregard.
- The child support disregard applies only to PAFS cases.
- Based on data from the Department of Child Support Services, 8.83 percent of CalWORKs/CFAP cases receive child support disregard.
- The exclusion of the child support disregard as income in benefit determination will result in a benefit increase of $22.73 per case.
- Based on county experience, it currently requires 10 minutes of an EW time quarterly to process cases with the child support disregard. Therefore, excluding the child support disregard will result in a quarterly savings of $9.71 per case.

Resource Exemptions

- The exemption of certain types of resources results in an increase of NAFS/CFAP eligible cases.
- Based on CA 255 CW - CalWORKs Report on Reasons for Denials and Other Non-Approvals of Applications from July 2003 through June 2004, 3 percent of CalWORKs denials result from excess resources. Absent similar data for Food Stamp cases, the CalWORKs experience will be assumed to apply to Food Stamps.

Simplification Options

KEY DATA/ASSUMPTIONS (continued):

- Based on a county survey, 3 percent of NAFS/CFAP cases that are denied due to excess resources have restricted accounts, IDA, and IRA.

Child Support

- The treatment of child support payments to a non-participating household member as an income exclusion results in an increase of NAFS/CFAP eligible cases.
- Based on a county survey, 1 percent of NAFS/CFAP denied applicants pay child support.

SUA/Limited Utility Allowance (LUA)

- The implementation of a mandatory SUA also requires implementation of a LUA. The LUA includes expenses for items such as water, sewer, trash, and telephone.
- The LUA is for households that do not qualify for the SUA.
- The mandatory SUA would decrease benefits for those claiming actual utility expenses.
- Based on the FFY 2002 Food Stamps Characteristics Survey approximately, .04 percent of Food Stamp/CFAP caseload qualify for the SUA, but claim actuals and approximately 3.06 percent of the Food Stamp/CFAP caseload qualify for the LUA.
- Effective October 2004, the SUA is $210.00.
- The average monthly actual utility costs claimed for those that qualify for the SUA is $313.00.
- The mandatory SUA will result in decreased benefits of $46.82 per case for cases claiming actuals.
- It is assumed that the LUA will be established at a rate similar to the actual expenses claimed therefore, the LUA will not have a significant impact to benefits.
- It is assumed that utility expenses are determined by the EW at intake and during the annual re-certification.
- Intake cases represent 7.0 percent of total Food Stamp households.
- Based on county experience, it currently requires 10 minutes of an EW time to calculate actual utility expenses. Therefore, mandating the SUA/LUA will result in a savings of $9.71 per impacted case.

Reprogramming

It will cost $572,000 to reprogram existing systems to implement the simplification options based on information from the Office of Systems Integration.

METHODOLOGY:

- The new monthly cases due to excluding certain income are calculated by multiplying the projected NAFS/CFAP average monthly caseload by 4.71 percent and 0.3 percent.

Simplification Options

METHODOLOGY (continued):

- The new cases due to exempting certain resources are calculated by multiplying the projected NAFS/CFAP average monthly caseload by 4.71 percent and 3 percent then by 3 percent.
- The new cases due to excluding child support income are calculated by multiplying the projected NAFS/CFAP average monthly caseload by 4.71 percent and by 1 percent.
- The monthly administrative costs associated with processing the new cases due to income exclusions, child support income exclusion and resource exemptions are calculated by multiplying the new monthly cases by $51.00.

  The monthly administrative costs associated with processing the mid-quarter changes for the new cases due to income exclusions, child support income exclusion and resource exemptions are calculated by multiplying the new cumulative cases by 7.20 percent and by $28.23.
- The quarterly administrative costs associated with processing the quarterly reports for the new cases due to income exclusions, child support income exclusion and resource exemptions are calculated by multiplying the new cumulative cases by $33.69 on a quarterly basis.
- The administrative savings associated with the income exclusion is calculated by multiplying the caseload by $29.14 semiannually.
- The CFAP coupon costs associated with the new cases due to income exclusions, child support income exclusion and resource exemptions are calculated by multiplying the related caseload by the average CFAP coupon cost.
- The existing cases that will be impacted due to excluding the child support disregard are calculated by multiplying the CalWORKs average monthly caseload (490,303) by 84.8 percent and 8.83 percent.
- The administrative savings associated with the elimination of the child support disregard is calculated by multiplying the caseload by $9.71 quarterly.
- The impacted CFAP caseload due to excluding the child support disregard is calculated by multiplying the PAFS CFAP caseload by 8.83 percent.
- The coupon costs associated with the exclusion of the child support disregard as income is calculated by multiplying the impacted CFAP caseload by $22.73.
- The cases that will be impacted by requiring the use of a SUA are calculated by multiplying the impacted Food Stamp/CFAP caseload by .04 percent.
- The administrative savings associated with requiring the use of a SUA is calculated by multiplying the impacted Food Stamp/CFAP caseload by $9.71.
- The coupon savings associated with requiring the use of a SUA is calculated by multiplying the impacted CFAP caseload by $46.82.
- The cases that will be impacted by implementing a LUA are calculated by multiplying the impacted Food Stamp/CFAP caseload by 3.06 percent.

Simplification Options

METHODOLOGY (continued):

- The administrative savings associated with implementing a LUA is calculated by multiplying the impacted Food Stamp/CFAP caseload by $9.71.

FUNDING:

The Food Stamp sharing ratio for the administrative cost/savings is 50 percent federal, 35 percent state, and 15 percent county funds. These county costs are countable towards their Maintenance of Effort (MOE). The CFAP funding is 100 percent State General Fund (GF). The PAFS CFAP costs are eligible to be counted towards the TANF MOE requirement. The automation reprogramming funds are shared consistent with the consortia funding.

CHANGE FROM PRIOR SUBVENTION:

The data source for determining the ratio of denied NAFS/CFAP applicants to the total NAFS/CFAP caseload has been updated. Implementation of a mandatory SUA requires implementation of a LUA which was not included in FY 2005-06 Governor's Budget.

The decrease in reprogramming costs reflects consortia's ability to reprogram existing systems within their baseline funding.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise implements in January 2006.

EXPENDITURES:

(in 000's)

101-CFAP

	2004-05 Grants	2005-06 Grants
Total	$0	$55
Federal	0	0
State	0	55
County	0	0
Reimbursements	0	0

Simplification Options

EXPENDITURES (continued):

141-Food Stamp Administration[1]

	2004-05 County Admin.	2005-06 County Admin.
Total	$0	-$948
Federal	0	-474
State	0	-332
County	0	-142
Reimbursements	0	0

141-Automation

	2004-05 County Admin.	2005-06 County Admin.
Total	$0	$572
Federal	0	283
State	0	289
County	0	0
Reimbursements	0	0

[1] These costs include CFAP administrative costs.

Drug Felon (AB 1796)

DESCRIPTION:

This premise reflects the impact to the Federal Food Stamp Administration associated with Assembly Bill (AB) 1796. This bill changes the eligibility standards under the Food Stamp Program by allowing persons convicted of certain drug felonies to be eligible for aid. This would require these Food Stamp applicants to have proof of completion or of other affiliation with a government-recognized drug treatment program, or other evidence that the illegal use of a controlled substance has ceased. The Food Stamp eligibility would not apply to a person who has been convicted of unlawful activities (e.g. unlawfully transporting, selling, furnishing, administering, possessing or purchasing for sale, manufacturing a controlled substance, contributing to a minor, etc.).

IMPLEMENTATION DATE:

This premise will implement January 1, 2005.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 1796 (Chapter 932), Welfare and Institutions Code section 18901.3.
- The funding for Nonassistance Food Stamp (NAFS) for Fiscal Year (FY) 2004-05 was held to the November 2004 Subvention Estimate.
- The Public Assistance Food Stamp (PAFS) and NAFS caseload for Fiscal Year (FY) 2005-06 are based on the May 2005 Revise projected caseload for CalWORKs and NAFS, respectively.
- The number of persons in some PAFS and NAFS cases will increase due to the adult becoming eligible as a result of AB 1796. The average monthly caseload impacted is 1,205 in FY 2005-06.
- There would also be new adult-only cases that were based on the number of cases that were denied under the former FS eligibility standard. The average monthly new caseload is 427 in FY 2005-06.
- Based on the CalWORKs Characteristics Survey data, it is assumed that 0.15 percent of the caseload has an excluded adult due to drug felonies.
- It is assumed that 84.80 percent of CalWORKs cases receive FS based on the (Federal Fiscal Year) FFY 2002 CalWORKs Characteristics Survey.
- It is assumed that 42.5 percent of NAFS households are single persons and 57.5 percent of NAFS households are cases with children based on the FFY 2002 FS Characteristics Survey.
- It is assumed that it will cost $28.23 per case for an EW (Eligibility Worker) to add an adult into existing PAFS and NAFS cases.
- It is assumed that it will cost $51.00 per case for an EW to process a new NAFS adult-only case.

Drug Felon (AB 1796)

KEY DATA/ASSUMPTIONS (continued):

- It is assumed that it will cost $33.69 per case for an EW to process a NAFS continuing case on a quarterly basis.
- It is assumed that 7.20 percent of the new caseload would be subject to mid-quarter reporting.
- It is assumed that it will cost $28.23 for an EW to process mid-quarter reports.

METHODOLOGY:

- The number of adults to add to existing PAFS cases is calculated by multiplying the CalWORKs trend caseload by 0.15 percent and by 84.80 percent. These new adults were phased in over six months.
- The number of adults to add to existing NAFS child-only households is calculated by multiplying the NAFS trend caseload by 0.15 percent. These new adults were phased in over six months.
- The number of NAFS child-only cases impacted represents 57.5 percent of the potential NAFS cases that were denied under the former FS eligibility standard. These new adults were phased in over six months.
- The remaining 42.5 percent of the potential NAFS cases represent new NAFS adult-only cases that were denied under the former FS eligibility standard.
- The administrative cost to add an adult into existing PAFS and NAFS cases is calculated by multiplying the PAFS/NAFS cases by $28.23.
- The administrative cost for new NAFS cases are calculated by multiplying the NAFS adult-only cases by $51.00.
- The administrative cost to process continuing cases is calculated by multiplying the NAFS adult-only cases by $33.69 each quarter.
- The administrative cost to process mid-quarter reports is calculated by multiplying the NAFS monthly adult-only cases by 7.20 percent and by $28.23.

FUNDING:

The FS sharing ratio for the administrative cost is 50 percent federal, 35 percent state, and 15 percent county funds. These county costs are countable towards their Maintenance of Effort.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year costs only reflect full-year ongoing costs.

Drug Felon (AB 1796)

EXPENDITURES:
(in 000's)

Item 141
Food Stamp Administration

	2004-05	2005-06
	County Admin.	County Admin.
Total	$72	$69
Federal	36	34
State	25	25
County	11	10
Reimbursements	0	0

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Income Exclusion for Deployed Military

DESCRIPTION:

This premise reflects administrative costs associated with excluding military pay received by military personnel deployed to a designated combat zone as mandated by the Consolidated Appropriations Act, 2005, Public Law 108-447, signed by the President on December 8, 2004.

This new law requires that the combat pay be excluded when determining the amount of food stamp benefits, and authorizes retroactivity back to October 1, 2004. Any household that had an increase in income due to the combat pay that was counted in their food stamp case as of October 1, 2004 is entitled to restoration of lost benefits. If it becomes known that a household was previously denied food stamp benefits due to this excludable income, a restoration of lost benefits must also be computed for the household.

IMPLEMENTATION DATE:

This premise implemented on March 1, 2005.

KEY DATA/ASSUMPTIONS:

- Authorizing Statute: Consolidated Appropriations Act, 2005, Public Law 108-447.
- The Non-Assistance Food Stamps (NAFS) caseload is based on the May 2005 NAFS projected caseload trend. The NAFS monthly average caseload for new cases is 398,388 for the last four months in Fiscal Year (FY) 2004-05 and 410,770 for the entire FY 2005-06. The NAFS monthly average caseload for existing cases is based on the projected October 2004 month caseload of 375,319.
- The counties with military bases represent 69 percent of the total NAFS caseload based on the DFA 256 - NAFS Program Participation and Benefit Issuance Report for calendar year 2004.
- Based on the DFA 296 - Food Stamp Program Monthly Caseload Movement Statistical Report from December 2003 through November 2004, the denied NAFS applicants are equivalent to 4.71 percent of the NAFS caseload.
- Based on the CalWORKs Report on Reasons for Discontinuances of Cash Grant, (CA 253 CW) for FY 2003-04, 11.25 percent of the cases are discontinued due to income exceeding CalWORKs eligibility limits. Absent similar data for Food Stamp cases, the CalWORKs experience will be assumed to apply to Food Stamps.
- Based on a survey from counties with military bases, 0.27 percent of the existing cases and 0.27 percent of the cases denied due to excessive income would be impacted by this change.
- It is assumed that it will cost $51.00 per case for an Eligibility Worker (EW) to process new NAFS cases.
- It is assumed that it will cost an additional $32.88 per case for an EW to process new and existing NAFS cases.
- It is assumed that 7.20 percent of the new cumulative caseload would be subject to mid-quarter reporting.
- It is assumed that it will cost $28.23 for an EW to process a mid-quarter report.

Income Exclusion for Deployed Military

KEY DATA/ASSUMPTIONS (continued):

- It is assumed that it will cost $33.69 per case for an EW to process NAFS and California Food Assistance Program (CFAP) continuing cases on a quarterly basis.
- It is assumed that it will cost $9.71 per case for an EW to manually calculate benefits retroactively each month for new cases deemed eligible until the automation reprogramming is completed.
- It is assumed that there will be a one-time cost of $58.27 for each existing case for an EW to manually calculate benefits retroactively back to October 1, 2004.
- The average length of time a NAFS case remains on aid during any one occurrence is 33.5 months based on Federal Fiscal Year 2002 Food Stamps Characteristics Survey.
- It will cost $76,000 to reprogram existing systems to implement this premise based on information from the Office of Systems Integration.

METHODOLOGY:

- The new cases expected to become eligible due to this change are calculated by multiplying the projected NAFS average monthly caseload by 69 percent and 4.71 percent and 11.25 percent and by 0.27 percent.
- The monthly intake cost associated with processing the new cases is calculated by multiplying the new monthly cases by $51.00.
- The monthly additional administrative cost associated with processing the new cases is calculated by multiplying the new monthly cases by $32.88.
- The monthly administrative cost associated with processing the mid-quarter changes for the new cases is calculated by multiplying the new cumulative cases by 7.20 percent and by $28.23.
- The quarterly administrative cost associated with processing the quarterly reports for the new cases is calculated by multiplying the new cumulative cases by $33.69 on a quarterly basis.
- The administrative cost associated with manually calculating benefits each month is calculated by multiplying the new cases by the number of retroactive months and by $9.71.
- The existing cases expected to be impacted by this change are calculated by multiplying 375,319 by 69 percent and by 0.27 percent.
- The one-time administrative cost associated with reviewing existing cases retroactively is calculated by multiplying the existing cases by $32.88.
- The one-time administrative cost associated with manually calculating benefits retroactively is calculated by multiplying the existing cases by $58.27.

Income Exclusion for Deployed Military

FUNDING:

The Food Stamp sharing ratio for the administrative cost is 50 percent federal, 35 percent state, and 15 percent county funds.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year does not include additional administrative costs to review and calculate retroactive benefits for existing cases as in the current year. The budget year only reflects administrative costs associated with new cases.

EXPENDITURES:

(in 000's)

141 – Food Administration	2004-05 County Admin.	2005-06 County Admin.
Total	$66	$12
Federal	33	6
State	23	4
County	10	2
Reimbursements	0	0

141 - Automation	2004-05 County Admin.	2005-06 County Admin.
Total	$0	$76
Federal	0	38
State	0	38
County	0	0
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 (U.S.) if they are not otherwise eligible for the standard categorical welfare programs. The 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. Also included are allocated overhead and direct costs.

IMPLEMENTATION DATE:

This premise implemented on March 17, 1980.

KEY DATA/ASSUMPTIONS:

- Section 1522 of Title 8 of the United States Code (U.S.C.) authorizes the federal government to provide grants to the states to assist refugees who resettle in the U.S.
- Sections 13275 through 13282 of the Welfare and Institutions Code authorize the Department to administer the funds provided under Title 8 of the U.S.C. It also provides the Department authority to allocate the federal funds to the counties.
- For Calendar Year 2004, the average administrative monthly cost per RCA case was $108.90.
- The average monthly caseload is 1,374 for Fiscal Year (FY) 2004-05. The average monthly caseload is projected at 1,771 for FY 2005-06.

METHODOLOGY:

The average cost per case for RCA administration is multiplied by the estimated caseload for each fiscal year to arrive at the total cost.

FUNDING:

This program is 100 percent federally funded with the Cash, Medical and Administration Grant through the Office of Refugee Resettlement.

CHANGE FROM PRIOR SUBVENTION:

The current year estimate has decreased due to a lower average administrative cost per case as well as a lower monthly caseload than previously estimated.

REASON FOR YEAR-TO-YEAR CHANGE:

The total costs increase is due to a projected caseload increase in FY 2005-06 due to an anticipated influx of Hmong refugees.

Refugee Cash Assistance – Administration

EXPENDITURES:

(in 000's)

	2004-05 County Admin.	2005-06 County Admin.
Total	$1,820	$2,315
Federal	1,820	2,315
State	0	0
County	0	0
Reimbursements	0	0

Statewide Automated Welfare System Interface with Existing Systems

DESCRIPTION:

This premise reflects costs for consultant services to complete changes to the State Hearing System to allow for interface with the California Work Opportunity and Responsibility to Kids Information Network. This interface is necessary because the State Hearing System contains critical information needed for the eligibility determination function. Although state system program staff will play a critical role in the system changes, consultant staff will complete actual development.

IMPLEMENTATION DATE:

This premise was never implemented.

KEY DATA/ASSUMPTIONS:

The cost assumptions are based on the experience of the Health and Human Services Data Center in the development of similar interfaces.

METHODOLOGY:

The premise is being removed from the budget because the project was never implemented.

FUNDING:

The SAWS Interface funding is a combination of federal and State General Fund. Federal funds include Title XIX reimbursement and Temporary Assistance for Needy Families. The funding split is derived from the State Hearings Division cost allocation plan.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Statewide Automated Welfare System Interface with Existing Systems

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Merced Automated Global Information Control (MAGIC)

DESCRIPTION:

This premise reflects funding for county personnel and vendor maintenance and operation costs. The automated eligibility system developed in Merced County was the Merced Automated Global Information Control (MAGIC) system. MAGIC is only used in Merced County.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing Statue: Welfare and Institutions Code (W&IC) section 10823.5.
- This estimate is based on the Advance Planning Document Update from November 1993 and updated caseload data.
- Merced County shall pay the county share of MAGIC application maintenance costs based on its percentage share of the total caseload for the consortium approved for Merced County.

METHODOLOGY:

Merced County has migrated from MAGIC to C-IV. Certain administrative costs that were formerly identified in this premise line will continue to occur after migration and are now included in basic.

FUNDING:

MAGIC funding is a combination of various sources. Federal funds include the normal share of Temporary Assistance for Needy Families (TANF), Title IV-E, United States Department of Agriculture/Food and Nutrition Service and Refugee Resettlement Programs. The project is also eligible for Title XIX federal funding budgeted by the Department of Health Services. 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/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

Note: W&IC section 15204.4 requires a maintenance of effort (MOE) from the counties based on expenditures during FY 1996-97, which included the administration of food stamps. Please reference the "County MOE Adjustment" premise description.

Merced Automated Global Information Control (MAGIC)

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2004-05 County Admin.	2005-06 County Admin.
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

SAWS Statewide Project Management

DESCRIPTION:
This premise reflects costs for the Statewide Automated Welfare System (SAWS) Statewide Project Management. This activity is performed by the Health and Human Services Data Center (HHSDC) in accordance with Welfare and Institutions Code Section 10823(a), which requires HHSDC to implement SAWS. The HHSDC provides statewide project management for the four SAWS consortia and the Welfare Data Tracking Implementation Project. In Fiscal Year (FY) 2005-06, this activity will be performed by the Office of Systems Integration (OSI).

The HHSDC-OSI provides state-level project management, including securing project approvals and funding, procuring and managing specialized technical consultant services and other contract services, monitoring consortia implementation and ongoing operations, reviewing and approving selected consortia deliverables, applying early issue identification and resolution methods, managing risk, managing stakeholder involvement, and approving and tracking expenditures. Consortia are responsible for defining county-level system requirements, and for the competitive procurement of system hardware and software development, implementation support, and maintenance and operations of the consortia systems.

IMPLEMENTATION DATE:
This premise implemented on July 1, 1995.

KEY DATA/ASSUMPTIONS:
Authorizing statute: Welfare and Institutions Code Section 10823.

METHODOLOGY:
Costs are based on the December 2001 (Revised May 2002) SAWS Statewide Project Management (SPM) Implementation Advance Planning Document Update (IAPDU).

FUNDING:
Statewide Project Management funding comes from various sources. Federal funds include the normal share of Food Stamp, Title IV-E and Refugee Resettlement Programs funding. The project is eligible for Title XIX federal funding, which is budgeted by the Department of Health 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 State 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. Project-related TANF funds are identified in total within the “Additional TANF/MOE Expenditures in CDSS” in the TANF section of each Detail Table.

CHANGE FROM PRIOR SUBVENTION:
There is no increase from the prior subvention for FY 2004-05. The slight increase in FY 2005-06 is due to revised retirement calculations and employee compensation adjustments. The allocation of costs to benefiting programs was updated for FY 2005-06 resulting in an increase to the GF.

SAWS Statewide Project Management

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2005-06 is due to price increases, and employee compensation adjustments.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$6,119	$6,219
Federal	1,877	1,802
State	2,587	2,660
County	0	0
Reimbursements	1,655	1,757

CDSS/HHSDC-OSI PARTNERSHIP:

(in 000's)

	2004-05	2005-06
Total	6,119	6,219
CDSS	0	150
HHSDC-OSI	6,119	6,069

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 Health and Human Services Data Center in Fiscal Year (FY) 2004-05 and will be provided by the Office of Systems Integration (OSI) in FY 2005-06. WDTIP provides counties with the automated functionality required to conform to statewide tracking of time-on-aid requirements mandated by welfare reform in Chapter 270, Statutes of 1997 (AB 1542).

IMPLEMENTATION DATE:

This premise implemented on July 1, 1999.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code Section 11454.5(b)(4).

METHODOLOGY:

Costs are based on the June 2002 (Revised January 2003) SAWS-WDTIP Implementation Advance Planning Document Update.

FUNDING:

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 for the project, the federal share of the CalWORKs Program is 100 percent TANF eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2005-06 is due to price increases and employee compensation adjustments.

Welfare Data Tracking Implementation Project (WDTIP)

EXPENDITURES:
(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$3,861	$3,870
Federal	3,861	3,870
State	0	0
County	0	0
Reimbursements	0	0

CDSS/HHSDC-OSI PARTNERSHIP:
(in 000's)

	2004-05	2005-06
Total	$3,861	$3,870
CDSS	0	0
HHSDC-OSI	3,861	3,870

Interim Statewide Automated Welfare System (ISAWS)

DESCRIPTION:

This premise reflects the costs for the Interim Statewide Automated Welfare System (ISAWS) Consortium, one of four consortia within the Statewide Automated Welfare System (SAWS) Project. In Fiscal Year (FY) 2004-05, the Health and Human Services Data Center (HHSDC) is providing statewide project management for SAWS. In FY 2005-06, this function will be provided by the Office of Systems Integration (OSI). In addition, HHSDC provides and OSI will provide computing, application maintenance and operational support services for the ISAWS Consortium. The Consortium is comprised of 35 counties.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1994.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code Section 10823.
- The ISAWS estimate reflects ongoing maintenance and operations (M&O) costs.

METHODOLOGY:

Costs reflect the baseline budget established when the project was closed out in August 2004 and adjustments made in the Governor's Budget.

FUNDING:

ISAWS funding comes from various sources. Federal funds include the normal shares of Food Stamp, Title IV-E and Refugee Resettlement Programs funding. Also, the project is eligible for Title XIX federal funding, which is budgeted by the Department of Health 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 State General Fund (GF) and the county share of Food Stamp and Title IV-E 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/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

CHANGE FROM PRIOR SUBVENTION:

The allocation of costs to benefiting programs was updated for FY 2005-06 resulting in an increase to the GF.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase for FY 2005-06 is due to price increases.

Interim Statewide Automated Welfare System (ISAWS)

EXPENDITURES:

(in 000's)

	2004-05 County Admin.	2005-06 County Admin.
Total	$36,370	$37,155
Federal	11,762	11,799
State	14,083	14,506
County	0	0
Reimbursements	10,525	10,850

CDSS/HHSDC-OSI PARTNERSHIP:

(in 000's)

	2004-05	2005-06
Total	$36,370	$37,155
CDSS	149	149
HHSDC-OSI	36,221	37,006

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 four consortia within the Statewide Automated Welfare System (SAWS) Project. In Fiscal Year (FY) 2004-05, the Health and Human Services Data Center provides state level project management for SAWS. In FY 2005-06, this function will be provided by the Office of Systems Integration (OSI). 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.
- The LEADER estimate reflects ongoing maintenance and operations costs.
- The county will extend its maintenance and operations (M&O) contract for 24 months, beginning in May 2005.
- The LEADER planning activities will begin in FY 2004-05 and continue through April 2007.

METHODOLOGY:

Costs are based on the December 2004 SAWS-LEADER Implementation Advance Planning Document Update and the January 2004 SAWS-LEADER Planning Advance Planning Document.

FUNDING:

LEADER funding comes from various sources. Federal funds include the normal shares of Food Stamp and Refugee Resettlement Programs funding. Also, the project is eligible for Title XIX federal funding, which is included in the Department of Health 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 Food Stamp and General Relief 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/MOE Expenditures in CDSS” section in the TANF section of each Detail Table.

CHANGE FROM PRIOR SUBVENTION:

There is a decrease in FY 2004-05 and FY 2005-06. The reduction in both years is primarily due to the extension of the current LEADER contract, which expires on April 30, 2005. Final costs for the extension have been negotiated, resulting in a decrease in costs from what was previously estimated. The allocation of costs to benefiting programs was updated for FY 2005-06 resulting in a decrease to the GF.

Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER)

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2005-06 decrease is primarily due to one-time costs that do not continue beyond FY 2004-05, reduced rates for application maintenance and reduced planning consultant costs based on the planning project schedule.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$12,123	$9,904
Federal	7,667	5,562
State	2,797	2,481
County	1,659	1,329
Reimbursements	0	532

CDSS/HHSDC-OSI PARTNERSHIP:

(in 000's)

	2004-05	2005-06
Total	$12,123	$9,904
CDSS	12,123	$9,904
HHSDC-OSI	0	0

Welfare Client Data System (WCDS)

DESCRIPTION:

This premise reflects costs for the Welfare Client Data System (WCDS) Consortium, one of the four consortia within the Statewide Automated Welfare System (SAWS) Project. In Fiscal Year (FY) 2004-05, the Health and Human Services Data Center provides state level project management for SAWS. In FY 2005-06, this function will be provided by the Office of Systems Integration (OSI). The WCDS Consortium is comprised of 18 counties.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code Section 10823.
- Implementation activities began in February 2000.
- Implementation activities are scheduled to be completed in FY 2006-07.

METHODOLOGY:

Costs are based on the December 2004 SAWS-WCDS Consortium Implementation Advance Planning Document Update.

FUNDING:

The WCDS funding comes from various sources. Federal funds include the normal shares of Food Stamp and Refugee Resettlement Programs funding. Also, the project is eligible for Title XIX federal funding, which is budgeted by the Department of Health 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 State General Fund (GF), the county share of General Assistance/General Relief costs, and the county share of application development 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/MOE Expenditures in CDSS” section in the TANF section of the Detail Table.

CHANGE FROM PRIOR SUBVENTION:

The increases in FY 2004-05 and FY 2005-06 are primarily due to the costs associated with caseload growth and the conversion of closed cases. These costs were not previously included in the project budget. In FY 2005-06 there are also increased costs for implementation support based on the pilot experience in Placer and Sacramento counties. The allocation of costs to benefiting programs was updated for FY 2005-06 resulting in an increase to the GF.

Welfare Client Data System (WCDS)

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2005-06 reflects implementation activities for 12 counties and maintenance and operations costs for all converted counties.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$93,003	$153,833
Federal	41,617	61,767
State	32,259	56,434
County	2,949	4,374
Reimbursements	16,178	31,258

CDSS/HHSDC-OSI PARTNERSHIP:

(in 000's)

	2004-05	2005-06
Total	$93,003	$153,833
CDSS	93,003	153,833
HHSDC-OSI	0	0

Consortium IV (C-IV)

DESCRIPTION:

This premise reflects the costs for Consortium IV (C-IV), one of four consortia within the Statewide Automated Welfare System (SAWS) Project. In Fiscal Year (FY) 2004-05, the Health and Human Services Data Center provides state level project management for SAWS. In FY 2005-06, this function will be provided by the Office of Systems Integration (OSI). Consortium IV is comprised of four counties.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code Section 10823.
- Implementation activities began March 1, 2001.
- Implementation activities were completed in October 2004.

METHODOLOGY:

Costs are based on the June 2003 (Revised January 2004) SAWS-C-IV Implementation Advance Planning Document Update.

FUNDING:

C-IV funding comes from various sources. Federal funds include the normal shares of Food Stamp, Title IV-E and Refugee Resettlement Programs funding. The project is eligible for Title XIX federal funding, which is budgeted by the Department of Health 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 State 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. Project-related TANF funds are identified in total within the “Additional TANF/MOE Expenditures in CDSS” section in the TANF section of each Detail Table.

CHANGE FROM PRIOR SUBVENTION:

The allocation of costs to benefiting programs was updated for FY 2005-06 resulting in an increase in General Fund.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in FY 2005-06 reflects the completion of consortium-wide implementation in FY 2004-05.

Consortium IV (C-IV) Implementation

EXPENDITURES:

(in 000's)

	2004-05	2005-06
Total	$89,732	$48,120
Federal	46,653	18,061
State	27,836	16,916
County	241	1,779
Reimbursements	15,002	11,364

CDSS/HHSDC-OSI PARTNERSHIP:

(in 000's)	2004-05	2005-06
Total	$89,732	$48,120
CDSS	89,732	48,120
HHSDC-OSI	0	0

Statewide Fingerprint Imaging System (SFIS) Project

DESCRIPTION:

This premise reflects the cost for the Statewide Fingerprint Imaging System (SFIS). Senate Bill 1780 (Chapter 206, Statutes of 1996) required applicants for, and recipients of California Work Opportunity and Responsibility to Kids (CalWORKs), Non-Assistance Food Stamp (NAFS), and California Food Assistance Program 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.

In Fiscal Year (FY) 2004-05, the Health and Human Services Data Center (HHSDC) is providing statewide project management for SFIS. In FY 2005-06, this function will be provided by the Office of Systems Integration (OSI).

IMPLEMENTATION DATE:

The first phase of counties began implementation on March 14, 2000. The statewide implementation of the SFIS was completed on December 7, 2001.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10830.
- The HHSDC cost estimates reflected in this premise are based on the new negotiated contract with the SFIS development contractor that was a result of the second procurement effort (RFP HWDC-8001). Cost estimates are based on the following:
    - Maintenance and operations vendor – The maintenance and operations vendor contract estimate is based on a structured monthly lease and maintenance cost for state and county-operated workstations and a “per transaction” cost. The “per transaction” 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.
    - Quality Assurance vendor – Quality Assurance staff will be utilized to assure the state that the maintenance and operations vendor is providing the promised product at the lowest cost, and to reduce any risk factors during the maintenance and operations phase of the project.
    - Change control – Change control is necessary since there are always items not addressed in the RFP, which require changes in the program(s). These can be legislative, interface, capacity or workload changes that affect the new system.

METHODOLOGY:

The current cost estimates are based on the negotiated contract with the current SFIS vendor and the September 1999 contract start date as reported in the June 2003 post implementation evaluation report.

Statewide Fingerprint Imaging System (SFIS) Project

FUNDING:

The M & O automation project costs are funded with State General Fund (GF) for the CalWORKs and Food Stamps programs and county share of General Assistance/General Relief costs. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table. Planning costs for the new prime vendor contract are funded with State General Fund (GF) and Federal Funds for the CalWORKs and Food Stamps programs and county share for General Assistance/General Relief costs.

CHANGE FROM PRIOR SUBVENTION:

For FY 2004-05 and FY 2005-06 there is a shift in the cost allocation, but no change in the total amount. The FY 2004-05 shift is the result of federal participation in the planning activities for the new SFIS prime vendor contract and updated person count data. The FY 2005-06 shift is the result of updating the cost allocation based on updated person count data.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2005-06 is due to an increase in the Consultant Services costs.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$7,924	$8,022
Federal	222	0
State	7,477	7,759
County	225	263
Reimbursements	0	0

CDSS/HHSDC-OSI PARTNERSHIP:

(in 000's)

	2004-05	2005-06
Total	$7,924	$8,022
CDSS	0	0
HHSDC-OSI	7,924	8,022

Electronic Benefit Transfer Project (Maintenance and Operations)

DESCRIPTION:

This premise reflects the costs associated with implementation activities and ongoing operations for the Statewide Electronic Benefit Transfer (EBT) Project. Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, mandates an EBT system for food stamps by October 2002.

In accordance with Welfare and Institutions Code (W&IC) section 10069.5, the EBT system project management was transferred to the Health and Human Services Data Center (HHSDC). Assembly Bill 2779 (Chapter 329, Statutes of 1998), that adopted Section 10075.5 of the W&IC, states: "The State shall be responsible for procuring and contracting for a single statewide electronic benefits transfer system." The language goes on to state that HHSDC shall be the project manager of the system and shall be responsible for system planning, procurement, development, implementation, operation, and all other activities that are consistent with a state-managed project and a statewide system. In Fiscal Year (FY) 2005-06, EBT project management will become the responsibility of the Office of Systems Integration (OSI).

The State Legislature requires a system for food stamps and allows counties the option of including cash benefits. EBT uses debit card technology and retailer point-of-sale terminals to automate benefit authorization, delivery, redemption and financial settlement. This system eliminates the need for food stamp coupons. EBT also increases the assurance benefit dollars are used appropriately and provides effective ways to reduce and prevent fraud and abuse. For the recipient, EBT increases security and safety while reducing the stigma associated with receiving public assistance.

IMPLEMENTATION DATE:

This premise implemented in FY 1997-98.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 10069.
- Implementation activities began in July 2001.
- County operations began in July 2002 with the two-county pilot.
- Statewide conversion was completed in July 2004.

METHODOLOGY:

The EBT planning costs are detailed in the January 2001 EBT Planning Advance Planning Document Update. Implementation costs, ongoing operations costs, and county rollout schedule are detailed in the April 2001 Implementation Advance Planning Document, the July 2002 Implementation Advance Planning Document Update (IAPDU), the July 2003 IAPDU, and the November 2004 IAPDU.

Electronic Benefit Transfer Project (Maintenance and Operations)

FUNDING:

EBT funding comes from the Food Stamp Program (FSP) and Temporary Assistance for Needy Families (TANF) Program. Federal funds and State General Fund are provided for the FSP. 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/MOE Expenditures in CDSS” section in the TANF section of each Detail Table.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in FY 2005-06 is the result of the transition from the implementation phase to the maintenance and operations phase.

EXPENDITURES:

(in 000’s)	2004-05	2005-06
	County Admin.	County Admin.
Total	$57,371	$49,762
Federal	37,527	33,278
State	13,766	9,505
County	6,078	6,979

CDSS/HHSDC-OSI PARTNERSHIP:

(in 000’s)	2004-05	2005-06
Total	$57,371	$49,762
CDSS	3,099	170
HHSDC-OSI	54,272	49,592

Electronic Benefit Transfer Project (Reprocurement)

DESCRIPTION:

The Electronic Benefit Transfer (EBT) system is the automated delivery, redemption, and reconciliation of the Food Stamp Program and cash program benefits. It provides program recipients electronic access to food stamp and cash benefits through the use of EBT cards at point-of-sale devices and automated teller machines (ATMs). The EBT system replaced the paper-based food coupon and, when selected by the counties, will replace cash benefit issuance methods employed in the State of California for the distribution of the California Department of Social Services program benefits.

The existing contract for EBT services is for seven years (expiring on August 8, 2008) with a cost not to exceed $278,000,000. It took the State of California four years to procure this contract. There are two one-year extensions possible if a new contract is not procured in time. The contract extensions would be a costly alternative as the state currently pays a premium for its EBT services. Furthermore, the current prime vendor's contract stipulates that if California extends the term of the contract beyond its initial seven-year term, an adjustment in the rates for many of the Maintenance and Operation (M&O) activities would be made for each of the additional one-year periods. The rate adjustment would reflect the percentage increase in the Consumer Price Index in the year prior to the initial term's expiration date of the contract.

A cost-effective solution for California that will not impact the clients is a high priority for this reprocurement effort. Based on preliminary analysis of other states' EBT programs, it appears that even though there are differences in service levels, California is at the high end of the price scale (perhaps the highest in the nation). Because of its decentralized county-based welfare infrastructure, large caseload size, and diverse multi-lingual population, California's needs are significantly greater than other states.

In Fiscal Year (FY) 2005-06, the project management of EBT will change from the Health and Human Services Data Center (HHSDC) to the Office of Systems Integration (OSI).

IMPLEMENTATION DATE:

This premise will implement in Fiscal Year (FY) 2005-06.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 10069.
- Reprocurement activities will take at least three years to complete.
- Transition activities to new prime vendor would be completed by July 2008.

METHODOLOGY:

The EBT reprocurement planning-phase costs are detailed in the May 2005 EBT Planning Advance Planning Document.

Electronic Benefit Transfer Project (Reprocurement)

FUNDING:

EBT funding comes from the Food Stamp Program (FSP) and Temporary Assistance for Needy Families (TANF) Program. Federal funds and State General Fund are provided for the FSP. 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/MOE Expenditures in CDSS” section in the TANF section of each Detail Table.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2005-06 reflects results from the commencement of reprocurement planning phase activities on July 1, 2005.

EXPENDITURES:

(in 000’s)	2004-05	2005-06
	County Admin.	County Admin.
Total	$0	$739
Federal	0	493
State	0	246
County	0	0

CDSS/HHSDC-OSI PARTNERSHIP:

(in 000’s)	2004-05	2005-06
Total	$0	$739
CDSS	0	15
HHSDC-OSI	0	724

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 the Welfare and Institutions Code (W&IC) section 16500. 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 Specialized Care Program. These funds will be used to cover the purchase of nonrecurring items on an as needed basis, the purchase of services not available through other fund sources, and the development of a respite care program or purchase of respite care services.

In recognition of the funding and staffing need 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 funded in the prior year.

Emergency Response (ER) Component

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

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

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. 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

FR is designed to provide time-limited services while the child is in temporary foster care to prevent or remedy neglect, abuse or exploitation when the child cannot safely remain at home. CWDs are responsible for determining the specific service needs of the child and/or family aimed at reunifying the child with the family.

Permanent Placement (PP) Component

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.

Child Welfare Services – Basic Costs

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 16500 and 11461(e)(4)(B).
- The workload standard was adopted by the Department 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 ER assessments.
- The statewide annual cost of a social worker (SW) ($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 2004.
- Additional funds are provided in recognition of the funding and staffing need 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.

METHODOLOGY:

FY 2004-05

- The current year estimate is being held to the Budget Act of 2004 Appropriation level with an adjustment to increase the amount of Temporary Assistance for Needy Families (TANF) transferred to Title XX that is used in lieu of General Fund (GF).

FY 2005-06

- The estimate is derived by applying the workload standards to the individual county caseload projections and expanding for a 7:1 supervisory ratio. Additional FTEs are included in order to continue each county's prior year FTE level.
- The annual cost of a SW in each county is applied to the total number of FTEs in each county to derive staff costs for each line.
- Direct costs are projected from FY 2003-04 actual expenditures and statewide average caseload growth from FY 2003-04 to FY 2005-06. Total direct costs, excluding county-operated emergency shelter care, are $91.3 million for the 58 counties. The projected county-operated emergency shelter care (ESC) costs are $43.0 million for those counties with county-operated emergency shelters based on actual expenditures from FY 2003-04.
- Once the total CWS basic costs are derived, costs for the Emergency Assistance (EA) Program are subtracted and are displayed separately under the "EA Program" premise. The EA Program costs are determined based on the FY 2004-05 funding level and any caseload growth.

Child Welfare Services – Basic Costs

FUNDING:

The federal share of costs is a combination of Titles IV-B, IV-E, XIX and XX funds. The Title IV-B funds are limited by the capped federal allocation.

The estimated Title IV-B funds available in local assistance for FY 2005-06 are $31.1 million. These funds have a 75-percent federal match rate.

The Title IV-E amount reflects the actual experience from FY 2003-04 that 40.5 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 $50.4 million in FY 2004-05 and $49.3 million in FY 2005-06.

The Title XIX amount for FY 2005-06 is calculated using individual county usage rates based on FY 2003-04 expenditure data which reflect that 4.5 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 $6.4 million in FY 2004-05 and $4.3 million in FY 2005-06 Nonfederal costs are shared at 70 percent GF and 30 percent county.

After the GF amount is calculated, federal 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 2004-05, the Title XX-eligible amount is $51.5 million. The Title XX-eligible amount for FY 2005-06 is $47.3 million.

CHANGE FROM PRIOR SUBVENTION:

The FY 2004-05 estimate reflects additional Title XX funds used in lieu of GF. The FY 2005-06 estimate has been updated for caseload and actual expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

Direct costs and county-operated ESC costs have decreased and the nonfederal sharing ratios have decreased based on actual expenditures. The amount of Title XX-eligible costs has decreased and the amount of the additional federal spending authority has decreased.

CASELOAD:

(Average Monthly)

	2004-05	2005-06
Emergency Response	47,697	44,453
Emergency Response Assessment	16,672	17,560
Family Maintenance	24,107	23,889
Family Reunification	24,170	22,893
Permanent Placement	59,641	56,978

Child Welfare Services – Basic Costs

EXPENDITURES:
(in 000's)

Total Basic	2004-05 County Admin.	2005-06 County Admin.
Total	$1,019,713	$1,002,884
Federal	464,863	460,336
State	365,644	358,895
County	140,546	135,867
Reimbursements	48,660	47,786

Weighted Costs by Component:

	2004-05		2005-06	
	TOTAL FUNDS	GENERAL FUND	TOTAL FUNDS	GENERAL FUND
Emergency Response	$534,497	$218,627	$517,352	$209,539
Emergency Response Assessment	9,225	3,773	10,091	4,087
Family Maintenance	121,948	49,881	125,507	50,833
Family Reunification	158,495	41,796	155,910	42,075
Permanent Placement	195,548	51,567	194,024	52,361
	$1,019,713	$365,644	$1,002,884	$358,895

Reconciliation of Federal Funds:

	2004-05	2005-06
Title IV-B	$31,747	$31,136
Title IV-E	381,663	381,907
Title XIX	48,560	47,786
Title XX	51,453	47,293
Total Federal Funding	$513,423	$508,122

Specialized Care:

	2004-05	2005-06
Total	$5,514	$5,045
Federal	0	0
State	5,514	5,045
County	0	0

Augmentation to Child Welfare Services

DESCRIPTION:

This premise reflects the cost 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 and Permanent Placement components of CWS, and shall not be used to supplant existing CWS funds. Funds will be available to counties contingent upon individual counties: 1) matching their CWS Basic General Fund (GF) allocation; and, 2) fully utilizing the CWS/Case Management System. There is no county match required for these funds.

IMPLEMENTATION DATE:

This premise, formerly known as “Emergency Workload Relief,” implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Assembly Bill (AB) 1656 (Chapter 324, Statutes of 1998) and AB 1740 (Chapter 52, Statutes of 2000).
- AB 1656 authorized $40.0 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 $17,150,000 due to lower revenues and other demands on the available GF.

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 $17,150,000. The FY 2004-05 Appropriation was further reduced by $17,145,000, however, $17,145,000 GF has been reappropriated pursuant to SB 1612 (Chapter 845, Statutes of 2004).

FUNDING:

After applying the foster care federal discount rate of 75 percent, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent GF. The reappropriated funds in FY 2004-05 are included when calculating the federal share. 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 2004-05, the Title XX-eligible amount is $7.9 million. For FY 2005-06, the Title XX-eligible amount is $8.0 million.

CHANGE FROM PRIOR SUBVENTION:

The estimates for both FYs now include the use of Title XX funds in lieu of GF. For FY 2005-06, the foster care federal discount rate has increased from 74 percent to 75 percent.

Augmentation to Child Welfare Services

REASON FOR YEAR-TO-YEAR CHANGE:

In FY 2005-06, $17,145,000 has been restored to the GF.

EXPENDITURES:

(in 000's)

Augmentation Funds:

	2004-05 County Admin.	2005-06 County Admin.
Total	$74,295	$91,440
Federal	42,227	42,266
State	32,068	49,174
County	0	0
Reimbursements	0	0

Reappropriation Funds: [1]

	2004-05 County Admin.	2005-06 County Admin.
Total	$17,145	$0
Federal	0	0
State	17,145	0
County	0	0
Reimbursements	0	0

[1]-This is a non-add item.

Child Welfare Services/Case Management System – System Support Staff

DESCRIPTION:

This premise reflects the cost for county administrative staff needed to support the Child Welfare Services/Case Management System which was implemented as a result of Senate Bill 370 (Chapter 1294, Statutes of 1989). These staff are needed for the ongoing operations of the system.

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.
- Staffing is based on a staff-to-workstation ratio of 1:50 for all counties.
- For each FY, the electronic data processing (EDP) average monthly salaries were based on each county's proposed county administrative budget for FY 2001-02. If a county did not have an EDP salary, the county's administrative salary was used.
- There are 15,509 budgeted users for FYs 2004-05 and 2005-06. The county-by-county distribution of users is based on actuals.

METHODOLOGY:

Full-time equivalent (FTE) system support staff are calculated by applying the staff-to-workstation ratio to the total number of workstations in each individual county. These FTEs are funded at each county's individual EDP/administrative salary.

FUNDING:

For each FY, the federal share is 50 percent from Statewide Automation Child Welfare Information System funds. The nonfederal share is split 70 percent State General Fund and 30 percent county.

CHANGE FROM PRIOR SUBVENTION:

For FY 2005-06, the slight decrease is due to the redistribution of workstations among the counties based on updated actuals.

REASON FOR YEAR-TO-YEAR CHANGE:

The slight increase is due to the redistribution of workstations among the counties based on updated actuals.

Child Welfare Services/Case Management System – System Support Staff

EXPENDITURES:

(in 000's)

	2004-05 County Admin.	2005-06 County Admin.
Total	$25,029	$25,120
Federal	12,515	12,560
State	8,760	8,792
County	3,754	3,768
Reimbursements	0	0

Child Welfare Services – Emergency Assistance Program (TANF & Title IV-E)

DESCRIPTION:

These premises reflect the costs associated with the Child Welfare Services (CWS) Emergency Assistance (EA) Program funded through federal Temporary Assistance for Needy Families (TANF) and Title IV-E funds.

In 1993, the Department implemented a statewide EA Program under Title IV-A of the Social Security Act for county welfare departments which provides funding for emergency shelter care to children determined to be at risk due to abuse, neglect, abandonment, or exploitation.

In 1994, the Department implemented crisis resolution and emergency response (ER) as the child welfare services components of emergency assistance. Crisis resolution 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 will be available for emergency response activities such as receiving and assessing referrals, investigating emergency allegations, and gathering and evaluating relevant information.

EA case management is defined as an array of activities directed to a specific child. These activities include, but are not limited to, developing a case or service plan for a child, working with foster or adoptive parents to prepare them to receive a child, case and administrative reviews, case conferences, or permanency planning meetings.

Public Law (P.L.) 104-193 eliminated Title IV-A funding for the EA Program but permitted use of TANF dollars for EA funding. Although P.L. 104-193 allowed TANF funding, the Budget Act of 1997 replaced the TANF funding with State General Fund (GF). Based on interpretation of the final TANF regulations, effective October 1, 1999, EA GF expenditures are not countable towards the TANF maintenance of effort requirement, therefore, the GF was replaced with TANF funding. EA case management activities are funded with Title IV-E funds in order to free-up TANF dollars.

IMPLEMENTATION DATE:

Emergency Shelter Care - This component implemented on September 1, 1993.

Crisis Resolution - This component implemented on August 1, 1994.

Emergency Response - This component implemented on August 1, 1994.

Case Management - This component implemented on October 1, 1995.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 15204.25.
- The foster care federal discount rate is 75 percent.

Child Welfare Services – Emergency Assistance Program (TANF & Title IV-E)

METHODOLOGY:

The FY 2004-05 estimate is being held at the Budget Act of 2004 Appropriation level with an adjustment to reflect the use of Title XX funds transferred from the TANF block grant in lieu of GF. The FY 2005-06 estimate is based on the FY 2004-05 estimate and increased by individual county caseload growth.

FUNDING:

EA funding, although eliminated by P.L. 104-193, was used in the TANF block grant calculation and is, therefore, part of the TANF funding schedule.

The sharing ratio for EA eligible shelter care cases under 30 days, emergency response, and crisis resolution is 85 percent TANF and 15 percent county. For shelter care EA eligible cases over 30 days, the ratio is 50 percent TANF and 50 percent county. These funds are reflected in the “Emergency Assistance TANF” line.

EA case management activities are funded 50 percent Title IV-E after the federal foster care discount rate of 75 percent is applied. Nonfederal costs are shared 85 percent GF and 15 percent county. After the GF amount is calculated, federal 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 each FY, the Title XX-eligible amount is $6.2 million. These funds are reflected in the “Emergency Assistance Title IV-E” line.

CHANGE FROM PRIOR SUBVENTION:

The EA Title IV-E estimates for both FYs now include the use of Title XX funds in lieu of GF. The FY 2005-06 estimates have been updated for caseload growth.

REASON FOR YEAR-TO-YEAR CHANGE:

Both estimates reflect a slight increase in caseload. The EA Title IV-E estimate reflects an increase in the amount of Title XX-eligible costs.

EXPENDITURES:

(in 000’s)

	2004-05	2005-06	2004-05	2005-06
	EA TANF		**EA Title IV-E**	
Total	$168,303	$168,525	$83,880	$83,881
Federal	138,437	138,623	37,644	37,675
State	0	0	33,654	33,624
County	29,866	29,902	12,582	12,582
Reimbursements	0	0	0	0

State Family Preservation

DESCRIPTION:

This premise reflects the authorization for the permanent transfer of funds from foster care to child welfare services for counties that had a family preservation program in operation at least three years. In accordance with Assembly Bill 2365 (Chapter 71, Statutes of 1992), the three-year requirement can be met by a county using time periods in which the county funded and operated an approved plan for family preservation. The amount of funds to be permanently transferred cannot exceed 70 percent of the highest annual amount spent for family preservation. All counties participating in this program have opted to permanently transfer and the incentive/penalty provisions under current law are no longer applicable.

IMPLEMENTATION DATE:

This premise implemented in Fiscal Year (FY) 1993-94.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16500.5 through 16500.7.
- The state share of funds reflects 70 percent of the highest annual amount expended for family preservation services by 15 counties (Alameda, Contra Costa, Humboldt, Los Angeles, Mendocino, Napa, Placer, Riverside, Sacramento, San Diego, San Luis Obispo, Santa Clara, Santa Cruz, Solano, and Stanislaus).

METHODOLOGY:

For FYs 2004-05 and 2005-06, the amounts are being held at the Budget Act of 2004 Appropriation level.

FUNDING:

The federal Title IV-B, nonfederal, and federal Title XIX reimbursement funding levels are based on FY 2001-02 expenditure data.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

State Family Preservation

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$36,649	$36,649
Federal	4,325	4,325
State	22,136	22,136
County	9,492	9,492
Reimbursements	696	696

Promoting Safe and Stable Families (PSSF)

DESCRIPTION:

This premise reflects the amount of the federal PSSF grant to provide community-based, family-centered services to focus on supporting and preserving families, protecting children and preventing child abuse and neglect. The Omnibus Budget Reconciliation Act of 1993 established this capped grant program under Title IV-B.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1993.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16600 through 16604.5.
- The federal Title IV-B funds cannot be used to supplant existing state or local spending.
- Effective Fiscal Year (FY) 2001-02, based on federal requirements, a minimum of 20 percent of PSSF funds must be spent on each of the four components of the program (Family Preservation Services, Family Support Services, Adoption Promotion and Support, and Time-Limited Family Reunification).
- A 25 percent match from state or county funds is required. This match is made available through existing State Family Preservation Program funds.
- For FYs 2004-05 and 2005-06, this premise includes $900,000 and $2 million, respectively, to support an Interagency Agreement with the California Department of Social Services and the Department of Alcohol and Drugs for dependency drug court activities and an evaluation component.
- The Federal Fiscal Year (FFY) 2004 grant was $12 million less than the FFY 2003 grant. The FFY 2005 grant is $4.4 million less than the FFY 2004 grant. Additional prior year unspent funds were added to cover anticipated costs.

METHODOLOGY:

The federal funds for this program are the sum of grants converted from an FFY to a State Fiscal Year.

A non-add line has been included in the Detail Table to reflect the federal fund costs associated with the reappropriation of $1.024 million from FY 2003-04 and $5.4 million from FY 2004-05 in unspent funds to support Child Welfare Services (CWS) Program Improvement Project activities.

FUNDING:

This premise reflects federal Title IV-B grant funds to be used over a two-year period.

Promoting Safe and Stable Families

CHANGE FROM PRIOR SUBVENTION:

The budget year (BY) decrease reflects an update based on the final approved FFY 2005 federal grant award and a technical correction that was inadvertently excluded in the November 2004 Subvention estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY decrease reflects an update based on the final approved FFY 2005 federal grant award and a technical correction.

EXPENDITURES:

(in 000's)

	2004-05 County Admin.	2005-06 County Admin.
Total	$66,785	$45,806
Federal	66,785	45,806
State	0	0
County	0	0
Reimbursements	0	0

PSSF Reappropriation [1]	2004-05 County Admin.	2005-06 County Admin.
Total	$1,024	$5,400
Federal	1,024	5,400
State	0	0
County	0	0
Reimbursements	0	0

[1]- This is a non-add item.

Independent Living Program

DESCRIPTION:

This premise reflects the amount of the federal grant for the Independent Living Program (ILP). The Omnibus Budget Reconciliation Act of 1993 permanently authorized this program, which offers training to foster care adolescents and emancipated youth enabling them to be independent when their foster care terminates. County welfare departments provide or arrange for the provision of services that facilitate the transition of foster children to emancipated lifestyles.

Federal statute, H.R.3443, the Chafee Foster Care Independence Program (CFCIP) Act of 1999 (Public Law 106-169), amended Section 477 of the Social Security Act providing more flexibility in funding of ILP services. CFCIP authorized the expansion of this program to serve foster care youth ages 16 to 21. In addition, counties were given the discretion to provide ILP services to youth ages 14 and 15 when it was determined that these youth would most likely remain in foster care until emancipation. Counties are authorized to use up to 30 percent of their grant to provide housing assistance for emancipated foster youth and aftercare services to former foster youth ages 18 to 21.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1988.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10609.3.
- Funding is based on the federal grant awards for ILP.
- The grant amount for Federal Fiscal Year (FFY) 2003 was $26,242,256.
- The grant amount for FFY 2004 is $26,105,639.
- The grant amount for FFY 2005 is $25,012,729.

METHODOLOGY:

- For State Fiscal Year (SFY) 2004-05, the federal funding amount is obtained by converting the federal grant from a FFY to a SFY [one quarter of the FFY 2003 grant ($6,560,564) and three quarters of the FFY 2004 grant (3 x $6,526,410)], less $1,019,784 for state operations costs.
- For SFY 2005-06, the federal funding amount is obtained by converting the federal grant from a FFY to a SFY [one quarter of the FFY 2004 grant ($6,526,410) and three quarters of the FFY 2005 grant (3 x $6,253,182)], less $1,019,784 for state operations costs.

FUNDING:

This premise is funded 100 percent with a federal grant award. The matching funds are provided through the “Extended ILP” premise.

Independent Living Program

CHANGE FROM PRIOR SUBVENTION:

The FY 2005-06 decrease reflects the reduction in the federal grant.

REASON FOR YEAR-TO-YEAR CHANGE:

There was a decrease in the federal grant.

EXPENDITURES:

(in 000's)

	2004-05 County Admin.	2005-06 County Admin.
Total	$25,120	$24,266
Federal	25,120	24,266
State	0	0
County	0	0
Reimbursements	0	0

Extended Independent Living Program

DESCRIPTION:

This premise reflects the State General Fund (GF) portion of the Independent Living Program (ILP), which provides training for eligible foster care adolescents aged 16 to 21 years old, enabling them to be independent when their foster care terminates. Senate Bill 933 (Chapter 311, Statutes of 1998) implemented the GF portion to extend ILP services to 100 percent of the eligible foster care adolescent population, up to the age of 21 years. County welfare departments provide or arrange for the provision of services that facilitate the transition of foster children to emancipated lifestyles.

In addition, counties are given the discretion to provide ILP services to youth ages 14 and 15, when it is determined that these youth would most likely remain in foster care until emancipated. Counties are authorized to use up to 30 percent of their allocation to provide housing assistance for emancipated foster youth and aftercare service to former foster youth ages 18 to 21.

IMPLEMENTATION DATE:

This premise implemented in September 1998.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 10609.3.

METHODOLOGY:

Funding for both the current and budget years is being held at the Budget Act of 2004 Appropriation level.

FUNDING:

This premise is funded 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Extended Independent Living Program

EXPENDITURES:
(in 000's)

	2004-05 County Admin.	2005-06 County Admin.
Total	$15,152	$15,152
Federal	0	0
State	15,152	15,152
County	0	0
Reimbursements	0	0

Chafee Post Secondary Education & Training Vouchers

DESCRIPTION:

This premise reflects the amount of the federal grant for Chafee Post Secondary Education and Training Vouchers. This funding is provided under the Educational and Training Vouchers (ETV) Program which is part of the Chafee Foster Care Independence Program (CFCIP).

The Foster Care Independence Act of 1999, Public Law 107-133, amended Section 477 of the Social Security Act to provide States with flexible funding to design and conduct education and training voucher programs for youth who age out of foster care. This can assist youth with the development of skills necessary to lead independent and productive lives. The purpose of this program is to make available vouchers of up to $5,000 per year per youth for education and training, including post secondary training and education, to eligible youth who have aged out of foster care.

Individuals eligible to receive vouchers under this program are: (1) youth otherwise eligible for services under the State CFCIP program; (2) youth adopted from foster care after attaining age 16; (3) youth participating in the voucher program on their 21st birthday, until they turn 23 years old, as long as they are enrolled in a post secondary education or training program and are making satisfactory progress toward completion of that program.

IMPLEMENTATION DATE:

This premise implemented on October 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Foster Care Independence Act of 1999, Public Law 107-133, Section 477 of the Social Security Act, as amended.
- Funding is based on the federal grant awards for ETV.
- The grant amount for Federal Fiscal Year (FFY) 2004 is $8,519,233. For FFY 2005, it is anticipated that California will receive $8,547,517.
- A 20 percent match of the total cost is required. The match may be cash or in-kind contributions.
- Future funding will be appropriated on an annual basis pending congressional authorization.

METHODOLOGY:

This premise reflects federal grant funds to be used for State Fiscal Year (FY) 2004-05 through September 30, 2005, and for FY 2005-06 through September 30, 2006.

FUNDING:

This premise is funded 100 percent with a federal grant award. The matching funds are provided through the “Emancipated Youth Stipend” premise.

Chafee Post Secondary Education & Training Vouchers

CHANGE FROM PRIOR SUBVENTION:

For FY 2005-06, the increase reflects the anticipated FFY 2005 federal grant.

REASON FOR YEAR-TO-YEAR CHANGE:

There is an anticipated increase in the FFY 2005 federal grant.

EXPENDITURES:

(in 000's)

	2004-05 County Admin.	2005-06 County Admin.
Total	$8,519	$8,548
Federal	8,519	8,548
State	0	0
County	0	0
Reimbursements	0	0

Transitional Housing for Foster Youth (AB 427)

DESCRIPTION:

This premise reflects the one-time funding for the Transitional Housing for Foster Youth Fund, which is available until it is fully expended. It also reflects the federal and county match of this one-time funding. This premise initially changed the Transitional Housing Placement Program (THPP) by expanding the age range for participation from 17 to 18 years of age to 16 to 21 years of age. It also enabled additional counties to participate in the THPP and Transitional Housing Program Plus (THP-Plus) by providing a new rate-setting methodology.

The federal and county funds in this premise reflect new monies available to the Program in the current and budget years. The State General Fund (GF) is a carryover from the initial THPP appropriation, and therefore shows as a “non-add” line in the Detail Tables.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2002.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code Section 1559.110 and Welfare and Institutions Code Sections 11400, 16522 and 16522.1
- The nonfederal sharing ratio is 40 percent state and 60 percent county.
- Funding for the Transitional Housing for Foster Youth Fund will be available until fully expended.

METHODOLOGY:

It is assumed that the balance of the Transitional Housing Fund will be fully expended in the next two fiscal years. As stated above, the GF shows as a “non-add” line in the Detail Tables.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of federal financial participation based on the Federal Medical Assistance Percentage rate, for those cases meeting federal eligibility criteria.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

Transitional Housing for Foster Youth (AB 427)

REASON FOR YEAR-TO-YEAR CHANGE:

It is anticipated that the funds will be fully expended in FY 2004-05 and FY 2005-06.

EXPENDITURES:

(in 000's)

ITEM 151 –

Child Welfare Services	2004-05	2005-06
	County Admin.	County Admin.
Total	$2,180	$2,184
Federal	1,363	1,365
State	0	0
County	817	819
Reimbursements	0	0

ITEM 151 –

Child Welfare Services [1]	2004-05	2005-06
	County Admin.	County Admin.
Total	$545	$546
Federal	0	0
State	545	546
County	0	0
Reimbursements	0	0

[1] – This is a non-add item.

Transitional Housing for Foster Youth (AB 1119)

DESCRIPTION:

This premise changes the Transitional Housing Program Plus (THP-Plus) for youth 18 to 21 years of age by eliminating the requirement that youth receive aid pursuant to the Assembly Bill (AB) 427 (Chapter 125, Statutes of 2001) Supportive Transitional Emancipation Program (STEP) in order to be eligible for transitional housing placement services. This premise reflects the state and county costs associated with THP-Plus placements. Because this program serves youth ages 18 to 21, costs are not eligible for federal Title IV-E funding. AB 1119 also enables counties that have not elected to participate in STEP to participate in THP-Plus utilizing the new rate-setting methodology (70 percent) for the average group home rate as established by AB 427.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code 1559.110 and Welfare and Institutions Code Section 11403.2 and 11403.3.
- Costs are shared 40 percent state and 60 percent county.
- The THP-Plus rate is 70 percent of the county's group home average grant.

METHODOLOGY:

Funding for FY 2004-05 is being reduced to reflect historical spending patterns. Funding for FY 2005-06 is being held at the Budget Act of 2004 Appropriation level. Also, in FY 2005-06, Item 153 Transitional Housing for Foster Youth will be reflected under Item 151 Child Welfare Services Transitional Housing.

FUNDING:

Funding is shared 40 percent state and 60 percent county.

CHANGE FROM PRIOR SUBVENTION:

In FY 2005-06, the increase reflects a technical correction.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects the restoration of the funding to the FY 2004-05 Appropriation level and a technical correction. The CDSS will work with counties to ensure that this funding is fully expended beginning in FY 2005-06.

Transitional Housing for Foster Youth (AB 1119)

EXPENDITURES:

(in 000's)

ITEM 151 –

Child Welfare Services	2004-05	2005-06
	County Admin.	County Admin.
Total	$552	$3,420
Federal	0	0
State	0	1,368
County	552	2,052
Reimbursements	0	0

ITEM 153 –

Transitional Housing for Foster Youth	2004-05	2005-06
	County Admin.	County Admin.
Total	$368	$0
Federal	0	0
State	368	0
County	0	0
Reimbursements	0	0

Emancipated Foster Youth Stipends

DESCRIPTION:

This premise reflects the costs to provide special needs stipends for emancipating foster youth. The program can assist emancipating foster youth with finding affordable housing, text books for college or vocational training, employment searches, emergency personal needs, and bus vouchers. County welfare departments will provide for the provision of these services. A portion of this amount is being used as match for the Chafee Post Secondary Education and Training Vouchers.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

Authorizing statute: The Budget Act of 2000.

METHODOLOGY:

The Budget Bill designates State General Fund (GF) support levels.

FUNDING:

This program is funded 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$3,602	$3,602
Federal	0	0
State	3,602	3,602
County	0	0
Reimbursements	0	0

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Recruitment and Retention of Social Workers

DESCRIPTION:

This premise reflects the cost to fund a contract with Cooperative Personnel Services/Merit System Services to help recruit and retain social workers in 30 small counties. Due to the continued difficulties of hiring and retaining social workers, Merit System Services will work with counties to implement and provide on-going recruitment efforts and career development plans to increase and retain the number of social workers in the smaller counties.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2001.

KEY DATA/ASSUMPTIONS:

The recruitment and career development plans were designed during Fiscal Year (FY) 2000-01.

METHODOLOGY:

The funding for this premise reflects the amount of the contract with Merit System Services.

FUNDING:

This premise is eligible for federal Title IV-E funding. After the foster care federal discount rate of 75 percent for FY 2004-05 and for FY 2005-06 is applied, costs are shared 50 percent federal and 50 percent State General Fund (GF). Nonfederally-eligible costs are funded with 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

For FY 2005-06, the foster care federal discount rate has increased from 74 percent to 75 percent.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)	2004-05	2005-06
	County Admin.	County Admin.
Total	$269	$269
Federal	101	101
State	168	168
County	0	0
Reimbursements	0	0

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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 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.
- The implementation of regional training academies started in 1996.
- Funding is based on contract amounts entered into by the Department.

METHODOLOGY:

The estimates for both Fiscal Years (FYs) 2004-05 and 2005-06 are based on contract costs. For FY 2004-05, a non-add line has been included in the Detail Tables to reflect the State General Fund (GF) costs associated with the reappropriation of $190,000 in unspent funds from FY 2003-04 to support Child Welfare Services (CWS) Program Improvement Plan (PIP) training activities as stipulated by the Budget Act of 2004.

FUNDING:

After the foster care federal discount rate (FDR) of 75 percent is applied for FY 2004-05 and for FY 2005-06, federally-eligible costs are shared at 75 percent federal and 25 percent state, with the exception of various contracts which will use federal Title IV-E funds with an in-kind match. Nonfederally eligible costs are funded with 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

For FY 2005-06, the contracted costs have been updated and the FDR was updated from 74 percent to 75 percent.

Child Welfare Training Program

REASON FOR YEAR-TO-YEAR CHANGE:

The contract costs are expected to decrease and the federal discount rate applied is 75 percent.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$13,808	$13,776
Federal	9,487	9,306
State	4,321	4,470
County	0	0
Reimbursements	0	0

CWS Reappropriation[1]	2004-05	2005-06
	County Admin.	County Admin.
Total	$190	$0
Federal	104	0
State	86	0
County	0	0
Reimbursements	0	0

[1] – This is a non-add item.

Substance Abuse/HIV Infant Program

DESCRIPTION:

This premise reflects the costs for the recruitment, special training, and respite care of specially recruited and trained foster family providers caring for children with medical problems related to drug or alcohol exposure or to Acquired Immune Deficiency Syndrome (AIDS). Originally established as a demonstration project by Senate Bill (SB) 1173 (Chapter 1385, Statutes of 1989) and Assembly Bill (AB) 2268 (Chapter 1437, Statutes of 1989), the program was extended by SB 1050 (Chapter 296, Statutes of 1993) and made into a permanent program in 1997 by AB 67 (Chapter 606, Statutes of 1997). AB 2037 (Chapter 799, Statues of 2000) revised the age for children participating in this program from age three to age five for those counties that have participated in the program for at least three years.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1989.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16525.10 through 16525.30.
- The savings to the Foster Care Program resulting from diverting children from expensive out-of-home placements are reflected in the caseload and expenditure trends for foster care.
- This program is available to any county requesting participation pursuant to established procedures and to the extent funds are available. Currently, there are 10 counties that are participating in this program (Alameda, Butte, Contra Costa, Glenn, Monterey, San Diego, San Francisco, San Luis Obispo, Santa Cruz, and Shasta).

METHODOLOGY:

The total funding for Fiscal Year (FY) 2004-05 is being held at the Budget Act 2004 Appropriation Level. Effective FY 2005-06, Orange County has elected to opt out of implementing this program. Orange County's allocated amount is subtracted from the total funds. The foster care federal discount rate (FDR) was applied to the training and recruitment components.

FUNDING:

Respite care is funded 70 percent State General Fund (GF) and 30 percent county funds. The training and recruitment components are funded with 75 percent and 50 percent federal funds, respectively, after the foster care federal discount rate is applied. The nonfederal portion is funded 70 percent GF and 30 percent county funds.

CHANGE FROM PRIOR SUBVENTION:

In FY 2005-06, the FDR was updated from 74 percent to 75 percent.

Substance Abuse/HIV Infant Program

REASON FOR YEAR-TO-YEAR CHANGE:

Orange County elected to opt out of implementing the program and the FDR was updated.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$5,974	$5,649
Federal	1,648	1,744
State	3,028	2,733
County	1,298	1,172
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 and other public agency administrative costs, foster parent training, social work training and foundation grant match for training as described below.

IMPLEMENTATION DATE:

Probation Costs	June 1991	Match for Foundation Grants	2003-2004
Foster Parent Training Fund	1990-1991	Other Public Agencies	2003-2004
Social Work Training	1992-1993	Social Worker/County Counsel Training	2005-2006
Foster Parent Training – Chancellor's Office	1998-1999		

METHODOLOGY:

This premise includes the combined estimated expenditures for the following four Title IV-E pass-through costs:

- **Probation Costs** - The State received federal approval to pass on Title IV-E administration 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 will be passed through to the County Probation Departments for their federally-eligible activities related to probation supervised cases in foster care and the Title IV-E eligible training of probation staff who complete case management activities on behalf of these children.
- **Other Public Agencies** – The federal government allows Title IV-E reimbursement for administrative activities associated with pre-placement prevention. Under current California Department of Social Services regulations and specified conditions, counties may pass on Title IV-E funds to other county public agencies, such as Education or Mental Health, who perform eligible administrative activities for children at risk of, or currently placed in foster care. This pass-on provision does not apply to similar activities performed by private non-profit organizations.
- **Foster Parent Training Fund - Chancellor's Office - Foster and Kinship Care Education Program** - The Foster Parent Training Fund, based on Foster Care reimbursement collections by the Department of Child Support Services, provides funding for foster parent training programs that are conducted by community colleges in consultation with the California State Foster Parents Association and the Department (Senate Bill (SB) 2003, Chapter 1597, Statutes of 1984). Since the end of Fiscal Year (FY) 1990-91, the Federal Department of Health and Human Services has allowed Title IV-E funds to be claimed for foster parent training. The foster care federal discount rate is applied to these costs.

- **Foster Parent Training – Chancellor's Office** - Title IV-E funds will be 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 foster parent training. Assembly Bill (AB) 3062 (Chapter 1016, Statutes of 1996), AB 1127 (Chapter 216, Statutes of 1996), and SB 916 (Chapter 542, Statutes of 1997) requires training for foster parents to become eligible to care for children placed in foster care.

Child Welfare Services – Pass-Through Title IV-E Costs

METHODOLOGY (continued):

- **Social Worker Training** - An agreement between the Department, the University of California and the California State University was implemented for a statewide training program to increase the number of social workers 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 17 schools of social work participating. Funding is provided with Title IV-E federal funds and using in kind match provided by the state universities.

- **Foundation Grant Match** - The Department will receive donations from various nonprofit community foundations to implement Program Improvement Plan (PIP) and AB 636 activities. This premise reflects the federal Title IV-E administrative funds that will be drawn down using those donated funds as match. The Department will also receive reimbursement authority for $50,000 transferred from the California First Five Commission in FY 2004-05. In FY 2005-06, these funds will be reflected in the Child Welfare Services Program Improvement Fund premise.

- **Social Worker/County Counsel Training**– The trainings will be 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 social worker and county counsel's understanding of the judicial determination process and necessary court findings on behalf of children in foster care.

FUNDING:

Costs represent 100 percent federal Title IV-E funds and no state share of costs.

CHANGE FROM PRIOR SUBVENTION:

FY 2004-05 reflects an increase in the actual and projected probation expenditures, the Foundation Donated Match and the reimbursement funds from the First Five Commission. FY 2005-06 reflects an update to the actual and projected probation expenditures, an increase in social worker training costs by initiating a Bachelor of Social Work stipend pilot, a new contract with the Administrative Office of the Courts for social worker and county counsel training, and the update of the Federal Discount Rate (FDR).

REASON FOR YEAR-TO-YEAR CHANGE:

FY 2005-06 reflects an increase in projected probation expenditures, an increase in social worker training costs by initiating a Bachelor of Social Work stipend pilot, addition of the contract with the Administrative Office of the Courts, and an update of the FDR from 74 percent to 75 percent. Also, in FY 2005-06, the Foundation Donated Match is no longer reflected in this premise.

Child Welfare Services – Pass-Through Title IV-E Costs

EXPENDITURES:

(in 000's)

COMBINED TOTAL:	2004-05 County Admin.	2005-06 County Admin.
Total	$193,287	$213,071
Federal	193,237	213,071
State	0	0
County	0	0
Reimbursements	50	0

DETAILED TOTALS:

Probation:	2004-05 County Admin.	2005-06 County Admin.
Total	$159,372	$176,545
Federal	159,372	176,545
State	0	0
County	0	0
Reimbursements	0	0

Other Public Agencies:	2004-05 County Admin.	2005-06 County Admin.
Total	$2,915	$2,915
Federal	2,915	2,915
State	0	0
County	0	0
Reimbursements	0	0

Foster Parent Training Fund:	2004-05 County Admin.	2005-06 County Admin.
Total	$3,857	$3,857
Federal	3,857	3,857
State	0	0
County	0	0
Reimbursements	0	0

Foster Parent Training – Chancellor's Office:	2004-05 County Admin.	2005-06 County Admin.
Total	$2,255	$2,255
Federal	2,255	2,255
State	0	0
County	0	0
Reimbursements	0	0

Child Welfare Services – Pass-Through Title IV-E Costs

DETAILED TOTALS (continued):

Social Worker Training:	2004-05 County Admin.	2005-06 County Admin.
Total	$23,970	$27,113
Federal	23,970	27,113
State	0	0
County	0	0
Reimbursements	0	0

Foundation Grant Match:	2004-05 County Admin.	2005-06 County Admin.
Total	$918	$0
Federal	868	0
State	0	0
County	0	0
Reimbursements	50	0

AOC Social Worker/County Counsel Training:	2004-05 County Admin.	2005-06 County Admin.
Total	$0	$386
Federal	0	386
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 Initiative, Assembly Bill 2129 (Chapter 1089, Statutes of 1993), the Department was required to develop and implement an expanded foster parent training program, and to provide specialized training for foster parents of children with special care needs. Expansion of recruitment activities for minority and sibling placements is also specifically emphasized.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1994.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 903.8.

METHODOLOGY:

Total funding for both the current and budget years is being held at the Budget Act of 2004 Appropriation level.

FUNDING:

This program is eligible for Title IV-E federal funding. After the foster care federal discount rate of 75 percent for Fiscal Year (FY) 2004-05 and for FY 2005-06 is applied, costs are shared 75 percent federal and 25 percent nonfederal for the training costs, and 50 percent federal and 50 percent nonfederal for the recruitment costs. The nonfederal shares are funded 100 percent with State General Fund. The funds are evenly distributed for each component of the program.

CHANGE FROM PRIOR SUBVENTION:

For FY 2005-06, the foster care federal discount rate was updated from 74 percent to 75 percent.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Foster Parent Training and Recruitment

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$3,598	$3,598
Federal	1,687	1,687
State	1,911	1,911
County	0	0
Reimbursements	0	0

Minor Parent Services and Investigations

DESCRIPTION:

This premise reflects the costs for a program designed to discourage teen pregnancy and encourage appropriate parenting of teen parents and their children. As established by Assembly Bill 908 (Chapter 304, Statutes of 1995), the guidelines require pregnant and parenting teens to live with their parents or legal guardians as a condition for receiving welfare benefits unless specific conditions exist. Teen parents not living at home will live in an appropriate, supervised setting. Minor Parent Services (MPS) will be provided if deemed necessary.

IMPLEMENTATION DATE:

The investigative part of this premise implemented on May 1, 1997.

The MPS part of this premise implemented on June 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code (W&IC) sections 11254, 16504(b), and 16506.
- It is assumed that any situations of abuse or neglect under W&IC section 300 requiring a foster care living arrangement resulting from this investigation, are already reflected in Child Welfare Services (CWS) and Foster Care caseload trends.
- It is assumed that a social worker will spend four hours investigating each case. The four hours include one and one-half hours each for two client contacts (teen parent and the teen parent's parent(s) or legal guardian), including interviews and documentation. An additional hour is allocated for travel and time to prepare a report of the social worker's findings.
- Based on historical family maintenance data, it is assumed that minor parents (mostly those at 17 years of age) will be allowed to form their own assistance units (AUs) and receive MPS. The estimated number of minor parents approved for their own AUs at age 17 is based on application survey data. An average of six months of services is estimated for each case.

METHODOLOGY:

The total funding for this premise for both Fiscal Years (FYs) 2004-05 and 2005-06 is being held at the Budget Act of 2004 Appropriation level.

FUNDING:

The costs of performing the investigations and providing MPS are eligible for 50 percent funding under the Temporary Assistance for Needy Families block grant. All nonfederal costs are shared 70 percent state and 30 percent county.

Minor Parent Services and Investigations

CHANGE FROM PRIOR SUBVENTION:
There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:
There is no change.

EXPENDITURES:
(in 000's)

COMBINED TOTAL:	2004-05 County Admin.	2005-06 County Admin.
Total	$7,097	$7,097
Federal	3,549	3,549
State	2,484	2,484
County	1,064	1,064
Reimbursements	0	0

Investigations:	2004-05 County Admin.	2005-06 County Admin.
Total	$3,096	$3,096
Federal	1,548	1,548
State	1,084	1,084
County	464	464
Reimbursements	0	0

Minor Parent Services:	2004-05 County Admin.	2005-06 County Admin.
Total	$4,001	$4,001
Federal	2,001	2,001
State	1,400	1,400
County	600	600
Reimbursements	0	0

Kinship Support Services

DESCRIPTION:

This premise reflects the costs for the grants-in-aid program that provides start-up and expansion funds for local kinship support service programs. As designated by Assembly Bill (AB) 1193 (Chapter 794, Statutes of 1997), the Kinship Support Services Program is to be conducted by the Department with the initial grants being awarded in July 1998 to eight counties. Currently, there are 11 counties participating in the Program. These programs are to provide community-based family support services to kinship (relative) caregivers and the children who are placed in their homes by the juvenile court or who are at risk of dependency or delinquency.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutes Code section 16605.
- The participating counties for Fiscal Years 2004-05 and 2005-06 are: Alameda, Contra Costa, Los Angeles, Monterey, Riverside, San Bernardino, San Diego, San Francisco, San Mateo, Santa Clara, and Stanislaus.

METHODOLOGY:

The estimate reflects the amount contained in AB 1193.

FUNDING:

This premise is funded 100 percent with State General Fund (GF) as specified by AB 1193.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$1,500	$1,500
Federal	0	0
State	1,500	1,500
County	0	0
Reimbursements	0	0

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Kinship/Foster Care Emergency Funds

DESCRIPTION:

This premise reflects the cost to provide emergency funds to relative caregivers and foster parents. The program primarily offers one-time assistance for necessary housing needs, such as extra beds and clothing. Short-term support services, such as crisis counseling, are also provided to prevent children from entering or re-entering the child welfare system.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

Authorizing statute: The Budget Act of 2000.

METHODOLOGY:

The Department of Social Services received policy clarification from the federal Department of Health and Human Services that administrative costs for beds, cribs, and smoke detectors that are needed in order to license or approve a foster family home are allowable under Title IV-E. For Fiscal Year (FY) 2004-05, the total funding is being held at the Budget Act of 2004 Appropriation level to capture a State General Fund (GF) savings. For FY 2005-06, the total $1 million is being applied to draw down the federal reimbursement.

FUNDING:

After the foster care federal discount rate of 75 percent is applied, costs are shared 50 percent federal and 50 percent nonfederal. The nonfederal shares are funded 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

For FY 2004-05 and FY 2005-06, the federal reimbursement is applied.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2005-06 reflects the drawdown of federal funding based on the $1 GF appropriation.

Kinship/Foster Care Emergency Funds

EXPENDITURES:

(in 000's)

	2004-05 County Admin.	2005-06 County Admin.
Total	$1,000	$1,600
Federal	375	600
State	625	1,000
County	0	0
Reimbursements	0	0

Child Welfare Services/Case Management System Staff Development

DESCRIPTION:

This premise reflects the cost 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.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- 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.
- The estimate assumes an 11.5 percent staff turnover rate.
- There are 15,819 budgeted users for each fiscal year.
- 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; and,
  - **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.

Fiscal Year (FY) 2004-05 and FY 2005-06: (1,819 New Users x 44 hours x $48.07) + (1,559 Intermediate/Advanced Users x 16 hours x $48.07) + (195 Management/Supervisory Users x 16 hours x $48.07) + (55 System Support Users x 24 hours x $48.07) + (29 Database Users x 24 hours x $48.07). For the statewide contract costs, $2,577,016 is added in FY 2004-05 and $3,148,991 is added in FY 2005-06 in order to meet the total contract commitment.

FUNDING:

After applying the foster care federal discount rate of 75 percent, federally-eligible costs are shared 75 percent federal Title IV-E and 25 percent nonfederal. Nonfederal costs are shared 70 percent State General Fund (GF) and 30 percent county. However, nonfederal costs for the statewide training contract are 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

The statewide training contract costs have been updated and for FY 2005-06 the foster care federal discount rate has increased from 74 percent to 75 percent.

REASON FOR YEAR-TO-YEAR CHANGE:

The statewide training contract costs have increased.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$7,871	$8,443
Federal	4,427	4,749
State	2,749	2,999
County	695	695
Reimbursements	0	0

CWS/CMS Maintenance and Operation (M&O) Project

DESCRIPTION:

This premise reflects the costs related to the ongoing and administrative support of the Child Welfare Services/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. CWS/CMS also includes information regarding adoptions to produce the semiannual adoption and foster care analysis reporting system reports.

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.

In July 1995, the California Health and Human Services Agency directed the transfer of major information technology projects from the California Department of Social Services (CDSS) to the California Health and Human Services Agency Data Center (HHSDC), formerly known as the Health and Welfare Data Center. In Fiscal Year (FY) 2004-05, HHSDC is administering the projects under an interagency agreement with the CDSS. In FY 2005-06, the Office of Systems Integration (OSI) will administer the project.

IMPLEMENTATION DATE:

This premise became effective FY 1995-96.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- All counties became operational with the completion of data conversion in the summer of 1998. Costs are based on the FY 2005-06 Supplementary Premise Information (SPI).

METHODOLOGY:

Costs represent ongoing maintenance and operations (M&O) costs associated with support and oversight of the CWS/CMS. Costs include the wide-area network (WAN) maintained by HHSDC, HHSDC-OSI administrative support, and vendor costs related to operation, support, and maintenance of the application and technical architecture.

FUNDING:

The cost allocation reflects a Statewide Automated Child Welfare Information System (SACWIS) Methodology. Federal funding is based on the federal cost allocation plan for CWS/CMS. Federally eligible costs are shared at 50 percent federal Title IV-E and 50 percent State General Fund. This change is in accordance with the Administration for Children and Families (ACF) direction as provided in their letter dated October 12, 2004.

CWS/CMS Maintenance and Operation (M&O) Project

CHANGE FROM PRIOR SUBVENTION:

There are minor reductions in both FY 2004-05 and FY 2005-06 which shift to the Staff Development premise line. These costs were budgeted incorrectly during the prior subvention.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects the following changes: a decrease of one-time costs that were funded in FY 2004-05; and increases for staff and operating expense and equipment (OE&E), contract costs, administrative overhead, and price increases.

EXPENDITURES:

(in 000's)

	2004-05 County Admin.	2005-06 County Admin.
Total	$61,518	$71,901
Federal	31,162	35,971
State	30,356	35,930
County	0	0
Reimbursements	0	0

CDSS/HHSDC-OSI PARTNERSHIP:

(in 000's)

	2004-05	2005-06
Total	$61,518	$71,901
CDSS	1,227	1,227
HHSDC-OSI	60,291	70,674

CWS/CMS Go Forward Plan Project

DESCRIPTION:

This premise reflects the costs related to the implementation of the Go Forward Plan (GFP) Project. The Child Welfare Services/Case Management System (CWS/CMS) Go Forward Plan and As Needed Advance Planning Document Update (APDU) were sent to the federal Administration for Children and Families (ACF) on August 13, 2004. On October 12, 2004, the California Department of Social Services (CDSS) received a letter from the ACF confirming the negotiated strategies listed in the APDU. The ACF has conditionally approved the Go Forward APDU and the State's request for the restoration and resumption of the federally defined Statewide Automated Child Welfare Information System (SACWIS)-level funding for CWS/CMS. The State may claim CWS/CMS related operational costs identified in the APDU's budget at the SACWIS level from July 2003 through June 2005. In order to retain this level of funding for past and future CWS/CMS related expenses, the State must successfully complete its Technical Architectural Alternative Analysis (TAAA), pursue a direction with CWS/CMS or other statewide automation that is acceptable to ACF, and address ACF's concerns expressed in the enclosure to the letter.

IMPLEMENTATION DATE:

This premise was implemented in Fiscal Year (FY) 2004-05.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- Costs are based on the FY 2005-06 Supplementary Premise Information (SPI).

METHODOLOGY:

In FY 2004-05, costs represent GFP project costs associated with support and oversight of the project. Costs include staffing, contract services for re-hosting the application and implementation of the TAAA, and Health and Human Services Data Center (HHSDC) administrative support. In FY 2005-06, the support and oversight of GFP will be the responsibility of the Office of Systems Integration (OSI).

FUNDING:

The cost allocation reflects a SACWIS methodology. Federal funding is based on the federal cost allocation plan for CWS/CMS. Federally eligible costs are shared at 50 percent federal Title IV-E and 50 percent State General Fund. This change is in accordance with ACF direction as provided in their letter dated October 12, 2004.

CHANGE FROM PRIOR SUBVENTION:

There is a minor technical adjustment in FY 2005-06 to correct the Cost Allocation Plans (CAPs) used in the November Estimate.

CWS/CMS Go Forward Plan Project

REASON FOR YEAR-TO-YEAR CHANGE:
The budget year increase reflects the following changes: an increase to staffing costs, OSI services, and administrative overhead.

EXPENDITURES:
(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$31,602	$48,800
Federal	15,801	24,368
State	15,801	24,432
County	0	0
Reimbursements	0	0

CDSS/HHSDC-OSI PARTNERSHIP:
(in 000's)

	2004-05	2005-06
Total	$31,602	$48,800
CDSS	5,736	5,621
HHSDC-OSI	25,866	43,179

CWS/CMS Application Server Replacement Project

DESCRIPTION:

This premise reflects the costs related to the replacement of server hardware, operating system, and support software to enable the Child Welfare Services/Case Management System (CWS/CMS) to continue to function with a viable, technologically current infrastructure that supports the CWS Program.

In Fiscal Year (FY) 2005-06, the project management of CWS/CMS will change from the Health and Human Services Data Center (HHSDC) to the Office of Systems Integration (OSI).

IMPLEMENTATION DATE:

This premise was implemented in FY 2001-02.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- Costs are based on the FY 2002-03 Budget Change Proposal.

METHODOLOGY:

Costs represent services to design, develop, configure, test, pilot, and implement the new server solution and the purchase of server hardware and software.

FUNDING:

Federal funding is based on the federal cost allocation plan for CWS/CMS. Federally eligible costs are shared at 50 percent Federal Title IV-E and 50 percent State.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

CWS/CMS Application Server Replacement Project

EXPENDITURES:
(in 000's)

	2004-05	2005-06
Total	$276	$276
Federal	138	138
State	138	138
County	0	0
Reimbursements	0	0

CDSS/HHSDC-OSI PARTNERSHIP:
(in 000's)

	2004-05	2005-06
Total	$276	$276
CDSS	0	0
HHSDC-OSI	276	276

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 fund are generated through the Department of Motor Vehicles' (DMV) "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&I) 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 revenue) is to be provided to counties (county children's trust funds) for support of child abuse prevention services in the community (W&I 18285(e)(1).
- The total actual CHSF license plate revenue for Fiscal Year (FY) 2003-04 was $2,732,000

METHODOLOGY:

Using the prior year's actual revenue as the base, 22.5 percent will be transferred to the counties for child abuse prevention activities ($2,732,000 x 22.5 percent = $615,000) for FY 2005-06.

FUNDING:

All funds are provided by the CHSF.

CHANGE FROM PRIOR SUBVENTION:

The increase in budget year reflects the recovery of the $30,000 from the Community Care Licensing Family Child Care Home budget.

REASON FOR YEAR-TO-YEAR CHANGE:

The estimate reflects an update in the revenue base used in the calculation.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$415	$615
Federal	0	0
State	415	615
County	0	0
Reimbursements	0	0

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Supportive and Therapeutic Options Program (STOP)

DESCRIPTION:

This premise reflects costs for providing expanded therapeutic day services as an alternative to placement in foster care and as a means of reunifying children with their families from these placements. These services are provided to families with children and youth returning from out-of-home placement or at-risk of such placements that cannot access services through current mental health services or other funding mechanisms. Services target a broader number of children than the current child welfare services population such as children and youth at-risk of placement and those exiting foster care. Funds provide supportive and therapeutic services in order to prevent placement in out-of-home care and/or provide aftercare services to facilitate a successful transition to home or community from out-of-home care placements.

IMPLEMENTATION DATE:

This premise implemented in August 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16500, 16508.2, and 16508.3.
- Funding for Fiscal Year (FY) 2004-05 is held at the Budget Act of 2004 Appropriation level.
- The Department of Mental Health's annual cost for mental health services per child in FY 2004-05 is assumed to be $4,680.
- For FY 2005-06, the cost for mental health services per child is assumed to be $5,225.

METHODOLOGY:

The cost for this program is calculated by multiplying the estimated number of children to be served by the cost per case for mental health services.

FUNDING:

This premise is shared 70 percent state and 30 percent county.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Supportive and Therapeutic Options Program (STOP)

EXPENDITURES:

(in 000's)

	2004-05 County Admin.	2005-06 County Admin.
Total	$14,220	$14,220
Federal	0	0
State	9,954	9,954
County	4,266	4,266
Reimbursements	0	0

Group Home Monthly Visits

DESCRIPTION:

This premise reflects the costs of providing monthly visits to all foster care children placed in group homes (GHs), both in-state and out-of-state. This premise was authorized by Senate Bill 933 (Chapter 311, Statutes of 1998).

IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16516.5.
- The in-state GH caseload is projected to be 11,988 for Fiscal Year (FY) 2004-05 and 11,427 for FY 2005-06 based on data as reported on the Child Welfare Services/Case Management System. The out-of-state GH caseload is estimated at 145 for FY 2004-05 and 173 for FY 2005-06.
- The hourly cost of a social worker is $72.60 for each fiscal year.
- For the out-of-state placements, it is assumed that an average of two cases can be visited per trip.
- All GH placements will receive ten additional visits per year.
- In-state visits will take an average of two hours per visit and out-of-state visits will take an average of 12 hours to visit two cases.
- Based on caseload data for in-state GH placements, 4,663 cases are placed out-of-county for FY 2004-05, and 4,402 cases for FY 2005-06. For both fiscal years, these cases have been budgeted to include an additional two hours of travel time.
- For both fiscal years, out-of-state per diem costs are estimated at $124 and out-of-state travel costs are estimated at $500.

METHODOLOGY:

- For each fiscal year, the in-state costs for ten visits are calculated using the in-state GH caseload for two hours per visit multiplied by the hourly cost of a social worker (FY 2004-05: 10 visits x 11,988 cases x 2 hours x $72.60; FY 2005-06: 10 visits x 11,427 cases x 2 hours x $72.60).
- An additional two hours are calculated for the in-state, out-of-county placements at the hourly cost of a social worker (FY 2004-05: 2 hours x 4,663 cases x $72.60; FY 2005-06: 2 hours x 4,402 cases x $72.60).
- The out-of-state costs for ten visits are calculated using the out-of-state GH caseload divided by two (two cases per visit) for 12 hours per visit multiplied by the hourly cost of a social worker (FY 2004-05: 10 visits x 73 cases x 12 hours x $72.60; FY 2005-06: 10 visits x 87 cases x 12 hours x $72.60).
- Per diem and travel costs are added for each visit (FY 2004-05: $624 per diem/travel x 10 visits x 73 cases; FY 2005-06: $624 per diem/travel x 10 visits x 87 cases).

Group Home Monthly Visits

FUNDING:

After the foster care federal discount rate of 75 is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

For FY 2005-06, caseload has decreased and the foster care federal discount rate has increased from 74 percent to 75 percent.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to a decrease in caseload.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$19,163	$18,520
Federal	7,186	6,945
State	11,977	11,575
County	0	0
Reimbursements	0	0

Background Checks

DESCRIPTION:

This premise reflects the cost associated with conducting background checks prior to placing children in the home of a relative, or the home of any other person who is not a licensed foster parent. Pursuant to Assembly Bill 1695 (Chapter 653, Statutes of 2001), all unlicensed foster parents must meet the same standards set forth in regulations for the licensing of foster family homes. Therefore, all unlicensed foster parents will be subject to a background check to be conducted through the Child Abuse Index, the Department of Justice and the Federal Bureau of Investigations.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 361.4.
- The caseload for Fiscal Year (FY) 2004-05 is 22,043 based on new placement data for Calendar Year 2003. The caseload for FY 2005-06 is 23,838, based on new placement data for FY 2003-04.
- Based on information from the California Welfare Directors' Association, it is assumed that an average of 1.56 children is placed per home.
- It is assumed that an average of two persons in the home will require background checks.
- The cost for the Child Abuse Index check is estimated at $15 per check.
- Costs for a Department of Justice background check through the Live Scan System are $32 along with a $16 application fee per check.
- The Federal Bureau of Investigations background check is $24.

METHODOLOGY:

The costs are calculated by dividing the caseload by number of placements per home, multiplied by two persons in the home requiring background checks, multiplied by the cost for background checks.

FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund.

Background Checks

CHANGE FROM PRIOR SUBVENTION:

The caseload for FY 2005-06 has decreased based on updated actuals. The foster care federal discount rate has also increased from 74 percent to 75 percent.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an increase in caseload.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$2,459	$2,659
Federal	922	997
State	1,537	1,662
County	0	0
Reimbursements	0	0

Relative Home Approvals

DESCRIPTION:

This premise reflects the cost associated with conducting an in-home approval prior to placing children in the home of a relative, or the home of a nonrelative extended family member (Initial Approvals). This premise also reflects the cost of conducting an annual visit for continued approval of a relative home (Annual Approvals). Assembly Bill (AB) 1695 (Chapter 653, Statutes of 2001) requires the county welfare department to conduct an in-home inspection to assess the safety of the home and the ability of the relative to care for the child's needs. The bill stipulates that the standards used to evaluate and grant or deny approval of the home of the relative shall be the same standards set forth in regulations for the licensing of foster family homes. However, all homes will require an annual reassessment as opposed to targeted visits for continued licensure of foster family homes.

IMPLEMENTATION DATE:

This premise implemented January 1, 2002.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 309(d).
- The caseload for Fiscal Year (FY) 2004-05 is 22,043 based on new placement data for Calendar Year 2003. The caseload for FY 2005-06 is 23,838, based on new placement data for FY 2003-04.
- The existing caseload for FY 2004-05 is 31,236 based on placement data for December 2003. The existing caseload for FY 2005-06 is 30,009 based on placement data for February 2005.
- Based on information from the California Welfare Directors' Association (CWDA), it is assumed that an average of 1.56 children is placed per home.
- Based on information from the CWDA, it is assumed that it will take an average of nine hours to complete the additional activities associated with conducting an initial approval equivalent to the licensure of a foster family home.
- It is assumed that it will take an average of three hours to conduct an annual visit for reapproval of the home.
- The hourly cost of a social worker is $72.60 for each FY.

METHODOLOGY:

Costs for the initial assessments are calculated by dividing the new caseload by the number of children per home, multiplied by the number of hours for approval, multiplied by the hourly cost of a social worker. Costs for annual reapprovals are then calculated for the existing caseload.

Relative Home Approvals

FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 70 percent State General Fund and 30 percent county.

CHANGE FROM PRIOR SUBVENTION:

The caseload for FY 2005-06 has decreased based on updated actuals. The foster care federal discount rate has also increased from 74 percent to 75 percent.

REASON FOR YEAR-TO-YEAR CHANGE:

The net increase is due to an increase in new caseload and a decrease in the existing caseload.

EXPENDITURES:

(in 000's)

Initial Approvals:	2004-05	2005-06	**Annual Approvals:**	2004-05	2005-06
	County Admin.	County Admin.		County Admin.	County Admin.
Total	$9,232	$9,984	Total	$4,361	$4,190
Federal	3,462	3,744	Federal	1,635	1,571
State	4,039	4,368	State	1,908	1,833
County	1,731	1,872	County	818	786
Reimbursements	0	0	Reimbursements	0	0

COMBINED TOTAL:	2004-05	2005-06
	County Admin.	County Admin.
Total	$13,593	$14,174
Federal	5,097	5,315
State	5,947	6,201
County	2,549	2,658
Reimbursements	0	0

Multiple Relative Home Approvals

DESCRIPTION:

This premise reflects the cost associated with conducting additional approvals when more than one relative or non-related extended family member is seeking to have related foster children placed with them. These additional approvals of all willing relatives or non-related extended family members are necessary in order to fairly establish viable placement options and to better enable the State to meet the federal Adoption and Safe Families Act requirement that approval of relative homes be in compliance with foster family home licensing/approval standards.

IMPLEMENTATION DATE:

This premise implemented on December 1, 2002.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 309(d).
- The caseload for Fiscal Year (FY) 2004-05 is 22,043 based on new placement data for Calendar Year 2003. The caseload for FY 2005-06 is 23,838, based on new placement data for FY 2003-04.
- Based on information from the California Welfare Directors' Association (CWDA), it is assumed that an average of 1.56 children is placed per home.
- It is assumed that 30 percent of the placements have more than one party interested in receiving the placement.
- It is assumed that there are two to three (2.5 average) interested parties per placement. Therefore, since the "Relative Home Approvals" premise already provides for one assessment, there is an average of 1.5 additional homes that require approvals.
- Based on information from CWDA, it is assumed that it will take an average of 15 hours to assess each home for approval.
- The hourly cost of a social worker is $72.60 for both fiscal years.

METHODOLOGY:

The number of approvals to be conducted is calculated by dividing the caseload by the average placements per home, then multiplying by the percentage of placements with multiple interest, multiplied by the additional homes requiring approval. Annual costs are calculated by multiplying the number of approvals by the number of hours per approval multiplied by the hourly cost of a social worker.

FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are shared 70 percent State General Fund and 30 percent county.

Multiple Relative Home Approvals

CHANGE FROM PRIOR SUBVENTION:

The caseload for FY 2005-06 has decreased based on updated actuals. The foster care federal discount rate has also increased from 74 percent to 75 percent.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an increase in caseload.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$6,924	$7,488
Federal	2,597	2,808
State	3,029	3,276
County	1,298	1,404
Reimbursements	0	0

Grievance Review for Relatives

DESCRIPTION:

This premise reflects the cost associated with providing a review process upon request for relatives seeking to have related foster children placed with them but who are determined not to meet approval standards established by law and regulation. Making a grievance review available to relatives disapproved prior to placement is necessary to afford due process through an objective review of the basis for the disapproval and to better enable the State to meet the federal Adoption and Safe Families Act requirement that approval of relative homes be in compliance with foster family home licensing/approval standards.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 309(d).
- The caseload for Fiscal Year (FY) 2004-05 is 22,043 based on new placement data for Calendar Year 2003. The caseload for FY 2005-06 is 23,838, based on new placement data for FY 2003-04.
- Based on information from the California Welfare Directors' Association, it is assumed that an average of 1.56 children is placed per home.
- It is assumed that 30 percent of the placements have more than one party interested in receiving the placement.
- It is assumed that there are two to three (2.5 average) interested parties per placement.
- It is assumed that 45 percent of homes will be disapproved.
- It is assumed that 20 percent of those whose homes are disapproved will request a review.
- It is assumed that it will take an average of eight hours to review each case.
- The hourly cost of a social worker is $72.60 for both fiscal years.

METHODOLOGY:

The number of reviews to be conducted is calculated by dividing the caseload by the average placements per home, then multiplying by the percentage of placements with multiple interest, multiplied by the average interested parties per placement, then multiplying by the percent of homes that are disapproved and the percent of those requesting a review. Annual costs are calculated by multiplying the number of reviews by the number of hours per review multiplied by the hourly cost of a social worker.

Grievance Review for Relatives

FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are shared 70 percent State General Fund and 30 percent county.

CHANGE FROM PRIOR SUBVENTION:

The caseload for FY 2005-06 has decreased based on updated actuals. The foster care federal discount rate has also increased from 74 percent to 75 percent.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an increase in caseload.

EXPENDITURES:

(in 000's)

	2004-05 County Admin.	2005-06 County Admin.
Total	$554	$600
Federal	208	225
State	242	262
County	104	113
Reimbursements	0	0

Live Scan Technology

DESCRIPTION:

This premise reflects the cost to maintain Live Scan machines in the 58 county child welfare services agencies for the Foster Care program. Before a child can be placed in a foster home or an unlicensed relative or guardian home, caregivers must clear a criminal record check. Live Scan technology provides the capability to do instantaneous criminal record checks from fingerprints. Providing and maintaining Live Scan machines to the child welfare agencies allow for immediate onsite fingerprint processing.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Assembly Bill 1740 (Chapter 52, Statutes of 2000).
- The 58 counties were provided funds to purchase 100 Live Scan machines in Fiscal Year (FY) 2000-01.
- Costs are negotiated and contracted with a Live Scan vendor by each of the counties.
- Contract costs for on-going maintenance are based on an existing Live Scan contract for Community Care Licensing activities.

METHODOLOGY:

The estimate is based on an existing Live Scan contract to provide on-going maintenance.

FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

For FY 2005-06, the foster care federal discount rate has changed from 74 percent to 75 percent.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Live Scan Technology

EXPENDITURES:
(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$1,200	$1,200
Federal	450	450
State	750	750
County	0	0
Reimbursements	0	0

Health Services for Children in Foster Care

DESCRIPTION:

This premise reflects the cost to fund positions for public health care nurses (PHNs) in the county welfare departments. These nurses will provide enhanced health services to children entering foster care. As authorized by Assembly Bill 1111 (Chapter 147, Statutes of 1999), this program will improve the physical, mental, dental and developmental well being of children in the child welfare system. The PHNs funded through this program shall work closely with the child's caseworker or probation officer to coordinate health care services and serve as a liaison with health care professionals and other providers of health related services.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.3.
- For Fiscal Year (FY) 2004-05, the number of new cases added to foster care is 44,270 based on actual data from January 2003 to December 2003. For FY 2005-06, the number of new cases added to foster care is 44,171 based on actual data from December 2003 to November 2004.
- The new foster care caseload per PHN is based on a 1:200 ratio.
- The cost for a PHN in FY 2004-05 is $104,039 and for FY 2005-06 is held at the FY 2004-05 level.
- The matching State General Funds (25 percent) are reflected in the Department's budget and, through an interagency agreement, passed over to the budget of the Department of Health Services (DHS).

METHODOLOGY:

For both FY 2004-05 and FY 2005-06, the new foster care caseload is divided by the number of annual cases per PHN, then multiplied by the unit cost of a PHN to determine the total cost of the program [FY 2004-05 equals (44,270 divided by 200) times $104,039 and FY 2005-06 equals (44,171 divided by 200) times $104,039]. The total funds are multiplied by 25 percent to calculate the amount reflected in the Department's budget and the remaining 75 percent of the funds are reflected in the budget of the DHS.

FUNDING:

This program is eligible for enhanced federal Title XIX funding of 75 percent with a match of 25 percent State General Funds.

Health Services for Children in Foster Care

CHANGE FROM PRIOR SUBVENTION:

The FY 2005-06 reflects a slight increase in caseload from the projection; however, the caseload is still lower than in FY 2004-05.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2005-06 reflects a slight increase in caseload from the projection; however, the caseload is still lower than in FY 2004-05.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$5,757	$5,744
Federal	0	0
State	5,757	5,744
County	0	0
Reimbursements	0	0

County Self-Assessment and System Improvement Plan (SIP) Development

DESCRIPTION:

This premise reflects the cost to provide funding to counties to support the additional administrative responsibility related to the planning and coordination of the periodic county Child Welfare Services (CWS) performance self-assessments and annual System Improvement Plans (SIPs) as required by Assembly Bill (AB) 636 (Chapter 678, Statutes of 2002). Self-assessments and SIPs are critical and mandated components of the new CWS outcomes and accountability systems that require full and continuous participation by the public, service recipients, providers, courts, and agencies participating in CWS and are necessary to ensure a comprehensive, efficient, and non-duplicative approach to CWS assessment, design and operations.

Additional staff resources are necessary for the new function of identifying, selecting, updating membership, providing information, and coordinating the activities of the wide range of participants that include: advocates, the general public, law enforcement, courts, health and mental health agencies, local education, foster parents, foster youth, service recipient parents, and tribal organizations.

IMPLEMENTATION DATE:

This premise implemented January 1, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Budget Act of 2004.
- Eighty-seven staff, at the social worker level, are budgeted to perform these duties for each fiscal year (FY).
- The statewide average cost of a social worker is $129,074 for each FY.

METHODOLOGY:

The estimate is calculated for each FY by multiplying the number of social workers by the statewide average cost of a social worker

FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are shared 70 percent State General Fund and 30 percent county.

CHANGE FROM PRIOR SUBVENTION:

For FY 2005-06, the foster care federal discount rate has increased from 74 percent to 75 percent.

County Self-Assessment and System Improvement Planning (SIP) Development

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$11,230	$11,230
Federal	4,211	4,211
State	4,913	4,913
County	2,106	2,106
Reimbursements	0	0

Data Requirements for New Activities

DESCRIPTION:

This premise reflects the cost related to the additional data requirements associated with the many new mandated activities counties must accomplish to implement the Program Improvement Plan (PIP) and the California Child & Family Services Review process authorized by Assembly Bill (AB) 636 (Chapter 678, Statutes of 2002). Counties must review and update data already contained in the Child Welfare Services/Case Management System to ensure the new required data elements are entered into the case files. Counties must also spend additional time entering these additional data requirements in all new cases as they are created. This effort must be accomplished so that it is possible to measure program improvement progress as required in the PIP in order to avoid federal penalties.

IMPLEMENTATION DATE:

This premise implemented January 1, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Budget Act of 2004.
- The Fiscal Year (FY) 2004-05 and FY 2005-06 estimates are for new cases only.
- The new caseload is 57,484 for FY 2004-05 based on actual data for Calendar Year 2003 and 58,957 for FY 2005-06 based on actual data for FY 2003-04.
- It is assumed that it will take an average of 15 minutes per case to enter data for all new cases.
- The hourly cost of a social worker is $72.60 for each FY.

METHODOLOGY:

The estimate is calculated by multiplying the caseload by the number of hours per case and then by the hourly cost of a social worker.

FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are shared 70 percent State General Fund and 30 percent county.

CHANGE FROM PRIOR SUBVENTION:

The FY 2005-06 estimate reflects an increase in new caseload and an increase in the foster care federal discount rate from 74 percent to 75 percent.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an increase in caseload.

Data Requirements for New Activities

EXPENDITURES:
(in 000's)

	2004-05 County Admin.	2005-06 County Admin.
Total	$1,043	$1,070
Federal	391	401
State	456	468
County	196	201
Reimbursements	0	0

Peer Quality Case Reviews

DESCRIPTION:

This premise reflects the cost associated with backfilling, travel and per diem costs for social workers and probation officers participating in Peer Quality Case Reviews (PQCR) as required by Assembly Bill 636 (Chapter 678, Statutes of 2001). The purpose of the PQCR is to learn, through intensive examination of county child welfare practice, how to improve child welfare services and practices in California, both in the participating county and in other jurisdictions as well. Without relying on the PQCR as a vehicle for validating the quantitative data contained within each county's County Data Report and Self Assessment, the PQCR should provide another layer of information. Specifically, the PQCR will be another mechanism for understanding the key to the child welfare system and social worker practice. While the quantitative data provides integral, population-based information, the PQCR will provide a rich and deep understanding of actual practice in the field. In addition, the PQCR goes beyond the County Self-Assessment by incorporating outside expertise, including county peers, to help identify the strengths and weaknesses of county child welfare services delivery systems, and social worker and probation officer practices.

IMPLEMENTATION DATE:

This premise implemented July 1, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10601.2.
- There will be 13 counties completing County Welfare Department (CWD) reviews in Fiscal Year (FY) 2004-05 and 20 counties completing County Welfare Department and County Probation Department (CPD) reviews in FY 2005-06.
- Each CWD review will take approximately five days to complete and will involve an average of 16 staff; eight staff from the county being reviewed and eight staff from other counties. Each CPD review will take approximately three days to complete and will involve an average of 16 staff; eight staff from the county being reviewed and eight staff from other counties.
- Based on information from the County Welfare Directors Association, it will require a total of 712 hours of social worker time for each CWD review, which also includes time for preparation, coordination and training for the reviews and completion and review of reports. Each CPD review will take approximately three-fifths the time of a CWD review, or 427 hours of probation officer time.
- The hourly cost of a worker is $72.60.
- Eight social workers from other counties will participate in each county review and will require travel and per diem costs of $124.00 per day.
- $20,000 of state support is included in the premise.

Peer Quality Case Reviews

METHODOLOGY:

The total number of worker hours per review is multiplied by the number of reviews and then by the worker cost per hour. Costs are then added for travel and per diem for eight visiting workers for each of the reviews at $124.00 per day. An additional $20,000 is added for state staff's travel and per diem.

FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are shared 70 percent State General Fund and 30 percent county.

CHANGE FROM PRIOR SUBVENTION:

For FY 2004-05 the number of county reviews has decreased from 20 to 13. For FY 2005-06 CPD reviews have been added and the foster care federal discount rate has been updated from 74 percent to 75 percent.

REASON FOR YEAR-TO-YEAR CHANGE:

The number of reviews has increased from 13 to 20 and also includes CPD reviews.

EXPENDITURES:

(in 000's)

	2004-05 County Admin.	2005-06 County Admin.
Total	$757	$1,858
Federal	284	697
State	331	813
County	142	348
Reimbursements	0	0

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 supports that promote positive outcomes for children and families.

IMPLEMENTATION DATE:

This premise will implement July 1, 2005.

KEY DATA/ASSUMPTIONS:

- Donated funds will be eligible for federal Title IV-E enhanced training matching funds.
- The foster care federal discount rate is 75 percent for Fiscal Year (FY) 2005-06.

METHODOLOGY:

A total of $550,000 in donated funds is expected in FY 2005-06.

FUNDING:

After applying the foster care federal discount rate, federally-eligible costs are shared 75 percent enhanced federal Title IV-E training funds and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund, payable from the CWS Program Improvement Fund.

CHANGE FROM PRIOR SUBVENTION:

The amount of anticipated donations has increased and the foster care federal discount rate has increased from 74 percent to 75 percent.

REASON FOR YEAR-TO-YEAR CHANGE:

Donated funds are reflected in the premise beginning in FY 2005-06.

EXPENDITURES:

(in 000's)	2004-05	2005-06
	County Admin.	County Admin.
Total	$0	$1,258
Federal	0	708
State	0	550
County	0	0
Reimbursements	0	0

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CWS Differential Response

DESCRIPTION:

This premise reflects funding for the Differential Response intake system. Beginning at the Child Welfare Services (CWS) Hotline, the new Differential Response 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. A more responsive intake system with customized services and supports will improve outcomes for children and their families.

IMPLEMENTATION DATE:

This premise will implement July 1, 2005.

KEY DATA/ASSUMPTIONS:

This premise is now reflected as part of the “CWS DR, SA, & PYS” premise.

METHODOLOGY:

Please see the “CWS DR, SA, & PYS” premise description.

FUNDING:

Please see the “CWS DR, SA, & PYS” premise description.

CHANGE FROM PRIOR SUBVENTION:

Please see the “CWS DR, SA, & PYS” premise description.

REASON FOR YEAR-TO-YEAR CHANGE:

Please see the “CWS DR, SA, & PYS” premise description.

EXPENDITURES:

(in 000’s)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

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CWS Safety Assessment

DESCRIPTION:
This premise reflects funding for the California Standardized Safety Assessment System. This system establishes the standards, tools, and practice application to improve California's safety outcomes. The Standardized Safety Assessment System is a critical component of the state's Program Improvement Plan activities that will improve safety and child well-being outcomes for children and families.

IMPLEMENTATION DATE:
This premise will implement July 1, 2005.

KEY DATA/ASSUMPTIONS:
This premise is now reflected as part of the "CWS DR, SA, & PYS" premise.

METHODOLOGY:
Please see the "CWS DR, SA, & PYS" premise description.

FUNDING:
Please see the "CWS DR, SA, & PYS" premise description.

CHANGE FROM PRIOR SUBVENTION:
Please see the "CWS DR, SA, & PYS" premise description.

REASON FOR YEAR-TO-YEAR CHANGE:
Please see the "CWS DR, SA, & PYS" premise description.

EXPENDITURES:
(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

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CWS Permanency and Youth Services

DESCRIPTION:

This premise reflects funding to support increased permanence and stability for children in the Child Welfare Services (CWS) system, as well as services and supports for foster youth as they transition to adulthood. Permanency practice improvements include:

- Enhanced casework practices that engage family and youth in development of the case plan.
- Improved activities to support family and youth participation in case planning.
- Support for resources and services for customizing case plans.

These system and practice improvements will ensure a safe, stable, and supportive environment for a child to receive needed services/resources to keep his/her family intact or, if needed, to place in a permanent home as safely and quickly as possible.

IMPLEMENTATION DATE:

This premise will implement July 1, 2005.

KEY DATA/ASSUMPTIONS:

This premise is now reflected as part of the “CWS DR, SA, & PYS” premise.

METHODOLOGY:

Please see the “CWS DR, SA, & PYS” premise description.

FUNDING:

Please see the “CWS DR, SA, & PYS” premise description.

CHANGE FROM PRIOR SUBVENTION:

Please see the “CWS DR, SA, & PYS” premise description.

REASON FOR YEAR-TO-YEAR CHANGE:

Please see the “CWS DR, SA, & PYS” premise description.

EXPENDITURES:

(in 000’s)

	2004-05 County Admin.	2005-06 County Admin.
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

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CWS Differential Response (DR), Safety Assessment (SA) and Permanency & Youth Services (PYS)

DESCRIPTION:

This premise reflects funding for activities related to Differential Response, Safety Assessment, and Permanency & Youth Services that were previously identified as separate premises. Beginning at the Child Welfare Services (CWS) Hotline, the new Differential Response 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 application to improve California's safety outcomes. Permanency and Youth Services are aimed at increasing permanence and stability for children in the CWS system as well as supporting foster youth as they transition to adulthood.

IMPLEMENTATION DATE:

This premise will implement July 1, 2005.

KEY DATA/ASSUMPTIONS:

- This new premise will provide the same level of funding for continued implementation in the 11 counties (Contra Costa, Glenn, Humboldt, Los Angeles, 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.
- The foster care federal discount rate for FY 2005-06 is 75 percent.

METHODOLOGY:

Funding for the 11 counties is $13,002,000. An additional $743,000 is provided for state contracts.

FUNDING:

After applying the foster care federal discount rate, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal for the non-enhanced expenditures and 75 percent enhanced federal Title IV-E training funds and 25 percent nonfederal. Nonfederal costs are 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

CWS Differential Response (DR), Safety Assessment (SA) and Permanency & Youth Services (PYS)

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$0	$13,745
Federal	0	5,903
State	0	7,842
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 approved by each county's Board of Supervisors. These plans are required under the new California Child and Family Services Review, pursuant to Chapter 678, Statutes of 2001 (AB 636). Improvements in the area of safety are a priority. In addition, the eleven Child Welfare Services Program Improvement pilot counties (Cohort 1) can access these funds to support ongoing development of their Standardized Safety Assessment System, Differential Response, and Youth Permanency programs. The Department anticipates that 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.

IMPLEMENTATION DATE:

This premise will implement July 1, 2005.

KEY DATA/ASSUMPTIONS:

- A total of $5,862,000 will be available for administrative activities.
- The foster care federal discount rate is 75 percent.
- Additional State Children's Trust Fund and Promoting Safe and Stable Families funds reappropriated from Fiscal Year 2004-05 are also available for the purposes of this premise. The reappropriated amounts are reflected in the "State Children's Trust Fund" and Promoting Safe and Stable Families" premises.

METHODOLOGY:

A total of $5,862,000 will be available for this premise.

FUNDING:

After applying the foster care federal discount rate, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

CWS Outcome Improvement Project

EXPENDITURES:
(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$0	$5,862
Federal	0	2,198
State	0	3,664
County	0	0
Reimbursements	0	0

AB 408 - Child Relationships

DESCRIPTION:

This premise reflects the costs for social workers to perform additional activities on every initial and six month case plan and court report on children 10 years of age and older in Foster Care. Social workers are to evaluate and assess relationships between foster children and other important people in their lives, excluding siblings, and take necessary actions to maintain these relationships. Social workers will also conduct investigations to identify these individuals and ask all children that have been in Foster Care for over six months, who are 10 years of age and older that are placed in Group Homes to identify these people. These identified persons will also be included in the child's Transitional Independent Living Plan (TILP) process. Costs for the necessary background checks are also included in this premise.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2004.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Assembly Bill 408 (Chapter 813, Statues of 2003).

METHODOLOGY:

The total funding for Fiscal Years (FYs) 2004-05 and 2005-06 is held at the Budget Act of 2004 Appropriation level.

FUNDING:

After the foster care federal discount rate for FYs 2004-05 and 2005-06 is applied, costs are shared 50 percent federal and the nonfederal portion is funded 70 percent with State General Fund and 30 percent county funds.

CHANGE FROM PRIOR SUBVENTION:

The foster care federal discount rate in Fiscal Year 2005-06 has been updated from 74 percent to 75 percent.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

AB 408 - Child Relationships

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$5,189	$5,189
Federal	1,946	1,946
State	2,270	2,270
County	973	973
Reimbursements	0	0

Adoptions Program – Basic Costs

DESCRIPTION:

This premise reflects costs associated with agency (relinquishment) and independent adoptions for 30 counties. Although only 28 counties provide adoptive services, these costs include funding for independent adoptions and services in two adjacent counties. Relinquishment and agency adoption 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 or in which, due to abuse or neglect, parental rights have been terminated by court action; and
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 (Assembly Bill 1524, Chapter 1083, Statutes of 1996) was introduced to maximize adoption opportunities for children in public foster care and reduce the foster care 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 Adoptions Initiative, the annual number of foster children who were placed in an adoptive home increased from 3,000 to over 7,200.

Previously, this premise was separated from the Adoptions Initiative premise in order to illustrate the fiscal impact of the Initiative. However, since achieving the goal of doubling the number of statewide adoptions, this premise now combines the Adoptions Initiative with the Adoption Program basic costs to fund the program with 560.55 full-time equivalents (FTEs).

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16100 through 16106.
- The counties are funded with 560.55 FTEs in each Fiscal Year (FY).
- The statewide average annual unit cost of an adoption worker was held at $128,564 for each FY.
- Additional federal spending authority in the amount of $1,388,424 for each FY is included based on actual historical expenditure data.

METHODOLOGY:

- Estimates are individually calculated for each county that performs its own adoptive services by multiplying the number of FTEs by the county's annual adoption worker unit cost.
- Additional federal funds are included to bring the federal spending authority up to a level based on actual historical expenditure data.

Adoptions Program – Basic Costs

FUNDING:

The sharing ratios for each FY are 43.33 percent federal and 56.67 percent nonfederal based on actual expenditure data from FY 2003-04. The nonfederal share is 100 percent State General Fund. Additional federal funding is included to provide sufficient federal spending authority to a level based on actual historical expenditure data.

CHANGE FROM PRIOR SUBVENTION:

For each FY, sharing ratios and the amount of additional federal spending authority have been revised based on update actual expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$73,456	$73,456
Federal	32,728	32,728
State	40,728	40,728
County	0	0
Reimbursements	0	0

Private Agency Adoption Reimbursement Payments

DESCRIPTION:

This premise reflects the costs of providing private agency adoption reimbursement payments (PAARPs) 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.

Once the child is placed, a claim is submitted to the Department for an individual child by the private adoption agency. Departmental 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 departmental program staff.

IMPLEMENTATION DATE:

This premise originally implemented on July 1, 1992.

The AB 1225 reimbursement payment increase went into effect on July 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16120 through 16122.
- The caseload is projected at 1,980 for both Fiscal Years (FYs) 2004-05 and 2005-06 based on actual caseload data from FY 2003-04.
- The cost of each PAARP was calculated at $5,000 per private agency adoptive placement.

METHODOLOGY:

To determine the PAARP basic cost, the projected number of private agency adoptive placements was multiplied by the average reimbursement cost per placement (1,980 placements x $5,000 reimbursement per placement).

FUNDING:

The funding ratio was based on actual claiming data from FY 2003-04. The federal share of cost is 47 percent, and the state share of cost is 53 percent.

CHANGE FROM PRIOR SUBVENTION:

The increase is due to an increase in the projected caseload based on updated actual caseload data. The sharing ratios have been updated based on more recent actual expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Private Agency Adoption Reimbursement Payments

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$9,900	$9,900
Federal	4,701	4,701
State	5,199	5,199
County	0	0
Reimbursement	0	0

Foster and Adoptive Home Recruitment

DESCRIPTION:

This premise reflects the costs associated with utilizing the services of local community organizations to increase the pool of minority adoptive families in order to place more minority children. The program is administered via contracts between the Department and private providers; counties are not directly involved.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1982.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Federal Multiethnic Placement Act.
- The Foster and Adoptive Home Recruitment Program will fund three contracts with private providers in the current and budget years.

METHODOLOGY:

- The estimate for Fiscal Years (FYs) 2004-05 and 2005-06 is developed based on anticipated and actual executed contracts.
- The foster care federal discount rate is 75 percent for both FYs.

FUNDING:

After the foster care federal discount rate is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

For FY 2005-06, the foster care federal discount rate has changed from 74 percent to 75 percent.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$367	$367
Federal	138	138
State	229	229
County	0	0
Reimbursements	0	0

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County Counsel Costs

DESCRIPTION:

This premise reflects the costs of 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.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1990.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code sections 16100 through 16106.
- Based on data from Fiscal Year (FY) 2003-04, actual county counsel expenditures were reported at $1,220,384 for those counties that report expenditures. The number of children freed associated with these expenditures was 438.
- For those counties that report expenditures, the projected number of children freed for adoption by county counsels for FY 2004-05 and FY 2005-06 is 499.
- The foster care federal discount rate is 75 percent for each FY.

METHODOLOGY:

The average cost per case was derived by dividing the expenditures by the number of children freed during that same period. The average cost per case was then multiplied by the projected number of children to be legally freed for adoption.

FUNDING:

After the foster care federal discount rate is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

For FY 2004-05, the average cost per case and projected caseload have increased based on updated actuals. For FY 2005-06 the average cost per case has increased based on updated actuals and the foster care federal discount rate has increased from 74 percent to 75 percent.

County Counsel Costs

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$1,392	$1,392
Federal	522	522
State	870	870
County	0	0
Reimbursements	0	0

Nonrecurring Adoption Expenses

DESCRIPTION:

This premise reflects the costs for the reimbursement to 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 2129 (Chapter 1089, Statutes of 1993) made this cap permanent.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1990.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16120.1.
- 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.
- An average of 49.15 percent of eligible cases will submit claims in Fiscal Year (FY) 2004-05 and FY 2005-06.

METHODOLOGY:

The estimate was developed by multiplying the projected number of adoptions by the percentage that would qualify as special needs cases (6,166 adoptions x 68 percent). This number was then multiplied by the average percentage of submitted claims, and then by the maximum reimbursement amount (4,193 eligible cases x 49.15 percent of eligible cases submitting claims x $400).

FUNDING:

The funding for these reimbursements are shared between federal and state at 50 percent each. There is no county share.

CHANGE FROM PRIOR SUBVENTIONI:

The projected number of claims has decreased based on latest actuals.

Nonrecurring Adoption Expenses

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$824	$824
Federal	412	412
State	412	412
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 HIV positive or who have a condition of symptoms resulting from substance abuse by the mother. Specifically, this funding will provide 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 Substance Abuse/HIV Infant Program (Options for Recovery) authorized by AB 67 (Chapter 606, Statutes of 1997).

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 10 counties (El Dorado, Mendocino, Monterey, Riverside, San Francisco, San Luis Obispo, Santa Clara, Santa Cruz, Shasta, and Stanislaus) that are participating in this program.
- The foster care federal discount rate is 75 percent for each Fiscal Year (FY).

METHODOLOGY:

The estimate for this program was developed by calculating the costs for each of the three separate components (respite care, training, and recruitment). The total program funding is $1,871,000, based on the $1,000,000 State General Fund (GF) appropriation in AB 2198 for the implementation of this program.

FUNDING:

After the foster care federal discount rate is applied, federally-eligible recruitment activities are funded with 50 percent federal funds and 50 percent nonfederal funds. The nonfederal funds are shared 70 percent GF and 30 percent county.

After the foster care federal discount rate is applied, federally-eligible training costs are funded with 75 percent federal funds and 25 percent nonfederal funds. The nonfederal funds are shared 70 percent GF and 30 percent county.

Respite care is funded with 70 percent GF and 30 percent county funds.

Specialized Training for Adoptive Parents (STAP)

CHANGE FROM PRIOR SUBVENTION:

The foster care federal discount rate has been updated.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$1,871	$1,871
Federal	442	442
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 Department or a California licensed adoption agency. This home study report would need approval in the nonresident petitioner's state.

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 would result in an increase of 33 more out-of-state adoptions.
- Each new case would require, on average, 2.5 visits per year.
- It would take 16 hours, including travel, to conduct each visit.
- Travel costs are estimated to be $624 (including per diem) per visit.
- The average hourly cost for a social worker is $72.60.

METHODOLOGY:

The estimate was developed by first multiplying the number of new cases by the average number of visits required (33 new cases x 2.5 visits per case = 82.5 total visits). The average cost of the social worker ($72.60 per hour x 16 hours per visit = $1,162) was added to the travel costs ($1,162 cost of social worker + $624 travel costs = $1,786). This total cost was then multiplied by the number of total visits (82.5 total visits x $1,786 cost per visit = $147,345).

FUNDING:

Based on Fiscal Year 2003-04 actual expenditures, 43 percent of the total costs are federally funded. The nonfederal share, 57 percent, is funded with State General Fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Nonresident Petitions for Adoption (AB 746)

EXPENDITURES:

(in 000's)

	2004-05 County Admin.	2005-06 County Admin.
Total	$148	$148
Federal	64	64
State	84	84
County	0	0
Reimbursements	0	0

Adoption Opportunity Grant

DESCRIPTION:

This premise reflects an annual $350,000 in federal grant funds that the Department will receive for five years, on behalf of Sacramento County, to help promote adoptive placements and to provide services to children in foster care. Services include building a culture of permanence in partner agencies through the enhancement of existing protocols, training and collaborations; implementing changes in current services by engaging project youth in recruitment plans and activities to increase permanency; developing and implementing marketing strategies to increase recruitment of adoptive families; and addressing system barriers by identifying focus issues and enhancing partnerships between advocates, policy makers, and legislators. Sacramento County will contract with Sierra Adoptions Services to provide these services. Sierra Adoptions Services will provide the 11.93 percent nonfederal match required for the grant.

IMPLEMENTATION DATE:

This premise implemented during Fiscal Year (FY) 2003-04.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Senate Bill 1104 (Chapter 229, Statutes of 2004).

METHODOLOGY:

The amount of funding reflects the annual grant award.

FUNDING:

Funding is 88.07 percent federal share with an 11.93 percent county match.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$398	$398
Federal	350	350
State	0	0
County	48	48
Reimbursements	0	0

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County Third Party Contracts

DESCRIPTION:

This premise reflects the costs associated with the Child Abuse Prevention, Intervention, and Treatment (CAPIT) Program. Assembly Bill 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.

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 (CBCAP) grant matching and leveraging requirements.

METHODOLOGY:

Total funding is divided among county allocations, innovative services, training and technical assistance/state support and the Safely Surrendered Baby Public Education Campaign as follows:

- County Allocations: Counties are allocated a total of $12,356,000. Small counties receive a preset minimum funding level, and the remaining distribution uses a formula that considers a county's child population (under age 18), children receiving public assistance, and child abuse reports.
- Innovative Services Contracts: There is $1,039,000 appropriated for innovative services contracts. A competitive bid process determines the grantees of innovative services contracts.
- Training and Technical Assistance (T&TA)/State Support: The funding 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 training and technical assistance/state support amount is not included in the local assistance budget.
- Safely Surrendered Baby Public Education Campaign: The California Children and Families Commission (Proposition 10) will provide reimbursement funds to the CDSS for a statewide multi-media and public relations Safely Surrendered Baby Public Education Campaign in FY 2004-05. The campaign is to inform and educate all Californians about the "Safe Arms for Newborns" law, also known as the Safely Surrendered Baby Law, which was enacted on January 1, 2001. The funds will provide publicity and advertisements via the various news media, including radio and television public service announcements and placement of informational advertisements in college and university newspapers. The reimbursement amount is $150,000 for FY 2004-05. No reimbursement will be provided for the Safely Surrendered Baby Public Education Campaign in FY 2005-06.

County Third Party Contracts

FUNDING:
The CAPIT funding is 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:
There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:
The reduction is due to the elimination of the reimbursement funds (Proposition 10).

EXPENDITURES:

(in 000's)	2004-05	2005-06
	Grant	Grant
Total	$13,545	$13,395
Federal	0	0
State	13,395	13,395
County	0	0
Reimbursements	150	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 now 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 fifty 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 (CBFRS) grant.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18958.
- Project funding is contingent upon continued receipt of federal grant awards.
- CBCAP grant awards are contingent upon using Child Abuse Prevention, Intervention, and Treatment (CAPIT) funds to fulfill nonfederal matching and leveraging requirements.

METHODOLOGY:

Each federal grant averages approximately $2.5 million annually and has a lifetime limit of five years to fully expend the annual grant. This allows states flexibility in the use and support of multi-year projects.

The total reflects the following federal grant:

	2004-05	2005-06
• CAPTA Title I Grants	$4,030,073	$4,100,307
• CAPTA Title II – CBCAP Grants	$2,558,206	$2,487,972
	$6,588,279	$6,588,279

FUNDING:

Funding for these projects is 100 percent federal grant funds.

CHANGE FROM PRIOR SUBVENTION:

There is no change. However, there is a shift in federal spending authority from the CAPTA grant to the CBCAP grant.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Federal Grants

EXPENDITURES:

(in 000's)	2004-05 Grant	2005-06 Grant
Total	$6,588	$6,588
Federal	6,588	6,588
State	0	0
County	0	0
Reimbursements	0	0

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.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18969.
- The Office of the State Controller accounts for deposits to the SCTF and advises the Department as to the availability of funds.

METHODOLOGY:

This premise reflects the current funding available for the SCTF, as provided by the OCAP. For Fiscal Year (FY) 2004-05 and FY 2005-06, a non-add line has been included in the Detail Tables to reflect the SCTF costs associated with the reappropriation of $435,000 from FY 2003-04 and $1,000,000 from FY 2004-05 in unspent funds to support the Child Welfare Services (CWS) Program Improvement Plan Project and Assembly Bill (AB) 636 activities.

FUNDING:

The SCTF is used for research, evaluation, dissemination of information to the public, the establishment of 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. For FY 2004-05 and FY 2005-06, SCTF funds will also support the implementation of the CWS Program Improvement Project and AB 636 activities.

CHANGE FROM PRIOR SUBVENTION:

The increase in FY 2005-06 reflects the Federal Title IV-E draw down from the $1 million rollover from FY 2004-05 to FY 2005-06.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in FY 2005-06 reflects the absence of accumulated reverted Child Abuse Prevention, Intervention, and Treatment funds from previous years.

State Children's Trust Fund Program

EXPENDITURES:

(in 000's)	2004-05	2005-06
	Grant	Grant
Total	$9,563	$3,279
Federal	3,231	600
State	6,332	2,679
County	0	0
Reimbursements	0	0

SCTF Reappropriation[1]	2004-05	2005-06
	Grant	Grant
Total	$435	$1,000
Federal	0	0
State	435	1,000
County	0	0
Reimbursements	0	0

1-This is a non-add item.

County Services Block Grant – Basic Costs

DESCRIPTION:

This premise reflects the County Services Block Grant (CSBG) funding provided to the counties. The CSBG provides funds for Adult Protective Services (APS) and APS administrative costs. The CSBG may also be used to fund related optional services and activities to the extent funds are available.

Non-Medical Out-of-Home Care (NMOHC) administrative costs relating to the SSI/SSP Program are also included in this premise since Fiscal Year (FY) 2000-01. These NMOHC costs were previously reflected in the "Small Programs (non-CalWORKs) Block Grant" premise.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13004 through 13007.
- The State General Fund (GF) is block granted at $10.5 million.
- The county match ($10.9 million) reflects the FY 1996-97 CSBG county expenditure level. Senate Bill 2199 (Chapter 946, Statutes of 1998) required the counties to maintain their FY 1996-97 APS expenditure level for CSBG purposes.
- The Title XIX reimbursement rate is assumed to be 31.70 percent, based on the actual federal reimbursement percentage claimed on the county administrative expense claim for FY 2003-04.

METHODOLOGY:

- In the current year, the GF block grant, the county dollars, the Title XIX reimbursements ($10,500,000 + $10,936,000 + $10,321,000 = $31,757,000), and the NMOHC costs ($807,462) are held to appropriation.
- In the budget year, the estimated costs are computed by adding the GF block grant, the county dollars and the Title XIX reimbursements ($10,500,000 + $10,936,000 + $10,206,690 = $31,642,690), and the NMOHC costs. The NMOHC costs are estimated to be $672,540 in the budget year.

FUNDING:

- GF for CSBG is block granted at $10.5 million with county participation at the maintenance of effort level.
- NMOHC is funded with 100 percent GF.
- The Title XIX reimbursements are as follows:
    - ♦ Activities performed by skilled professional medical personnel are eligible for Title XIX reimbursement at 75 percent.
    - ♦ Health-related activities provided to Medi-Cal eligible recipients are eligible for Title XIX reimbursement at 50 percent.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

County Services Block Grant – Basic Costs

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reduction in total costs reflects a reduction in estimated costs for the NMOHC Program and Title XIX reimbursements.

EXPENDITURES:

(in 000's)	2004-05	2005-06
	County Admin.	County Admin.
Total	$32,565	$32,316
Federal	0	0
State	11,308	11,173
County	10,936	10,936
Reimbursements	10,321	10,207

Adult Protective Services

DESCRIPTION:

This premise reflects the funds available over and above the funds provided in the County Services Block Grant (CSBG) for the provision of adult protective services (APS). Senate Bill (SB) 2199 (Chapter 946, Statutes of 1998) established a statewide mandated APS Program and provided these additional funds for expanded APS activities. The county share of APS expenditures was held at the Fiscal Year (FY) 1996-97 county match level for the CSBG. The APS Program has been funded in whole or in part under CSBG since the 1984 Budget Act. The APS Program, administered by the county welfare departments, 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.

The APS Program, as defined in SB 2199, requires the counties to respond to reports of elder and dependent adult abuse on a 24-hour emergency response basis. Among the services required by SB 2199 are investigations, needs assessments, and case management services. SB 2199 also provides for necessary tangible resources such as food, emergency shelter care, in-home protection, transportation, and the use of multidisciplinary teams.

IMPLEMENTATION DATE:

- This premise implemented on July 1, 1997.
- The enhanced APS Program became effective May 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Elder Abuse and Dependent Adult Civil Protection Act, commencing Welfare and Institutions Code section 15600.
- This program received a $20 million State General Fund (GF) augmentation in the 1998 Budget Act to provide counties with additional resources needed to implement the statewide mandated APS Program. An additional $25.3 million GF augmentation was provided in the 1999 Budget Act.
- The counties are assumed to have no additional share of the APS costs effective FY 1998-99. SB 2199 held county costs to the FY 1996-97 CSBG expenditure level.

METHODOLOGY:

The GF estimated expenditures are held at the FY 2002-03 levels. The estimated Federal Title XIX reimbursement is based on actual expenditures for FY 2003-04.

FUNDING:

- The program is funded with GF and Title XIX reimbursements.
- The Title XIX reimbursements are as follows:
  - ♦ Activities performed by skilled professional medical personnel are eligible for Title XIX reimbursement at 75 percent; and,
  - ♦ Health-related activities provided to Medi-Cal eligible recipients are eligible for Title XIX reimbursement at 50 percent.

Adult Protective Services

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2004-2005	2005-2006
	County Admin.	County Admin.
Total	$83,558	$83,558
Federal	0	0
State	50,179	50,179
County	0	0
Reimbursements	33,379	33,379

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, including scheduling and arranging training in all the regions of the State and producing all required training materials; and,
- Periodically update the curriculum and its content to reflect changing APS laws, policies and practices and provide updated training to APS workers.

The purpose of the training will be to educate county APS workers on the new APS Program standards, requirements, and mandates established by passage of Senate Bill 2199 (Chapter 946, Statutes of 1998). 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 Welfare and Institutions Code section 15600.
- The cost for ongoing training activities is estimated to be $176,000 annually.

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 State General Fund (GF).

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 000's)

	2004-05 Contracts	2005-06 Contracts
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 42 counties providing FFH licensing and recruitment services. FFHs in the remaining 16 counties are licensed by the California Department of Social Services' (CDSS) Community Care Licensing Program District Offices. For these counties, funds are provided for the purpose of recruiting FFH providers.

Current law mandates that 10 percent of facilities receiving targeted unannounced visits, rather than annual visits, be monitored each year. If the number of citations increases by 10 percent over the prior year, the number of unannounced visits must also increase by 10 percent. In Fiscal Year (FY) 2004-05, the number of citations is projected to be less than 10 percent. Therefore, for FY 2005-06, the workload standard is being held at the FY 2004-05 level. All facilities with a history of compliance issues will continue to be visited on an annual basis.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1500 through 1519.
- The workload standards used to determine FTEs for targeted visits in both FY 2004-05 and FY 2005-06 is 133 cases per worker.
- The worker to supervisor ratio used to determine the total number of FTEs is 6.35:1.
- The average statewide unit cost is held at the FY 2002-03 unit cost of $125,663.

METHODOLOGY:

FY 2004-05

The estimate was developed by determining the number of FTEs based on an updated FY 2004-05 average caseload of 7,956. This caseload was divided by the workload standards of cases per worker to derive the number of nonsupervisory FTEs (7,956 cases ÷ 133 cases per worker = 59.82 FTEs). The FTEs were expanded to include supervisors at a ratio of 6.35:1 to determine the total number of FTEs ((59.82 FTEs ÷ 6.35 supervisor ratio) + 59.82 FTEs = 69.24 FTEs). The federal and GF sharing ratio was applied.

The total estimate was derived by adding the recruitment-only allocation to the FFH Program estimate ($8,700,900 + $877,764). Then, an additional $3,525,527 in federal spending authority, based on a 3-year average of actual expenditures, was included. The recruitment-only amount is held at the FY 2003-04 funding level.

Community Care Licensing - Foster Family Homes

METHODOLOGY (continued):

FY 2005-06

The estimate was developed by determining the number of FTEs based on the FY 2005-06 projected caseload of 7,719. This caseload was divided by the workload standards of cases per worker to derive the number of nonsupervisory FTEs (7,719 cases ÷ 133 cases per worker = 58.04 FTEs). The FTEs were expanded to include supervisors at a ratio of 6.35:1 to determine the total number of FTEs ((58.04 FTEs ÷ 6.35 supervisor ratio) + 58.04 FTEs = 67.18 FTEs). The federal and GF sharing ratio was applied.

The total estimate was derived by adding the recruitment-only allocation to the FFH Program estimate ($8,441,710 + $877,764). Then, an additional $3,632,926 in federal spending authority, based on a 3-year average of actual expenditures, was included. The recruitment-only amount is held at the FY 04-05 funding level.

FUNDING:

Based on actual expenditure data from FY 2003-04, the sharing ratio for FY 2004-05 and FY 2005-06 is 42.1 percent federal Title IV-E and 57.9 percent GF. Additional federal spending authority is included based on actual expenditures.

CHANGE FROM PRIOR SUBVENTION:

The FY 2004-05 GF increase reflects an increase in the average caseload. The FY 2005-06 GF decrease reflects an adjustment in the actual expenditures with a slight increase in the projected average caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The change from year to year reflects a decrease in actual expenditures with a slight increase in the projected average caseload.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$13,104	$12,953
Federal	7,556	7,556
State	5,548	5,397
County	0	0
Reimbursements	0	0

Family Child Care Homes – Basic Costs

DESCRIPTION:

This premise reflects the costs of providing basic funding to six counties for family child care home (FCCH) licensing services and, beginning Fiscal Year (FY) 2005-06, the necessary staff to process serious incident reports. FCCH programs in the remaining 52 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. All FCCHs were historically subject to triennial monitoring visits, but now receive targeted, unannounced visits.

Current law mandates that 10 percent of facilities receiving targeted unannounced visits are monitored each year. If the number of citations increases by 10 percent over the prior year, the number of unannounced visits must also increase by 10 percent. In Fiscal Year (FY) 2004-05, the number of citations is projected to be less than 10 percent. Therefore, the workload standard is being held at the corrected level of 309. All facilities with a history of compliance issues will continue to be visited on an annual basis.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1500 through 1519.
- The workload standard used to determine full-time equivalents (FTEs) for triennial visits is 303 cases per worker.
- The workload standard used to determine FTEs for targeted monitoring visits is 309.
- The worker to supervisor ratio used to determine FTEs is 6.35:1.
- The average statewide unit cost is held at the FY 2002-03 level of $117,885.
- The estimates for FY 2004-05 include $30,000 from the Child Health and Safety Fund (CHSF). In FY 2005-06, the $30,000 was reinstated to the CHSF.

METHODOLOGY:

<u>FY 2004-05</u>

The estimate was developed by determining the number of FTEs based on an updated FY 2004-05 average caseload of 3,663. This caseload was divided by the workload standard of 309 cases per worker to determine the number of nonsupervisory FTEs (3,663 caseload ÷ 309). The FTEs were then expanded to include supervisors at a ratio of 6.35:1 to derive the total number of FTEs ([11.85 FTEs ÷ 6.35 supervisor ratio] + 11.85 FTEs = 13.72 FTEs). The average statewide unit cost was then multiplied by total FTEs plus the $30,000 was added from the CHSF.

Family Child Care Homes – Basic Costs

METHODOLOGY (continued):

FY 2005-06

The estimate was developed by determining the number of FTEs based on the FY 2005-06 projected caseload of 3,717. This caseload was divided by the workload standard of 309 cases per worker to determine the number of nonsupervisory FTEs (3,717 caseload ÷ 309). The FTEs were then expanded to include supervisors at a ratio of 6.35:1 to derive the total number of FTEs ([12.03 FTEs ÷ 6.35 supervisor ratio] + 12.03 FTEs = 13.92 FTEs). The average statewide unit cost was then multiplied by total FTEs. Beginning in FY 2005-06, $80,000 is included in the Family Child Care Home Basic Costs premise for serious incident reporting and the $30,000 from CHSF is reverted back to the Fund.

FUNDING:

In the Budget Act of 1999, the Legislature appropriated $318,000 in reimbursement funds from the California Department of Education (CDE) for licensing workers to conduct comprehensive annual site visits. This funding is a reimbursement through the Child Care Development Fund. The remaining costs are funded 100 percent GF, except for the $30,000 from the Child Health and Safety Fund (part of the fund's revenue that goes to counties for child abuse prevention activities) in FY 2004-05.

CHANGE FROM PRIOR SUBVENTION:

The FY 2004-05 and FY 2005-06 estimates reflect an increase in caseload and a correction to the workload standard.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2005-06 reflects an increase in caseload, correction to the workload standard, and the inclusion of $80,000 for the Serious Incident Reporting.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$1,648	$1,721
Federal	0	0
State	1,330	1,403
County	0	0
Reimbursements	318	318

Serious Incident Reporting

DESCRIPTION:

This premise reflects the costs of providing funding to the six counties that provide family child care home (FCCH) licensing services in order for those counties to fulfill the reporting requirements associated with Assembly Bill (AB) 685 (Chapter 679, Statutes of 2001). AB 685 requires FCCH licensees 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. This premise provides the necessary staff to process these serious incident reports.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2002.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Health and Safety Code sections 1500 through 1519.

METHODOLOGY:

Fiscal Year (FY) 2004-05 funding is held at the Budget Act of 2004 Appropriation level. Beginning FY 2005-06, the funds will be included in the Family Child Care Homes Basic Costs.

FUNDING:

This premise is funded 100 percent with State General Fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

Beginning FY 2005-06, the funds will be included in the Family Child Care Homes Basic Costs.

EXPENDITURES:

(in 000's)

	2004-05 County Admin.	2005-06 County Admin.
Total	$80	$0
Federal	0	0
State	80	0
County	0	0
Reimbursement	0	0

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Gresher v. Anderson

DESCRIPTION:

This premise reflects the costs associated with implementation of the court ruling of Gresher v. Anderson. On February 25, 2005, the appellate court overturned an earlier trial court decision and ruled against the California Department of Social Services (CDSS). This case challenged background check procedures used by the Department and counties for dealing with applicants with criminal records seeking employment or Trustline registration, and who need an exemption as part of their criminal background clearance in order to be employed as a caregiver. In particular, the Gresher decision will require the background check exemption process to include notification of the applicant of the following details:

- The conviction information that the county received and relied upon when determining the need for an exemption; and

- A summary of the reasons for denial of an exemption tailored to each specific case.

There are currently 42 counties providing Foster Family Home (FFH) licensing services and 6 counties providing Family Child Care Home (FCCH) licensing services.

IMPLEMENTATION DATE:

This premise will implement on July 1, 2005.

KEY DATA/ASSUMPTIONS:

This estimate reflects the local assistance cost for the additional time necessary for the issuance of exemption needed notices and exemption denied notices to individuals with criminal convictions requiring exemptions.

For budget year, the attorney fees associated with the *Gresher* court case ($810,000) are reflected under the Community Care Licensing Court Cases premise.

METHODOLOGY:

The annual cost is determined by multiplying the total hours, based on the number of exemption needed notices and exemption denied notices, divided by the full-time equivalent which equates to .21 for FFH and .09 for FCCH times the unit costs. The unit cost for the Foster Family Homes and for the Family Child Care Homes is being held at the FY 2002-03 level of $125,663 and $117,885, respectively.

Foster Family Homes

- In Fiscal Year (FY) 2005-06 the number of county exemption needed notices is estimated at 1,172 times 0.25 additional hours to review the rap sheet, identify specific convictions, and include the conviction details in the exemption needed notice. This equates to 293 total hours.

- In FY 2005-06 the number of county exemption denied notices is estimated at 1,172 times 8 percent (statewide average of denied exemption notices) equals 94 times 0.25 additional hours to develop the language explaining the specific reasons for the denial and to incorporate them into the exemption denied notice. This equates to 24 total hours.

Gresher v. Anderson

METHODOLOGY (continued):

Family Child Care Homes

- In FY 2005-06 the number of county exemption needed notices is estimated at 550 times 0.25 additional hours to review the rap sheet, identify specific convictions, and include the conviction details in the exemption needed notice. This equates to 138 total hours.
- In FY 2005-06 the number of county exemption denied notices is estimated at 550 times 8 percent (statewide average denied exemption notices) equals 44 times 0.25 additional hours to develop the language explaining the specific reasons for the denial and to incorporate them into the exemption denied notice. This equates to 11 total hours.

FUNDING:

Foster Family Homes

After the federal discount rate of 75 percent is applied, the costs are shared 50 percent federal and 50 percent State General Fund (GF).

Family Child Care Homes (FCCH)

The funding is 100 percent GF. The FCCH are ineligible for federal financial participation because the clientele are not foster youths.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$0	$37
Federal	0	10
State	0	27
County	0	0
Reimbursements	0	0

Court Cases

DESCRIPTION:

This premise reflects the costs for attorney fees and settlements resulting from lawsuits pertaining to the California Department of Social Services (CDSS), Budget Item 151 – Social Service Programs, specifically, Child Welfare Services, Special Programs, and Community Care Licensing.

IMPLEMENTATION DATE:

The attorney fees and settlement costs for these court cases will be paid in Fiscal Year (FY) 2004-05 and FY 2005-06.

KEY DATA/ASSUMPTIONS:

The estimate for settlement costs and attorney fees is based in part on actual payments for specific cases in the current year (CY), and a projection of costs that will be paid in CY and the budget year (BY). An additional $50,000 is budgeted for new court cases in both CY and BY.

FUNDING:

The legal fees and settlement amounts are funded 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

The increase in BY reflects anticipated attorney fees for 3 major court cases.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in BY reflects anticipated attorney fees for 3 major court cases.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	County Admin.	County Admin.
Total	$250	$1,410
Federal	0	0
State	250	1,410
County	0	0
Reimbursements	0	0

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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 (CDE) and licensed fee-exempt providers.

The Community Care Licensing Division (CCLD) is responsible for processing the applications pursuant to AB 753 (Chapter 843, Statutes of 1997). CCLD 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, CCLD 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 the 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:

The funding is suspended for FY 2004-05 and FY 2005-06. There is proposed legislation introduced to permanently eliminate this funding.

FUNDING:

This premise is funded with 100 percent State General Fund.

Fee-Exempt Live Scan

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)	2004-05 Contracts	2005-06 Contracts
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Special Programs – Other Specialized Services

DESCRIPTION:

This premise reflects the costs for the Foster Care Burial and Repatriated Americans Programs. 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 receiving foster care at the time of death.

The Repatriated Americans Program provides temporary help to needy United States citizens returning from foreign countries because of destitution, physical or mental illness, or war.

KEY DATA/ASSUMPTIONS:

Foster Care Burial

Authorizing statute: Welfare and Institutions Code (W&IC) section 11212.

Repatriated Americans

Authorizing statute: W&IC sections 10553 and 10554.

METHODOLOGY:

Foster Care Burial

The estimated costs for both current and budget years are held at the Fiscal Year (FY) 1999-00 SGF expenditure level of $186,000.

Repatriated Americans

The estimated costs for both current and budget years were held at the Budget Act of 2000 Appropriation level.

FUNDING:

The Foster Care Burial program is funded with 100 percent State General Fund. The Repatriated Americans Program is funded with 100 percent federal funds through a special Department of Health and Human Services, U.S. Repatriate Program Direct Loan, which are provided to individuals on a repayable basis.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Special Programs – Other Specialized Services

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$261	$261
Federal	75	75
State	186	186
County	0	0
Reimbursements	0	0

Eligibility/Extension of Dog Food Allowance

DESCRIPTION:

This premise reflects the costs associated with providing a monthly dog food allowance to recipients of federal Social Security Disability Insurance and Supplemental Security Income/State Supplementary Payments (SSI/SSP) and In-Home Supportive Services (IHSS) only 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 for a dog food allowance of $50 per month.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statutes: Welfare and Institutions Code section 12553 and 12554.
- Recipients will receive a monthly dog food allowance of $50.
- The budget year caseload is projected to increase by 6.4 percent.

METHODOLOGY:

The current year and budget year estimates are based on year-to-date actual costs and projected caseload growth.

FUNDING:

This program is funded with 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year reflects projected caseload growth among Eligibility/Extension of Dog Food Allowance recipients.

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$483	$514
Federal	0	0
State	483	514
County	0	0
Reimbursements	0	0

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Access Assistance/Deaf Program

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. The Deaf Access Program serves approximately 2.9 million deaf and hearing-impaired Californians through regional contractors. 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. Currently, eight regional contractors provide services to the hearing-impaired in all 58 counties.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10621.
- The program funding of $3,304,000 was augmented by $2,500,000 in Fiscal Year (FY) 1998-99 for program expansion.
- The program is funded with $3,200,000 in Title XX funds.

METHODOLOGY:

The estimated costs for both current and budget years are held at the FY 1998-99 appropriation level.

FUNDING:

This program is funded with $2,604,000 State General Fund (GF). The Title XX block grant allocated to the program ($3,200,000) reduces the amount of GF in the program.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$5,804	$5,804
Federal	3,200	3,200
State	2,604	2,604
County	0	0
Reimbursements	0	0

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Refugee Employment Social Services

DESCRIPTION:

Refugee employment social services (RESS) 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. The funds are used to provide employment-related services, such as employability assessment, on-the-job training, English language training, and vocational training.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13275-13282.
- A contract in the amount of $0.5 million in Fiscal Years (FYs) 2004-05 and 2005-06 to serve unaccompanied refugee minors is included in total funding.

METHODOLOGY:

Funding is based on federal award.

FUNDING:

This program is 100 percent federally funded.

CHANGE FROM PRIOR SUBVENTION:

Funding has increased slightly in the current year due to an increase in the contracted amount to serve unaccompanied minors.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$8,784	$8,784
Federal	8,784	8,784
State	0	0
County	0	0
Reimbursements	0	0

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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, skills upgrading, and extreme and unusual needs.

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.
- California's proposed TA allocation of $6,237,867 includes $949,786 in discretionary funding for projects in various counties.

METHODOLOGY:

Funding is based on federal award.

FUNDING:

This program is 100 percent federally funded.

CHANGE FROM PRIOR SUBVENTION:

Funding has decreased slightly due to less discretionary funding granted than previously available to fund specific projects in various counties.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$6,238	$6,238
Federal	6,238	6,238
State	0	0
County	0	0
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 Temporary Assistance for Needy Families (TANF) Program recipients, including those transitioning from TANF, to achieve long-term self-sufficiency through coordinated student services offered at community colleges.

Public Law 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. States must meet an 80 percent MOE to receive their full block grant allocation. The MOE is reduced to 75 percent for states that meet the work participation rate requirement. For California, the amount of the MOE is based on state and county expenditures in Federal Fiscal Year (FFY) 1994. The State has consistently met its work participation agreement, therefore the MOE level is lowered from $2.9 billion (80 percent) to $2.7 billion, which constitutes 75 percent of the 1994 level.

The State may count both local and State expenditures made by CDSS or other departments on behalf of TANF/California Work Opportunity and Responsibility to Kids (CalWORKs) eligible families toward the MOE. If these expenditures would have been authorized and allowable under the former AFDC, 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 TANF 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 the TANF MOE.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: 45 Code of Federal Regulations sections 263.2 and 263.4.
- It is assumed the eligible MOE expenditures will be $32.5 million in Fiscal Year (FY) 2004-05 and FY 2005-06.
- 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 FYs 2004-05 and 2005-06, the estimate reflects the anticipated MOE-eligible expenditures.

FUNDING:

This program is funded with 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

The current year and budget year was updated to reflect the anticipated countable MOE eligible expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2004-05	2005-06
	Grant	Grant
Total	$32,500	$32,500
Federal	0	0
State	32,500	32,500
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 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 program.

Public Law (P.L.) 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. States must meet an 80 percent MOE to receive their full block grant allocation. The MOE is reduced to 75 percent for states that meet the work participation rate requirement. For California, the amount of the MOE is based on state and county expenditures in Federal Fiscal Year (FFY) 1994. The State has consistently met its work participation agreement. Therefore the MOE level is lowered from $2.9 billion (80 percent) to $2.7 billion, which constitutes 75 percent of the 1994 level.

The State may count both local and state expenditures made by CDSS or 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, 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, those 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 P.L. 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 this 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 will 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, i.e., 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: 45 Code of Federal Regulations sections 263.2 and 263.3.
- The Fiscal Year (FY) 2004-05 estimate was held to the appropriation level.
- Based on estimated general fund expenditures for CalWORKs recipients in CDE child care programs, it is assumed the eligible MOE expenditures will be $349.4 million in FY 2004-05 and $435.2 million in FY 2005-06.
- 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 FYs 2004-05 and 2005-06, the estimate reflects the anticipated MOE-eligible expenditures.

FUNDING:

This program is funded with 100 percent State General Fund (GF).

CHANGE FROM PRIOR SUBVENTION:

Current year was updated to reflect the amount of GF in CDE programs and the percentage of TANF recipients served in CDE programs.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year reflects an update to the amount of GF in CDE programs and an expansion in the total percentage in the estimate to include the TANF-eligible families.

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$349,433	$435,177
Federal	0	0
State	349,433	435,177
County	0	0
Reimbursements	0	0

Other Departments' TANF MOE Eligible Expenditures $50 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 (P.L.) 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. States must meet an 80 percent MOE to receive their full block grant allocation. The MOE is reduced to 75 percent for states that meet the work participation rate requirement. For California, the amount of the MOE is based on state and county expenditures in Federal Fiscal Year (FFY) 1994. The State has consistently met its work participation agreement; therefore the MOE level is lowered from $2.9 billion (80 percent) to $2.7 billion, which constitutes 75 percent of the 1994 level.

The State may count both local and state expenditures made by CDSS or 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, 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.

In addition to the regular aid grant, custodial parents also receive the first $50 of the current month's child support payment collected from the absent parent. Forwarding the disregard portion of the collection to the family instead of retaining it to abate government's cost of the aid grant results in cost increases (lost collection revenues).

Under the provisions of P.L. 104-193, the federal government discontinued federal financial participation in the disregard payment to the family as of October 1, 1996. Therefore, this premise reflects the cost for the State to fund the entire $50 disregard payment to the custodial parent.

IMPLEMENTATION DATE:

This program was originally implemented in Fiscal Year (FY) 1984-85.

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 $29.9 million in FY 2004-05 and $30.6 million in FY 2005-06. The estimate is based on projected expenditures from the DCSS.

Other Departments' TANF MOE Eligible Expenditures
$50 State Disregard Payment to Families

KEY DATA/ASSUMPTIONS (continued):

- The child support payment data are based on the counties' monthly CS 35 Reports, Child Support Services Supplement to the CS 34 Monthly Report of Collections and Distributions, for July 2002 through June 2004.

METHODOLOGY:

The cost of the current $50 disregard is reported monthly on the CS 35 Report. The disregard is paid when the child support collection is distributed.

FUNDING:

This program is funded with 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

The current year was updated to reflect the anticipated MOE eligible expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase for the budget year reflects the anticipated MOE-eligible expenditures.

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$29,989	$30,587
Federal	0	0
State	29,989	30,587
County	0	0
Reimbursements	0	0

Other Departments' TANF MOE Eligible Expenditures EDD – Employment Training Fund Program

DESCRIPTION:

This premise reflects the State maintenance of effort (MOE) expenditures made by the California Employment Development Department (EDD) for the Employment Training Fund Program.

As a result of Public Law 104-193, the federal welfare reform legislation establishing the Temporary Assistance for Needy Families (TANF) Program and a TANF block grant to replace the Aid to Families with Dependent Children (AFDC) Program, States must meet an 80 percent MOE to receive their full block grant allocation. The MOE is reduced to 75 percent for states that meet the work participation rate requirement. For California, the amount of the MOE is based on state and county expenditures in Federal Fiscal Year (FFY) 1994. The State has consistently met its work participation agreement, therefore the MOE level is lowered from $2.9 billion (80 percent) to $2.7 billion, which constitutes 75 percent of the 1994 level.

The State may count both local and state expenditures made by CDSS or 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, 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.

Based on the Code 45 of Federal Regulations section 263.2, pro rata charges are considered administrative costs for TANF MOE purposes. Pro rata is the apportionment of central service agency costs (e.g., Finance, Controller, Personnel Board, Legislature) incurred by the General Fund and billed to other funds.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: 45 Code of Federal Regulations section 263.0 and section 263.2.
- The pro-rata assessment to the Employment Training Fund is $45,000 for Fiscal Year (FY) 2004-05 and $80,000 for FY 2005-06.

METHODOLOGY:

For FYs 2004-05 and 2005-06, the estimate reflects the anticipated MOE-eligible expenditures.

FUNDING:

This program is funded with 100 percent Employment Training Fund.

Other Departments' TANF MOE Eligible Expenditures
EDD – Employment Training Fund Program

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

More pro rata charges are anticipated in the budget year.

EXPENDITURES:

(in 000's)

	2004-05 Grant	2005-06 Grant
Total	$45	$80
Federal	0	0
State	45	80
County	0	0
Reimbursements	0	0

General Fund Maintenance of Effort Work Participation Rate Reductions

DESCRIPTION:

This premise reflects adjustments made on the Department's 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 for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program.

The Department 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, the Department files an amended federal report for that past FFY to reflect the lower MOE expenditure level of 75 percent. Therefore, State Fiscal Year (FY) 2004-05 reflects the adjustment for FFY 2002. FY 2005-06 reflects the adjustment for FFY 2003.

IMPLEMENTATION DATE:

The Work Participation Rate adjustments are 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:

The FFYs 2002 and 2003 adjustments were determined by adjusting the MOE levels for those years to 75 percent. This results in reductions of $180.1 million which is displayed in FY 2004-05, and $179.9 which is displayed in FY 2005-06.

Because of the overlapping quarter between the FFY and the FY, the Department is able to reflect the impact of the MOE reduction in a later FY. Accordingly, the State General Fund (GF) expenditure reductions are not reflected in the State Budget until FY 2004-05 and FY 2005-06. These adjustments do not, however, bring the MOE expenditure level below the federal requirement for any FFY.

FUNDING:

The funding is 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in BY is due to an increase in the amount of Federal Funds transferred to Tribal TANF.

General Fund Maintenance of Effort Work Participation Rate Reductions

EXPENDITURES:
(in 000's)

	2004-05 Grant	2005-06 Grant
Total	-$180,064	-$179,898
Federal	0	0
State	-180,064	-179,898
County	0	0
Reimbursements	0	0

High Performance Bonus Award

DESCRIPTION:

This premise reflects the Temporary Assistance for Needy Families (TANF) funds awarded to the State of California by the federal government for moving welfare recipients to work and sustaining their success in the workforce. The High Performance Bonus is part of the TANF Program which is authorized under Section 403(a)(4) of the Personal Responsibility and Work Opportunity Reconciliation Act. Funds are awarded based on state rankings on each of the following four work-related measures: (1) Job Entry Rate; (2) Success in the Workforce; (3) Improvement in the Job Entry Rate; and (4) Improvement in the Workforce. Beginning Federal Fiscal Year (FFY) 2002, non-work related measures were added to provide awards based on access to health care, Food Stamps and Child Care for low-income families. A family formation and stability improvement measure was also added.

High Performance Bonus funds will be used to meet the needs of the California Work Opportunity and Responsibility to Kids and TANF programs, as determined by the Department and approved by the Department of Finance and the California Health and Human Services Agency.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2000.

KEY DATA/ASSUMPTIONS:

California was awarded $7,043,582 for the Child Care Subsidy Measure in FFY 2003. It is not assumed that California will receive an award in State Fiscal Year (FY) 2005-06.

FUNDING:

The funding is 100 percent TANF.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The High Performance Bonus Awards are not announced on a consistent year-to-year basis. There have been delays in the announcement of these awards in the past few years; therefore, it is assumed that California will not receive an award in FY 2005-06.

EXPENDITURES:

(in 000’s)

	2004-05	2005-06
Total	$7,044	$0
Federal	7,044	0
State	0	0
County	0	0
Reimbursements	0	0

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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 Department 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:

For Fiscal Year (FY) 2005-06, $30 million has been placed in the reserve for Pay for Performance and $166.4 million has been placed in the reserve for unforeseen expenses.

FUNDING:

This premise is funded with 100 percent federal TANF funds.

CHANGE FROM PRIOR SUBVENTION:

There is no reserve in the current year.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year is necessary to ensure that funding is available for unforeseen expenses. Of the reserve amount $30 million is set-aside for the Pay for Performance proposal in FY 2006-07.

RESERVE:

(in 000's)	2004-05	2005-06
Total	$0	$196,432
Federal	0	196,432
State	0	0
County	0	0
Reimbursements	0	0