



State of California

**DEPARTMENT
OF CHILD
SUPPORT
SERVICES
(DCSS)**

LOCAL ASSISTANCE ADMINISTRATIVE COSTS AND COLLECTIONS ESTIMATES

**2002-03
GOVERNOR'S BUDGET**



CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

P.O. Box 419064, Rancho Cordova, CA 95741-9064



TO: RECIPIENTS OF THE NOVEMBER SUBVENTION BINDER FOR
THE 2002-03 GOVERNOR'S BUDGET

FROM: ANNETTE SILER, CHIEF
Financial Services Branch

DATE: January 10, 2002

SUBJECT: LOCAL ASSISTANCE ESTIMATES

This memorandum transmits the November 2001 local assistance estimates for the 2002-03 Governor's Budget for the California Department of Child Support Services (DCSS).

The Subvention Binder covers fiscal years (FY) 2001-02 and 2002-03. It provides the estimates of the administrative costs for the local child support agencies as well as the detailed methodology for each estimate. It also provides the estimate of the child support collections. For FY 2002-03, the total distributed child support collections are projected to reach over \$2.4 billion.

The material contained in the November 2001 subvention binder will also be available on the DCSS website: <http://www.childsup.ca.gov>. Should you have any questions, please contact the Financial Planning Section at (916) 464-5150.

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2001-02 NOVEMBER ESTIMATE TO 2001-02 APPROPRIATION
(in thousands)

Budget Item	2001-02 NOVEMBER ESTIMATE					2001-02 APPROPRIATION					DIFFERENCES				
	Total	Federal	State	County	Reimb.	Total	Federal	State	County	Reimb.	Total	Federal	State	County	Reimb.
1 101 CHILD SUPPORT PROGRAM COSTS	1,091,770	671,886	419,579	0	305	966,613	531,237	434,876	0	500	125,157	140,649	-15,297	0	-195
* Local Assistance Child Support Services	590,152	327,722	262,125	0	305	459,636	176,237	282,899	0	500	130,516	151,485	-20,774	0	-195
* Child Support Collections Recovery Funds	344,164	344,164	0	0	0	355,000	355,000	0	0	0	-10,836	-10,836	0	0	0
* Alternative Federal Penalty	157,454	0	157,454	0	0	151,977	0	151,977	0	0	5,477	0	5,477	0	0
2 Child Support Administration 10.01	1,077,252	603,947	175,846	297,154	305	951,740	473,280	170,806	307,154	500	125,512	130,667	5,040	-10,000	-195
3 Local Child Support Agency Basic Costs	873,531	576,390	0	297,141	0	903,846	596,738	0	307,108	0	-30,315	-20,348	0	-9,967	0
4 Administration	763,870	504,014	0	259,856	0	795,092	524,960	0	270,132	0	-31,222	-20,946	0	-10,276	0
5 EDP M&O	109,661	72,376	0	37,285	0	108,754	71,778	0	36,976	0	907	598	0	309	0
6 EDP Conversion and Enhancements	18,416	11,481	6,935	0	0	18,262	11,379	6,883	0	0	154	102	52	0	0
7 Interim Access Federal Case Registry	249	164	85	0	0	249	164	85	0	0	0	0	0	0	0
8 Backfill Loss of FFP-County EDP M&O	0	-2,541	2,541	0	0	0	-1,943	1,943	0	0	0	-598	598	0	0
9 Alternative Federal Penalty	157,454	0	157,454	0	0	0	-151,977	151,977	0	0	157,454	151,977	5,477	0	0
10 Compliance Review Project	4,658	3,074	1,584	0	0	4,658	3,074	1,584	0	0	0	0	0	0	0
11 State Investment Funds Project	0	0	0	0	0	1,465	967	458	40	0	-1,465	-967	-458	-40	0
12 Health Insurance Incentives	3,015	0	3,015	0	0	2,343	0	2,343	0	0	672	0	672	0	0
13 San Mateo County NCP Demo Project	0	0	0	0	0	24	23	0	1	0	-24	-23	0	-1	0
14 Local Agency Transitions	1,600	1,056	544	0	0	1,600	1,056	544	0	0	0	0	0	0	0
15 Partners For Fragile Families Demonstration Project	350	350	0	0	0	350	350	0	0	0	0	0	0	0	0
16 Urban Hispanic Outreach Project	185	172	0	13	0	109	104	0	5	0	76	68	0	8	0
17 Child Support Assurance Demo Project-Evaluation	305	0	0	0	305	500	0	0	0	500	-195	0	0	0	-195
18 Foster Parent Training Fund	3,688	0	3,688	0	0	4,989	0	4,989	0	0	-1,301	0	-1,301	0	0
19 Title IV-E Child Support Collections	13,801	13,801	0	0	0	13,345	13,345	0	0	0	456	456	0	0	0
20 Child Support Incentives 10.02	1,002	54,423	243,733	-297,154	0	1,332	44,416	264,070	-307,154	0	-330	10,007	-20,337	10,000	0
21 Basic Incentives	0	43,942	253,212	-297,154	0	0	44,416	262,738	-307,154	0	0	-474	-9,526	10,000	0
22 Data Reliability Audit	0	10,481	-10,481	0	0	0	0	0	0	0	0	10,481	-10,481	0	0
23 Improved Performance Incentives (FC 17706)	1,002	0	1,002	0	0	1,332	0	1,332	0	0	-330	0	-330	0	0
24 Child Support Automation 10.03	13,516	13,516	0	0	0	13,541	13,541	0	0	0	-25	-25	0	0	0
25 California Child Support Automation System	13,516	13,516	0	0	0	13,541	13,541	0	0	0	-25	-25	0	0	0
26 State Disbursement Unit	505	505	0	0	0	0	0	0	0	0	505	505	0	0	0
27 Child Support Enforcement	13,011	13,011	0	0	0	13,541	13,541	0	0	0	-530	-530	0	0	0

* Denotes a non-add item, which is displayed for information purposes only.

TABLE NUMBER 2
COST COMPARISON OF
2002-03 GOVERNOR'S BUDGET TO 2001-02 APPROPRIATION
(in thousands)

Budget Item	2002-03 GOVERNOR'S BUDGET					2001-02 APPROPRIATION					DIFFERENCES				
	Total	Federal	State	County	Reimb.	Total	Federal	State	County	Reimb.	Total	Federal	State	County	Reimb.
1 101 CHILD SUPPORT PROGRAM COSTS	889,700	631,593	257,786	0	321	966,613	531,237	434,876	0	500	-76,913	100,356	-177,090	0	-179
* Local Assistance Child Support Services	542,064	283,957	257,786	0	321	459,636	176,237	282,899	0	500	82,428	107,720	-25,113	0	-179
* Child Support Collections Recovery Funds	347,636	347,636	0	0	0	355,000	355,000	0	0	0	-7,364	-7,364	0	0	0
* Alternative Federal Penalty	0	0	0	0	0	151,977	0	151,977	0	0	-151,977	0	-151,977	0	0
2 Child Support Administration 10.01	876,782	578,685	5,592	292,184	321	951,740	473,280	170,806	307,154	500	-74,958	105,405	-165,214	-14,970	-179
3 Local Child Support Agency Basic Costs	852,215	560,031	0	292,184	0	903,846	596,738	0	307,108	0	-51,631	-36,707	0	-14,924	0
4 Administration	742,554	487,655	0	254,899	0	795,092	524,960	0	270,132	0	-52,538	-37,305	0	-15,233	0
5 EDP M&O	109,661	72,376	0	37,285	0	108,754	71,778	0	36,976	0	907	598	0	309	0
6 EDP Conversion and Enhancements	8,666	5,046	3,620	0	0	18,262	11,379	6,883	0	0	-9,596	-6,333	-3,263	0	0
7 Interim Access Federal Case Registry	0	0	0	0	0	249	164	85	0	0	-249	-164	-85	0	0
8 Backfill Loss of FFP-County EDP M&O	0	0	0	0	0	0	-1,943	1,943	0	0	0	1,943	-1,943	0	0
9 Alternative Federal Penalty	0	0	0	0	0	0	-151,977	151,977	0	0	0	151,977	-151,977	0	0
10 Compliance Review Project	0	0	0	0	0	4,658	3,074	1,584	0	0	-4,658	-3,074	-1,584	0	0
11 State Investment Funds Project	0	0	0	0	0	1,465	967	458	40	0	-1,465	-967	-458	-40	0
12 Health Insurance Incentives	0	0	0	0	0	2,343	0	2,343	0	0	-2,343	0	-2,343	0	0
13 San Mateo County NCP Demo Project	0	0	0	0	0	24	23	0	1	0	-24	-23	0	-1	0
14 Local Agency Transitions	0	0	0	0	0	1,600	1,056	544	0	0	-1,600	-1,056	-544	0	0
15 Partners For Fragile Families Demonstration Project	300	300	0	0	0	350	350	0	0	0	-50	-50	0	0	0
16 Urban Hispanic Outreach Project	0	0	0	0	0	109	104	0	5	0	-109	-104	0	-5	0
17 Child Support Assurance Demo Project-Evaluation	321	0	0	0	321	500	0	0	0	500	-179	0	0	0	-179
18 Foster Parent Training Fund	1,972	0	1,972	0	0	4,989	0	4,989	0	0	-3,017	0	-3,017	0	0
19 Title IV-E Child Support Collections	13,308	13,308	0	0	0	13,345	13,345	0	0	0	-37	-37	0	0	0
20 Child Support Incentives 10.02	0	39,990	252,194	-292,184	0	1,332	44,416	264,070	-307,154	0	-1,332	-4,426	-11,876	14,970	0
21 Basic Incentives	0	39,990	252,194	-292,184	0	0	44,416	262,738	-307,154	0	0	-4,426	-10,544	14,970	0
22 Data Reliability Audit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Improved Performance Incentives (FC 17706)	0	0	0	0	0	1,332	0	1,332	0	0	-1,332	0	-1,332	0	0
24 Child Support Automation 10.03	12,918	12,918	0	0	0	13,541	13,541	0	0	0	-623	-623	0	0	0
25 California Child Support Automation System	12,918	12,918	0	0	0	13,541	13,541	0	0	0	-623	-623	0	0	0
26 State Disbursement Unit	517	517	0	0	0	0	0	0	0	0	517	517	0	0	0
27 Child Support Enforcement	12,401	12,401	0	0	0	13,541	13,541	0	0	0	-1,140	-1,140	0	0	0

* Denotes a non-add item, which is displayed for information purposes only.

TABLE NUMBER 3
COST COMPARISON OF
2002-03 GOVERNOR'S BUDGET TO 2001-02 NOVEMBER ESTIMATE
(in thousands)

Budget Item	2002-03 GOVERNOR'S BUDGET					2001-02 NOVEMBER ESTIMATE					DIFFERENCES				
	Total	Federal	State	County	Reimb.	Total	Federal	State	County	Reimb.	Total	Federal	State	County	Reimb.
1 101 CHILD SUPPORT PROGRAM COSTS	889,700	631,593	257,786	0	321	1,091,770	671,886	419,579	0	305	-202,070	-40,293	-161,793	0	16
* Local Assistance Child Support Services	542,064	283,957	257,786	0	321	590,152	327,722	262,125	0	305	-48,088	-43,765	-4,339	0	16
* Child Support Collections Recovery Funds	347,636	347,636	0	0	0	344,164	344,164	0	0	0	3,472	3,472	0	0	0
* Alternative Federal Penalty	0	0	0	0	0	157,454	0	157,454	0	0	-157,454	0	-157,454	0	0
2 Child Support Administration 10.01	876,782	578,685	5,592	292,184	321	1,077,252	603,947	175,846	297,154	305	-200,470	-25,262	-170,254	-4,970	16
3 Local Child Support Agency Basic Costs	852,215	560,031	0	292,184	0	873,531	576,390	0	297,141	0	-21,316	-16,359	0	-4,957	0
4 Administration	742,554	487,655	0	254,899	0	763,870	504,014	0	259,856	0	-21,316	-16,359	0	-4,957	0
5 EDP M&O	109,661	72,376	0	37,285	0	109,661	72,376	0	37,285	0	0	0	0	0	0
6 EDP Conversion and Enhancements	8,666	5,046	3,620	0	0	18,416	11,481	6,935	0	0	-9,750	-6,435	-3,315	0	0
7 Interim Access Federal Case Registry	0	0	0	0	0	249	164	85	0	0	-249	-164	-85	0	0
8 Backfill Loss of FFP-County EDP M&O	0	0	0	0	0	0	-2,541	2,541	0	0	0	2,541	-2,541	0	0
9 Alternative Federal Penalty	0	0	0	0	0	157,454	0	157,454	0	0	-157,454	0	-157,454	0	0
10 Compliance Review Project	0	0	0	0	0	4,658	3,074	1,584	0	0	-4,658	-3,074	-1,584	0	0
11 State Investment Funds Project	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Health Insurance Incentives	0	0	0	0	0	3,015	0	3,015	0	0	-3,015	0	-3,015	0	0
13 San Mateo County NCP Demo Project	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Local Agency Transitions	0	0	0	0	0	1,600	1,056	544	0	0	-1,600	-1,056	-544	0	0
15 Partners For Fragile Families Demonstration Project	300	300	0	0	0	350	350	0	0	0	-50	-50	0	0	0
16 Urban Hispanic Outreach Project	0	0	0	0	0	185	172	0	13	0	-185	-172	0	-13	0
17 Child Support Assurance Demo Project-Evaluation	321	0	0	0	321	305	0	0	0	305	16	0	0	0	16
18 Foster Parent Training Fund	1,972	0	1,972	0	0	3,688	0	3,688	0	0	-1,716	0	-1,716	0	0
19 Title IV-E Child Support Collections	13,308	13,308	0	0	0	13,801	13,801	0	0	0	-493	-493	0	0	0
20 Child Support Incentives 10.02	0	39,990	252,194	-292,184	0	1,002	54,423	243,733	-297,154	0	-1,002	-14,433	8,461	4,970	0
21 Basic Incentives	0	39,990	252,194	-292,184	0	0	43,942	253,212	-297,154	0	0	-3,952	-1,018	4,970	0
22 Data Reliability Audit	0	0	0	0	0	0	10,481	-10,481	0	0	0	-10,481	10,481	0	0
23 Improved Performance Incentives (FC 17706)	0	0	0	0	0	1,002	0	1,002	0	0	-1,002	0	-1,002	0	0
24 Child Support Automation 10.03	12,918	12,918	0	0	0	13,516	13,516	0	0	0	-598	-598	0	0	0
25 California Child Support Automation System	12,918	12,918	0	0	0	13,516	13,516	0	0	0	-598	-598	0	0	0
26 State Disbursement Unit	517	517	0	0	0	505	505	0	0	0	12	12	0	0	0
27 Child Support Enforcement	12,401	12,401	0	0	0	13,011	13,011	0	0	0	-610	-610	0	0	0

* Denotes a non-add item, which is displayed for information purposes only.

**CHILD SUPPORT PROGRAM
COLLECTION COMPARISONS**

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Chart 1. Child Support Total Projected Distributed Collections

Chart 2. Child Support Total Distributed Collections Trend Analysis

TABLE NUMBER 1
COLLECTIONS COMPARISON OF
2001-02 NOVEMBER ESTIMATE TO 2001-02 APPROPRIATION
(in thousands)

Budget Item	2001-02 NOVEMBER ESTIMATE					2001-02 APPROPRIATION					DIFFERENCES				
	Total	Federal	State	County	Other 1/	Total	Federal	State	County	Other 1/	Total	Federal	State	County	Other 1/
1 CHILD SUPPORT PROGRAM COLLECTIONS	2,257,216	344,164	336,950	38,147	1,537,955	2,258,413	355,927	348,150	39,355	1,514,981	(1,197)	-11,763	-11,200	-1,208	22,974
2 Child Support Assistance Collections	719,261	344,164	336,950	38,147	0	743,432	355,927	348,150	39,355	0	-24,171	-11,763	-11,200	-1,208	0
3 Basic Collections	653,833	312,857	306,299	34,677	0	684,385	327,657	320,499	36,229	0	-30,552	-14,800	-14,200	-1,552	0
4 State Investment Funds Project	0	0	0	0	0	2,461	1,179	1,152	130	0	-2,461	-1,179	-1,152	-130	0
5 FTB NonTax Collections Program	57,434	27,482	26,906	3,046	0	56,586	27,091	26,499	2,996	0	848	391	407	50	0
6 IRS Tax Rebate Collections	7,994	3,825	3,745	424	0	0	0	0	0	0	7,994	3,825	3,745	424	0
7 Foster Care Collections Compromise (AB 1449)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Child Support NonAssistance Collections	1,389,166	0	0	0	1,389,166	1,356,913	0	0	0	1,356,913	32,253	0	0	0	32,253
9 Basic Collections	1,323,691	0	0	0	1,323,691	1,309,942	0	0	0	1,309,942	13,749	0	0	0	13,749
10 State Investment Funds Project	0	0	0	0	0	1,194	0	0	0	1,194	-1,194	0	0	0	-1,194
11 FTB NonTax Collections Program	43,221	0	0	0	43,221	45,777	0	0	0	45,777	-2,556	0	0	0	-2,556
12 IRS Tax Rebate Collections	22,254	0	0	0	22,254	0	0	0	0	0	22,254	0	0	0	22,254
13 Child Support Other Collections	148,789	0	0	0	148,789	158,068	0	0	0	158,068	-9,279	0	0	0	-9,279
14 \$50 State Disregard Payments to Families	25,894	0	0	0	25,894	28,010	0	0	0	28,010	-2,116	0	0	0	-2,116
15 Collections for Other States - Assistance	11,961	0	0	0	11,961	19,635	0	0	0	19,635	-7,674	0	0	0	-7,674
16 Collections for Other States - NonAssistance	110,934	0	0	0	110,934	110,423	0	0	0	110,423	511	0	0	0	511

1/ Other reflects collections that are paid to families and collections made in California on behalf of other states.

TABLE NUMBER 2
COLLECTIONS COMPARISON OF
2002-03 GOVERNOR'S BUDGET TO 2001-02 APPROPRIATION
(in thousands)

Budget Item	2002-03 GOVERNOR'S BUDGET					2001-02 APPROPRIATION					DIFFERENCES				
	Total	Federal	State	County	Other 1/	Total	Federal	State	County	Other 1/	Total	Federal	State	County	Other 1/
1 CHILD SUPPORT PROGRAM COLLECTIONS	2,407,969	347,636	353,662	38,843	1,667,828	2,258,413	355,927	348,150	39,355	1,514,981	149,556	-8,291	5,512	-512	152,847
2 Child Support Assistance Collections	740,141	347,636	353,662	38,843	0	743,432	355,927	348,150	39,355	0	-3,291	-8,291	5,512	-512	0
3 Basic Collections	684,921	321,272	326,861	36,788	0	684,385	327,657	320,499	36,229	0	536	-6,385	6,362	559	0
4 State Investment Funds Project	0	0	0	0	0	2,461	1,179	1,152	130	0	-2,461	-1,179	-1,152	-130	0
5 FTB NonTax Collections Program	57,611	27,023	27,494	3,094	0	56,586	27,091	26,499	2,996	0	1,025	-68	995	98	0
6 IRS Tax Rebate Collections	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Foster Care Collections Compromise (AB 1449)	-2,391	-659	-693	-1,039	0	0	0	0	0	0	-2,391	-659	-693	-1,039	0
8 Child Support NonAssistance Collections	1,506,707	0	0	0	1,506,707	1,356,913	0	0	0	1,356,913	149,794	0	0	0	149,794
9 Basic Collections	1,463,352	0	0	0	1,463,352	1,309,942	0	0	0	1,309,942	153,410	0	0	0	153,410
10 State Investment Funds Project	0	0	0	0	0	1,194	0	0	0	1,194	-1,194	0	0	0	-1,194
11 FTB NonTax Collections Program	43,355	0	0	0	43,355	45,777	0	0	0	45,777	-2,422	0	0	0	-2,422
12 IRS Tax Rebate Collections	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Child Support Other Collections	161,121	0	0	0	161,121	158,068	0	0	0	158,068	3,053	0	0	0	3,053
14 \$50 State Disregard Payments to Families	25,894	0	0	0	25,894	28,010	0	0	0	28,010	-2,116	0	0	0	-2,116
15 Collections for Other States - Assistance	12,535	0	0	0	12,535	19,635	0	0	0	19,635	-7,100	0	0	0	-7,100
16 Collections for Other States - NonAssistance	122,692	0	0	0	122,692	110,423	0	0	0	110,423	12,269	0	0	0	12,269

1/ Other reflects collections that are paid to families and collections made in California on behalf of other states.

TABLE NUMBER 3
COLLECTIONS COMPARISON OF
2002-03 GOVERNOR'S BUDGET TO 2001-02 NOVEMBER ESTIMATE
(in thousands)

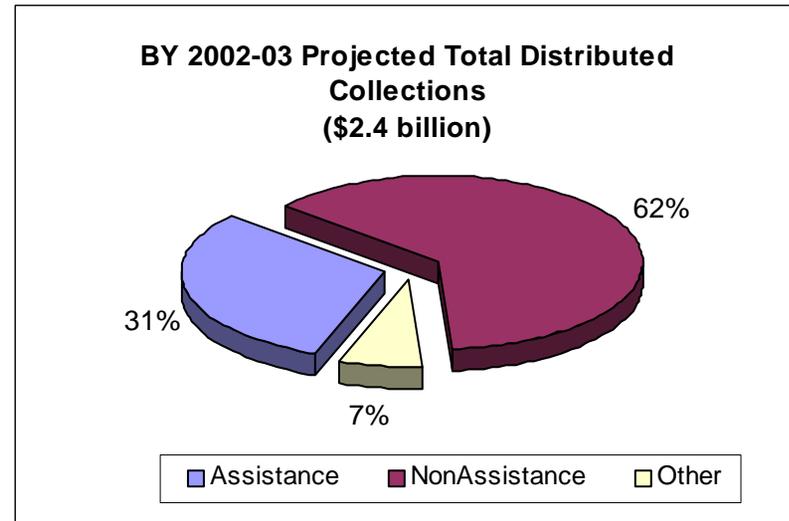
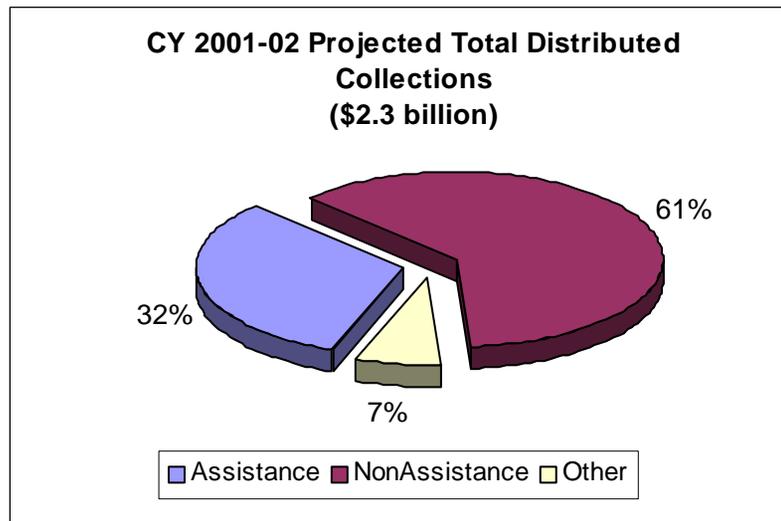
Budget Item	2002-03 GOVERNOR'S BUDGET					2001-02 NOVEMBER ESTIMATE					DIFFERENCES				
	Total	Federal	State	County	Other 1/	Total	Federal	State	County	Other 1/	Total	Federal	State	County	Other 1/
1 CHILD SUPPORT PROGRAM COLLECTIONS	2,407,969	347,636	353,662	38,843	1,667,828	2,257,216	344,164	336,950	38,147	1,537,955	150,753	3,472	16,712	696	129,873
2 Child Support Assistance Collections	740,141	347,636	353,662	38,843	0	719,261	344,164	336,950	38,147	0	20,880	3,472	16,712	696	0
3 Basic Collections	684,921	321,272	326,861	36,788	0	653,833	312,857	306,299	34,677	0	31,088	8,415	20,562	2,111	0
4 State Investment Funds Project	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 FTB NonTax Collections Program	57,611	27,023	27,494	3,094	0	57,434	27,482	26,906	3,046	0	177	-459	588	48	0
6 IRS Tax Rebate Collections	0	0	0	0	0	7,994	3,825	3,745	424	0	-7,994	-3,825	-3,745	-424	0
7 Foster Care Collections Compromise (AB 1449)	-2,391	-659	-693	-1,039	0	0	0	0	0	0	-2,391	-659	-693	-1,039	0
8 Child Support NonAssistance Collections	1,506,707	0	0	0	1,506,707	1,389,166	0	0	0	1,389,166	117,541	0	0	0	117,541
9 Basic Collections	1,463,352	0	0	0	1,463,352	1,323,691	0	0	0	1,323,691	139,661	0	0	0	139,661
10 State Investment Funds Project	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 FTB NonTax Collections Program	43,355	0	0	0	43,355	43,221	0	0	0	43,221	134	0	0	0	134
12 IRS Tax Rebate Collections	0	0	0	0	0	22,254	0	0	0	22,254	-22,254	0	0	0	-22,254
13 Child Support Other Collections	161,121	0	0	0	161,121	148,789	0	0	0	148,789	12,332	0	0	0	12,332
14 \$50 State Disregard Payments to Families	25,894	0	0	0	25,894	25,894	0	0	0	25,894	0	0	0	0	0
15 Collections for Other States - Assistance	12,535	0	0	0	12,535	11,961	0	0	0	11,961	574	0	0	0	574
16 Collections for Other States - NonAssistance	122,692	0	0	0	122,692	110,934	0	0	0	110,934	11,758	0	0	0	11,758

1/ Other reflects collections that are paid to families and collections made in California on behalf of other states.

NOVEMBER 2001 SUBVENTION CHILD SUPPORT TOTAL PROJECTED DISTRIBUTED COLLECTIONS FOR FISCAL YEARS 2001-02 and 2002-03

The charts below display California's current year (CY) 2001-02 and budget year (BY) 2002-03 child support total collections that are distributed to the state as revenue (**Assistance**), to the families (**NonAssistance**), to other states and to families for the \$50 state disregard payments (**Other**).

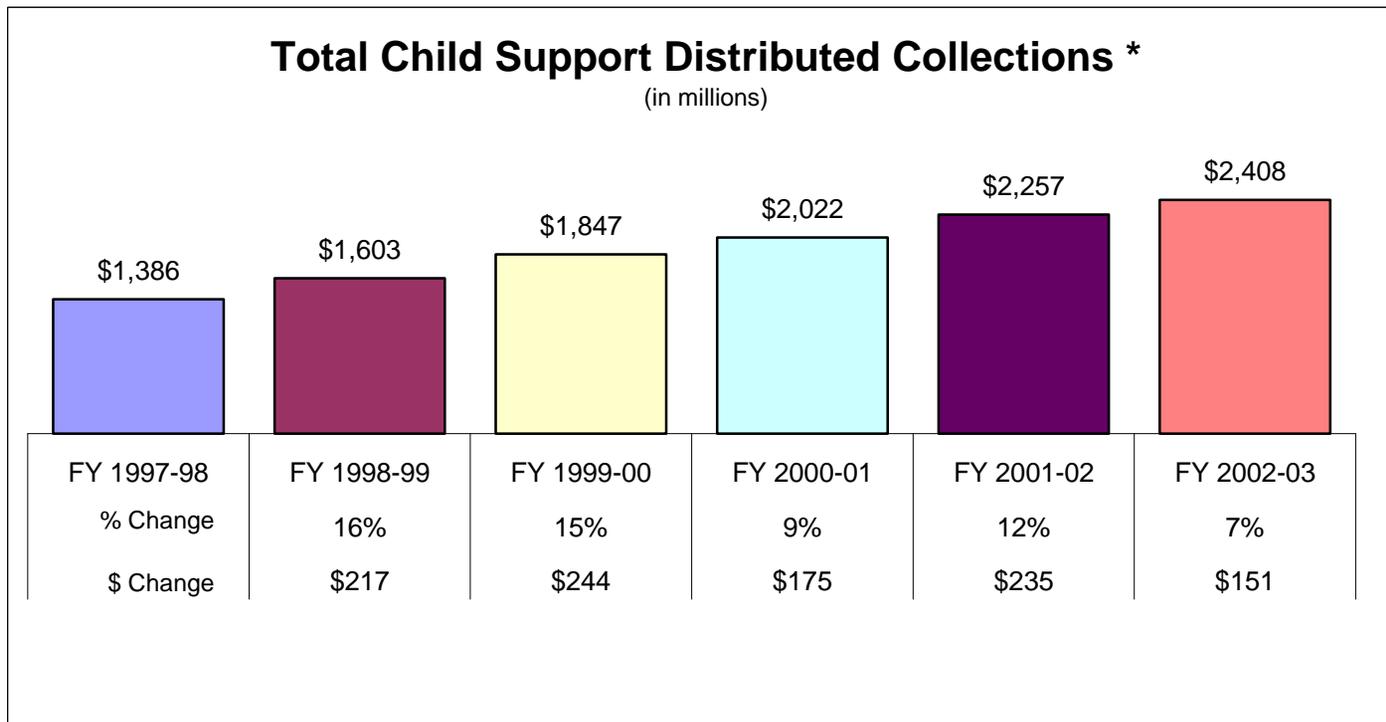
- **Assistance Collections (\$719 million CY, \$740 million BY)** are revenue to the state, which reflects basic collections and new premises. Basic collections (\$654 million CY, \$685 million BY) are the ongoing efforts of the local child support agencies (LCSA) to collect child support payments from noncustodial parents. New premises (\$65 million CY, \$55 million BY) are those collections that are associated with new enforcement activities that are above the basic ongoing functions of the LCSA, such as Franchise Tax Board non-tax collections, and IRS Tax Rebate.
- **NonAssistance Collections (\$1.4 billion CY, \$1.5 billion BY)** are collections that are made on behalf of families and sent to them. These collections are comprised of basic collections (\$1.3 billion CY, 1.5 billion BY) and new premises (\$65 million CY, \$43 million BY).
- **Other Collections (\$149 million CY, \$161 million BY)** are comprised of assistance (\$12 million CY, \$12.5 million BY) and nonassistance (\$111 million CY, \$123 million BY) collections that are made on behalf of other states. Other collections also include the \$50 State Disregard Payment to families (\$26 million CY, \$26 million BY), which is the first \$50 of the current months child support payments collected and passed through to the custodial parents who are receiving assistance.



**NOVEMBER 2001 SUBVENTION
 CHILD SUPPORT TOTAL DISTRIBUTED COLLECTIONS
 TREND ANALYSIS
 FOR FISCAL YEARS 2001-02 and 2002-03**

Total child support collections have grown from \$1.4 billion in Fiscal Year (FY) 1997-98 to a projected level of \$2.4 billion in FY 2002-03. This represents a 74 percent overall growth rate.

The chart below reflects the actual and projected total distributed collections and growth by state fiscal years.



*Source: The collections data of prior years are from the CS 800 and 820 reports as of August, 2001.

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Local Child Support Agency Basic Costs

DESCRIPTION:

This premise reflects funds for the local child support agency (LCSA) basic administration including state targeted programs for: Customer Service, Complaint Resolution/Fair Hearings, Quality Assurance Teams, Program Improvement Teams, Outreach, Training, and Compliance Review, and Electronic Data Processing (EDP) maintenance and operations (M&O) costs.

Child support administration costs are comprised of county staff and overhead. The LCSA staff carry out the Child Support Enforcement Program under Title IV-D of the Social Security Act. Their administrative duties include case intake and development, collection and distribution of child support, court preparation to establish paternity and support obligations, and the enforcement of support obligations, including locating absent parents.

The purpose of the state targeted programs is to provide LCSAs with a permanent resource to address program policy, procedure and best practice issues as identified by the Department of Child Support Services (DCSS). It is the intent of DCSS to have available, within each LCSA, a resource that can be targeted to special program improvement efforts. Examples of such efforts include implementation of a customer service program, complaint resolution process, statewide uniform case closure policy, elimination of duplicate cases, and efforts to identify and eliminate causes for undistributed collections.

The EDP M&O funding enables the LCSA to maintain their interim automated system and to continue their work in collecting child support in their respective counties.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code (FC) Section 17704(b), FC Section 17710(a), and Welfare and Institution Code Section 10085(a).
- The LCSAs county share of basic administrative costs is equivalent to the federal and state appropriation in the Child Support Basic Incentives.

METHODOLOGY:

Administration:

- For FY 2001-02, the estimated LCSA administration costs of \$793,282,000 was based on the child support 13.6 percent incentive pool, pursuant to FC 17704 (b)(2)(B)(i), less the EDP M&O costs. An adjustment was made to reduce the amount for the county share of the Urban Hispanic Outreach Project premise. Additionally, the federal share was reduced by the Federal Parent Locator Services (FPLS) fees, \$412,000, which is not eligible for federal financial participation. As a result of the \$10 million reduction to the state share of incentives (13.6 percent incentive pool), the administration cost was reduced by \$10 million county share and \$19.4 million federal share.

Local Child Support Agency Basic Costs

METHODOLOGY (Continued):

- For FY 2002-03, the administration costs of \$742,554,000 was based on the child support 13.6 percent incentive pool less the EDP M&O costs. The federal share was reduced by the FPLS fees, \$412,000. As a result of the \$35.3 million reduction to the state share of incentives (13.6 percent incentive pool), the administrative cost was adjusted by \$35.3 million county share and \$68.5 million federal share to reflect the amount proposed in the Child Support Basic Incentives. This adjustment is a result of lower revenues and increased demands on State General Fund (SGF) and reflects a reasonable estimate of LCSA's expenditures.

EDP M&O:

- For FY 2001-02 and FY 2002-03, the LCSAs' EDP M&O costs of \$109,661,000 were based on information provided through the individual county funding request which is reflected in the most recent APDU.

Basic Costs:

- The combined total of Administration and EDP M&O for FY 2001-02 is \$873,531,000 and for FY 2002-03 is \$852,215,000.

FUNDING:

The total costs are shared 66 percent federal and 34 percent county. The 34 percent county share is funded with the federal and state incentives.

CHANGE FROM APPROPRIATION:

For FY 2001-02, the estimate was adjusted by \$10 million to recover unallocated funds.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2002-03, the estimate was adjusted to reflect the amount proposed in the Child Support Basic Incentives. The Child Support Basic Incentives were adjusted because of lower revenues and increased demands on the SGF, and to reflect a realistic estimate of LCSA expenditures.

Local Child Support Agency Basic Costs

EXPENDITURES:

(in 000's)	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$873,531	\$852,215
Federal	576,390	560,031
State	0	0
County	297,141	292,184
Reimbursements	0	0

EDP Conversion and Enhancements

DESCRIPTION:

This premise reflects the costs associated with converting the local child support agencies (LCSA) from existing legacy systems to one of the four, out of a total of six, approved consortia systems, and implementing enhancements to existing LCSA child support enforcement automation systems. Assembly Bill (AB) 150 (Chapter 479, Statutes of 1999) requires the local child support agencies to modify their current automation systems or change to a different system in order to meet the goal of statewide automation.

The California Department of Child Support Services (DCSS) is responsible for ensuring all LCSAs will have an automation system that will allow them to continue their child support services while the single statewide automated child support system is being developed and implemented.

The Statewide Automated Child Support System (SACSS), previously under development to comply with federal requirements, was terminated in November 1997. Cancellation of SACSS created a necessity for the State to implement interim alternative solutions to meet state and federal requirements. The LCSAs had postponed implementing enhancements to their existing systems in anticipation of SACSS. Some LCSAs must now enhance systems per state and federal mandates; or, LCSAs must convert to one of four, federally approved consortia systems. During this interim period, both enhancement and conversion activities support continued operations of the child support enforcement program within the LCSAs.

IMPLEMENTATION DATE:

This premise was implemented on April 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution (W&I) Code Section 10085
- The funding assumptions for Fiscal Year (FY) 2001-02 and FY 2002-03 are consistent with W&I Code 10085 and reflect the State sharing in the LCSAs' cost to meet mandated requirements and to convert to viable systems.

EDP Conversion and Enhancements

KEY DATA/ASSUMPTIONS (continued):

Conversions

- Effective July 1, 2000, the federal government recognized BEST and CHASER as approved interim child support systems. Seven LCSAs will remain on these systems until the single statewide system is developed; no new LCSAs will be added to these two Consortia. The remaining LCSAs that need to move to an interim child support system will convert to one of the original four federally approved consortia systems. In total, the federal and state governments recognize six approved interim consortia systems:
 - Computer Assisted Support Enforcement System (CASES);
 - Support Through Automated Resources/Keeping Integrated Data on System (STAR/KIDS);
 - Automated Child Support Enforcement System (ACSES) Replacement System (ARS);
 - KIDZ;
 - Best Enforcement Support Technology (BEST); and
 - Computer Has All Support Expertise Required (CHASER).
- The conversion costs occur in FY 2001-02 .
- Costs include expenses incurred by the LCSA and/or the consortia to convert a LCSA from its existing legacy system to one of the original four federally approved consortia systems. Total funding request for conversion activities equal \$9,750,000 for FY 2001-02. There are no conversion activities in FY 2002-03.

Enhancements

- Enhancements needed for federal and state mandates, and other business needs, are included in this premise. Total funding request for enhancement activities equal \$8,666,000 for FY 2001-02 and FY 2002-03.

EDP Conversion and Enhancements

METHODOLOGY:

- The data for this estimate are from the following sources:
 - LCSA input and surveys provided system enhancements and updated cost estimates for FY 2001-02 enhancements. Based on federal guidelines and the State's direction, critical mandated enhancements were selected to be accomplished during FY 2001-02. Enhancement estimates for FY 2002-03 are based on FY 2001-02.
 - All conversion estimates (conversion, data cleanup, and training) for FY 2001-02 are based on historical experience gained from previous conversions, and LCSA input. There will be no conversion activities in FY 2002-03.

FUNDING:

Costs for this premise are shared 66 percent federal and 34 percent General Fund (GF). However, the Administration of Children and Families (ACF) subsequently determined that although certain enhancements must be completed they were not eligible for Federal Financial Participation (FFP). The enhancement requests were prioritized based on the criticality of each project within the authorized GF and approved FFP levels. Funding for those costs associated with enhancements denied by ACF would be 100 percent GF.

CHANGE FROM APPROPRIATION:

This estimate has been updated for FY 2001-02 to more accurately reflect costs expected for enhancements and conversions based on the most recent Advanced Planning Document Update approved by ACF in a letter dated August 22, 2001.

FY 2002-03 is lower than the appropriation because there are no conversion costs.

REASON FOR YEAR-TO-YEAR CHANGE:

There are no conversion costs in FY 2002-03.

EXPENDITURES:

(in 000's)	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$18,416	\$8,666
Federal	11,481	5,046
State	6,935	3,620
County	0	0
Reimbursements	0	0

Interim Access Federal Case Registry

DESCRIPTION:

This premise reflects the costs to fund reprogramming by three of the lead consortium local child support agencies to access the Federal Case Registry (FCR) until the State Case Registry (SCR) can be fully developed and implemented as part of the new statewide system. The interim system is an alternate way to access the FCR to obtain timely employer data on non-custodial parents who are newly employed outside of California and to identify case members in common with other states.

The SCR and the FCR were mandated by Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The SCR to FCR interface is an automated process that allows for the exchange of transactions concerning IV-D cases and non IV-D orders.

This premise also funds the local child support agency costs for sending out the family violence indicator notices to custodial and non-custodial parents to identify victims or potential victims of family violence. Restrictions are placed on the release of information from the FCR on those members coded for family violence.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Public Law 104-193 and Welfare and Institution Code Section 16576.
- The notices (letter and questionnaire) for the Family Violence Indicator are sent out to custodial and non-custodial parents. The costs for each of the notices include paper, envelopes, and first-class postage.
- The case count (1,966,085) is based on the Child Support Audit System report.
- Majority of counties implemented the mail notices in FY 2000-01.

METHODOLOGY:

- The Family Violence Indicator notice and mailing costs of \$1,174,000 were based on cost information provided by San Francisco, which was one of the two pilot local child support agencies that implemented in Fiscal Year 1999-00. The funding level for FY 2001-02 is \$249,000.
- The case count was approximately doubled to assume that each custodial and non-custodial parent in a case would receive the notice.

Interim Access Federal Case Registry

FUNDING:

- This premise is funded with 66 percent federal Title IV-D funds and 34 percent State General Fund.

CHANGE FROM APPROPRIATION:

There is no change.

There are no costs in FY 2002-03.

REASON FOR YEAR-TO-YEAR CHANGE:

There are no costs in FY 2002-03.

EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$249	\$0
Federal	164	0
State	85	0
County	0	0
Reimbursements	0	0

Backfill the Loss of Federal Financial Participation for County EDP M&O

DESCRIPTION:

This premise provided General Fund (GF) to replace the loss of Federal Financial Participation (FFP) in FY 2001-02 for local child support agencies (LCSA) that were without federally approved Advanced Planning Documents as a result of the termination of the Statewide Automated Child Support System (SACSS) project in November 1997. In FY 2001-02, GF will be provided for three LCSAs that are without FFP as a result of not being converted prior to the required date of August 31, 2001, which was set by the Administration for Children and Families (ACF). The federal government has agreed to provide Electronic Data Processing (EDP) maintenance & operations (M&O) funding for these LCSAs once they convert to a federally approved interim consortia system.

Additionally, three other LCSAs will not be eligible for FFP for their rehosting efforts from operating their child support enforcement system through their local county information technology departments to the California Health and Human Services Agency Data Center (HHSDC). Although these three LCSAs operate on one of the six federally approved systems (CASES), the three LCSAs must return to the "core" version prior to rehosting to HHSDC. The activity directly related to reverting back to the "core" version of CASES will not be eligible for FFP.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code Section 10087.
- For FY 2001-02, expenditures for the six LCSAs' EDP M&O (Fresno, Orange, San Diego, Sonoma, Santa Clara, and Tulare) are not eligible for FFP. The activities specific to these LCSAs will result in a total reduction of federal funds and a corresponding increase in GF in the amount of \$2,541,000.
- For FY 2002-03, all LCSA conversions to one of the six interim consortia systems will be completed during FY 2001-02; therefore, federal financial participation will resume.

Backfill the Loss of Federal Financial Participation for County EDP M&O

METHODOLOGY:

The funding level for three of the LCSAs converting to a federally approved consortia system was based upon each LCSA's projected yearly EDP M&O, and then divided by the number of months each LCSA would remain on their legacy system during FY 2001-02. The three additional LCSAs projected costs were based upon their funding needs related to returning to the "core" version of the CASES system. Additional costs were updated to reflect increased rehosting activities, delayed implementation, and conversion activities.

FUNDING:

All costs are 100 percent GF with a corresponding reduction to the federal share of the designated child support EDP M&O premise.

CHANGE FROM APPROPRIATION:

For FY 2001-02, the increase is a result of updating the needs of automation.

REASON FOR YEAR-TO-YEAR CHANGE:

There will be no costs in FY 2002-03.

EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$0	\$0
Federal	-2,541	0
State	2,541	0
County	0	0
Reimbursements	0	0

Alternative Federal Penalty

DESCRIPTION:

This premise reflects the alternative federal penalty for failure to complete the Statewide Automated Child Support System (SACSS) by the required date.

Due to the failure of SACSS, the Department became subject to federal fiscal penalties. Pursuant to Public Law 105-200, the Child Support Performance and Incentive Act of 1998, allows the Secretary of the Department of Health and Human Services to waive current penalties and impose an alternative penalty if states have made good faith efforts to meet the federal automation requirements.

Under the alternative penalty, the Department is penalized four percent of federal Child Support Enforcement Program administrative funds for Federal Fiscal Year (FFY) 1998, eight percent for FFY 1999, 16 percent for FFY 2000, 25 percent for FFY 2001, and 30 percent for FFY 2002 and each subsequent year, until the requirements are met.

IMPLEMENTATION DATE:

This premise was implemented in State Fiscal Year (SFY) 1999-00.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code Section 10088(a).
- The FFY 1998 federal penalty imposed was based on the FFY 1997 administrative cost (\$299,102,000).
 - The FFY 1998 federal penalty rate was four percent.
- The FFY 1999 federal penalty imposed was based on the FFY 1998 administrative cost (\$336,854,000).
 - The FFY 1999 federal penalty rate was eight percent.
- The FFY 2000 federal penalty imposed was based on the FFY 1999 administrative cost (\$406,251,000).
 - The FFY 2000 federal penalty rate was 16 percent.
- The FFY 2001 federal penalty imposed was based on the FFY 2000 administrative cost (\$443,897,000).
 - The FFY 2001 federal penalty rate was 25 percent.

Alternative Federal Penalty

KEY DATA/ASSUMPTIONS (continued):

- The FFY 2002 federal penalty imposed is based on the FFY 2001 administrative cost (\$524,847,000), which includes an estimated September 2001 quarter.
 - The FFY 2002 federal penalty is 30 percent.
- For the FFY 2003, the Department is anticipating that federal legislation will be enacted to amend the existing federal law to calculate the Federal penalty.
- The proposed changes to federal law includes: 1) Changing the penalty base for calculating the penalty amount to a fixed base year for California, FFY 1997 expenditures, and 2) allowing states a reinvestment credit of up to 100% of the penalty based on a state's increased expenditures in the child support program over the prior FFY. These changes will not penalize state's for increasing program expenditures.

METHODOLOGY:

- The SFY 2001-02 penalty estimated to be \$157,454,000 reflects the anticipated federal penalty for FFY 2002. This was calculated by applying the FFY 2002 penalty rate of 30 percent against the FFY 2001 administrative estimated federal expenditures of \$524,847,000.
- The SFY 2002-03 penalty is estimated to be zero, reflecting anticipated changes to the federal law that calculates the penalty.

FUNDING:

These costs are funded with 100 percent State General Fund.

CHANGE FROM APPROPRIATION:

The SFY 2001-02 was revised based on updated actual administrative costs. In addition, a reduction of the corresponding federal share is no longer reflected due to the method of payment.

The SFY 2002-03 estimate decreases to zero due to anticipated changes to the federal law that calculates the penalty.

REASON FOR YEAR-TO-YEAR CHANGE:

The penalty imposed in SFY 2002-03 is zero based on anticipated changes to the federal law that calculates the penalty.

Alternative Federal Penalty

EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$157,454	\$0
Federal	0	0
State	157,454	0
County	0	0
Reimbursements	0	0

Compliance Review Project

DESCRIPTION:

This premise provides funding for the local child support agency (LCSA) administrative costs associated with conducting program compliance self-reviews.

The federal Family Support Act of 1988 (Public Law 100-485) required states to meet specific Child Support Enforcement Program performance standards. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Section 342 (Public Law 104-93), requires states to conduct an annual self-assessment of program compliance. Further, Family Code Section 17702 (a) requires the California Department of Child Support Services (DCSS), on at least an annual basis, to assess each county's program compliance, using a statistically valid sample of cases and based on reviews conducted by the state or county, as determined by DCSS. Under Family Code Section 17710 (b), the State pays the nonfederal share of county administrative costs to conduct self-reviews, to implement corrective actions, to update procedures, to oversee ongoing compliance activity and to participate in training as appropriate. As of FY 2001-02, 54 counties have elected to conduct their own reviews.

In addition, this premise reflects funds for an internet based review tool, Child Support Electronic Compliance Review (CSECR) program. This review tool will allow the 54 self-review LCSAs to compile, to compute, and to develop a report on the data from the reviews.

IMPLEMENTATION DATE:

This premise was implemented on January 1, 1992.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code Sections 17702(a) and 17710(b).
- In FY 2002-03, this activity will be funded out of the LCSAs Basic Costs.

METHODOLOGY:

- FY 2001-02 was held at the Appropriation level, which was based on the funding level of \$4,561,000 and the additional \$97,000 for the CSECR development costs.
- FY 2002-03 was reduced to zero due to lower revenues and other demands on the State General Fund (SGF). Compliance Review activities will be funded through the LCSAs administrative costs.

Compliance Review Project

FUNDING:

The cost is funded with 66 percent federal Title IV-D funds and 34 percent SGF.

CHANGE FROM APPROPRIATION:

For FY 2001-02, there is no change

REASON FOR YEAR-TO-YEAR CHANGE:

Due to lower revenues and other demands on the SGF, funding as a separate line item was discontinued in FY 2002-03. However, funding will be provided as part of the LCSAs basic administrative costs.

EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$4,658	\$0
Federal	3,074	0
State	1,584	0
County	0	0
Reimbursements	0	0

State Investment Funds Project

DESCRIPTION:

This premise reflected the administrative costs and identified the increased collections associated with Local Child Support Agencies (LCSA) that implemented new projects or enhanced existing child support collections processes.

Family Code Section 17700 provides appropriation authority, as needed, for the investment of up to \$20 million from the State General Fund for LCSA activities. These special projects stimulate growth in funds collected. For this premise, to the extent that LCSAs implement new or enhanced processes that directly result in increased child support collections, matching federal funds are also available.

IMPLEMENTATION DATE:

This premise was implemented on December 1, 1992.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code Section 17700.
- Each participating county provides the projected cost and collections for the project to the Child Support Program Improvement Unit. The estimated administrative cost and collections are the sum total of these projected costs and collections.

METHODOLOGY:

- No requests were made for Fiscal Year (FY) 2001-02 or FY 2002-03.

FUNDING:

No cost in FY 2001-02 (See Methodology).

CHANGE FROM APPROPRIATION:

There were no requests for funding in FY 2001-02.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

State Investment Funds Project

EXPENDITURES:

(in 000's)

	2001-02		2002-03	
	Collections	LCSA Admin.	Collections	LCSA Admin.
Total	\$0	\$0	\$0	\$0
Federal	0	0	0	0
State	0	0	0	0
County	0	0	0	0
Reimbursements	0	0	0	0
NonAssistance	0		0	

Health Insurance Incentives

DESCRIPTION:

This premise reflects the \$50 administrative incentive payment to the counties' Title IV-D program for identifying and obtaining third-party health coverage or insurance of beneficiaries available through non-custodial parents' health benefit plans. The costs for the administrative activities to identify and obtain health insurance coverage are funded within the local child support agency's (LCSA) basic administrative costs.

Pursuant to Welfare and Institution Code (W&I) Code Section 14124.93, the Department of Child Support Services shall provide payments to the LCSA of \$50 per case for obtaining third-party health coverage or insurance for applicants or recipients of Title IV-D services. A \$50 administrative incentive payment is paid once the health insurance coverage is obtained by the LCSA and the California Department of Health Services (CDHS) has been notified.

Health insurance includes medical, dental and vision coverage. Costs recovered through the health insurance coverage for Temporary Assistance For Needy Families (TANF)/Medi-Cal recipients are used to offset the costs of Medi-Cal benefits. Health insurance coverage for non-TANF cases results in cost avoidance of Medi-Cal expenditures. CDHS separately estimates budget savings related to this premise.

IMPLEMENTATION DATE:

This premise was implemented on October 1, 1993.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&I Code Section 14124.93.
- Calendar Year 1999 actual expenditures were \$1,953,850.
- Calendar Year 2000 actual expenditures were \$2,101,400.
- The year-to-year expenditure growth rate between Calendar Years 1999 and 2000 was 7.55 percent.
- FY 2000-01 actual expenditures were \$2,803,350.
- In FY 2002-03, the Health Insurance Incentives is proposed to be suspended due to lower revenues and other demands on the State General Fund (SGF).

METHODOLOGY:

- The FY 2001-02 estimate is based on the growth rate of 7.55 percent applied to FY 2000-01 actual expenditure.
- The FY 2002-03 funding was reduced to zero as a result of the proposed suspension of the Health Insurance Incentives.

Health Insurance Incentives

FUNDING:

Costs for this premise are funded with 100 percent SGF.

CHANGE FROM APPROPRIATION:

For FY 2001-02, expenditure data and growth rates were updated based on the most recent actuals and a new projected year-to-year growth rate.

REASON FOR YEAR-TO-YEAR CHANGE:

FY 2002-03 was reduced to zero as a result of the proposed suspension of the Health Insurance Incentives due to lower revenues and other demands on the SGF.

EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$3,015	\$0
Federal	0	0
State	3,015	0
County	0	0
Reimbursements	0	0

San Mateo County Non-Custodial Parent Demonstration Project

DESCRIPTION:

This premise reflects the provision of budget authority to San Mateo County to receive the federal funds for the Employment, State Access and Visitation Program. The federal grant was under provisions of Section 469B of Title IV-D of the Social Security Act as amended by Title III of the Personal Responsibility and Work Opportunity Act of 1996 (Public Law 104-193).

The purpose of this demonstration project was to test whether or not providing supportive services to non-custodial parents (NCPs) would increase their voluntary child support payments and produce other positive benefits for the family. This was to be accomplished by establishing and administering programs to support and facilitate NCPs' access to and visitation of their children.

IMPLEMENTATION DATE:

This premise was implemented on September 30, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code Section 18205.
- This three-year demonstration project was extended through August 31, 2001 by utilizing unspent federal funds.
- The State Fiscal Year (SFY) 1999-00 project cost was \$232,250.
- The SFY 2000-01 project cost was \$290,021.
- The SFY 2001-02 project cost is \$0.

METHODOLOGY:

- The SFY 2000-01 four quarters of the unspent federal fund was \$290,021.
- The SFY 2001-02 Appropriation reflected the remaining one quarter of the FFY 2001 grant which is \$24,168.
- The November 2001 Subvention reflects actual expenditures.

FUNDING:

The cost is funded at 66 percent federal Title IV-D funds, 29 percent federal Section 1115 grant, and 5 percent county funds. The five-percent county share is subsidized with the federal and state incentives earned from the State's total distributed collections as established pursuant to the funding provisions of Assembly Bill 1111 (Chapter 147, Statutes of 1999).

San Mateo County Non-Custodial Parent Demonstration Project

CHANGE FROM APPROPRIATION:

San Mateo will not be claiming any expenditures in SFY 2001-02.

There is no cost in SFY 2002-03.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$0	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Local Agency Transitions

DESCRIPTION:

This premise provides funds to the local child support agencies for their planning and preparation efforts for the anticipated transition.

Assembly Bill 196 (Chapter 478, Statutes of 1999) and Senate Bill 542 (Chapter 480, Statutes of 1999) required each county to establish a county department of child support services referred to as the local child support agency (LCSA), to which the California Department of Child Support Services (DCSS) has delegated or with which DCSS has contracted, to secure child and spousal support, medical support, and determine paternity in a county pursuant to these provisions.

The LCSA transitions began January 1, 2001, with at least 50 percent of the State cases to be transferred by January 1, 2002, and the remaining cases to be completed by January 1, 2003.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code Sections 17304 and 17305.
- It is assumed that each LCSA needs a transition consultant/planner for planning purposes at an average annual cost of \$50,000.
- It is assumed that all of the LCSAs would have transition costs for a consultant/planner in FY 2000-01 and 32 (Phase 3 plus Kern) LCSAs will have costs in FY 2001-02.

METHODOLOGY:

- The funding level was based on each LCSA response to the Local Agency Transition survey in the FY 2000-01 County Funding Request process.

FUNDING:

The total costs are shared 66 percent federal Title IV-D funds and 34 percent State General Fund.

CHANGE FROM APPROPRIATION:

There is no change in FY 2001-02.

There is no cost in FY 2002-03

REASON FOR YEAR-TO-YEAR CHANGE:

No cost in FY 2002-03. All counties should complete transition by June 30, 2002.

Local Agency Transitions

EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$1,600	\$0
Federal	1,056	0
State	544	0
County	0	0
Reimbursements	0	0

Partners For Fragile Families

DESCRIPTION:

This premise reflects the provision of budget authority to Los Angeles County to receive federal funds for the Partners for Fragile Families (PFF) Demonstration Project. The federal grant is under provisions of Sections 454(1) and (2) of Title IV-D of the Social Security Act.

The purpose of the demonstration is to test the value and utility for the Child Support Enforcement Program of certain community-based services for young unmarried fathers to enable them better to provide financial, medical, and emotional support for their children and to encourage the formation or continuation of supportive relationships with the mothers of their children.

IMPLEMENTATION DATE:

This premise was implemented July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code Section 18205.
- This is a three-year demonstration project from July 1, 2000 through June 30, 2003.
- The State Fiscal Year (SFY) 2000-01 federal financial participation (FFP) of the project cost was \$350,000.
- The FFP of the project cost for SFY 2001-02 is \$350,000.
- The FFP of the project cost for SFY 2002-03 is \$300,000.
- The 34 percent matching funds are provided by the Ford Foundation.

METHODOLOGY:

- The Administration for Children and Families provided the amount of the FFP in their letter, dated March 29, 2000.

FUNDING:

The cost is funded 66 percent federal Title IV-D funds, and 34 percent matching funds from the Ford Foundation.

CHANGE FROM APPROPRIATION:

There is no change in FY 2001-02.

The reduction in FY 2002-03 reflects the balance of the federal grant.

Partners For Fragile Families

REASON FOR YEAR-TO-YEAR CHANGE:

FY 2002-03 reflects the balance of the federal grant.

EXPENDITURES:

(in 000's)

	2001-02 LCSA Admin.	2002-03 LCSA Admin.
Total	\$350	\$300
Federal	350	300
State	0	0
County	0	0
Reimbursements	0	0

Urban Hispanic Outreach Project

DESCRIPTION:

The purpose of this premise is to fund the Hispanic Outreach project (HOP) evaluation and consultative services.

In September 2000, the California Department of Child Support Services (DCSS) was awarded a federally funded grant from the Office of Child Support Enforcement (OCSE) to perform the Urban Hispanic Outreach Project. The purpose of HOP is to work collaboratively with community and faith-based organizations within the Bell/Bell Gardens and Cudahy communities of Los Angeles County to reach Hispanic customers, both custodial and non-custodial parents. This will help to identify what types of outreach material or forums are best presented to this population, to inform them of available child support services, and to ultimately increase their use of child support services.

IMPLEMENTATION DATE:

This premise was implemented January 1, 2001.

KEY DATA/ASSUMPTIONS:

- Statutory Authority: Welfare and Institution Code Section 18205.5
- The evaluation provided by the University of California, Los Angeles will consist of: conducting focus groups, identifying stakeholders and participants, conducting a study on California's Hispanic Child Support population, analyzing the number of paternities, orders and payments, attending all project meetings, tracking program costs, recommending solutions for targeting this population, and for all other research activities.
- Consultative services will be provided by California State University, Chico for the design and production of child support information materials, translation services, temporary in-house coordinator position, attendance at project meetings and recommendation of material needed to target the Hispanic population.
- The fund for this premise will end June 30, 2002.

METHODOLOGY:

- The evaluation component is estimated to be \$120,000 which will be used in Fiscal Year (FY) 2001-02.
- The consultative services are estimated to be \$95,000, which \$30,000 was funded in FY 2000-01 and \$65,000 will be funded in FY 2001-02.

Urban Hispanic Outreach Project

FUNDING:

The cost is funded 66 percent federal Title IV-D funds, 29 percent federal Section 1115 grant, and 5 percent county funds. The five-percent county share is subsidized with the federal and state incentives earned from the State's total distributed collections as established pursuant to the funding provisions of Assembly Bill 1111 (Chapter 147, Statutes of 1999).

CHANGE FROM APPROPRIATION:

For FY 2001-02, the increase is due to the change in updating the contract. Implementation of the UCLA contract was delayed until FY 2001-02.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no cost in FY 2002-03.

EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$185	\$0
Federal	172	0
State	0	0
County	13	0
Reimbursements	0	0

Child Support Assurance Demonstration Project Evaluation

DESCRIPTION:

This premise requests the reimbursement authority to fund the costs associated with the evaluation contract for the Child Support Assurance (CSA) Demonstration Project which is budgeted at California Department of Social Services (CDSS).

Effective January 1, 2001, the California Department of Child Support Services (DCSS) assumed responsibility for the CSA evaluation. The Legislature transferred the CSA Demonstration Project to DCSS pursuant to Article 5 (commencing with Section 18241) of Chapter 3.3 of part 6 of the Welfare and Institutions (W&I) Code and the Family Code Section 17211.

The CSA Demonstration Project tests the idea of providing families, who have child support orders, a guaranteed, minimum monthly child support payment. This project will operate in San Francisco's local child support agency (LCSA) for a three-year implementation. The evaluation will determine if CSA is an effective means to increase the number of families who become economically self-sufficient as a viable financial alternative program to welfare and has the potential to become a statewide program.

IMPLEMENTATION DATE:

This premise was implemented January 1, 2001.

KEY DATA/ASSUMPTIONS:

- Statutory Authority: W&I Code Sections 18241 through 18247.
- The CSA project period is January 1, 2001 through June 30, 2005.

METHODOLOGY:

- The funding level is based on the proposed budget as submitted by the contractor, Acumen, LLC.

FUNDING:

The cost is 100 percent reimbursed by CDSS.

CHANGE FROM APPROPRIATION:

In FY 2001-02, the decrease is based on the cost of the contract and San Francisco the only LCSA participating.

Child Support Assurance Demonstration Project Evaluation

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2002-03 is based on the contract amount.

EXPENDITURES:

(in 000's)

	2001-02 LCSA Admin.	2002-03 LCSA Admin.
Total	\$305	\$321
Federal	0	0
State	0	0
County	0	0
Reimbursements	305	321

Foster Parent Training Fund

DESCRIPTION:

This premise reflects the cost of the Foster Parent Training Fund. Welfare and Institutions Code (W&I) Code Section 903.7(b) provides that the difference between the net state share of the estimated child support foster care (FC) collections and the base level of the FC estimated state share of total child support collections be transferred to the Foster Parent Training Fund.

The community colleges, in consultation with the California State Foster Parents Association and the California Department of Social Services, conduct the foster parent training programs. Training consists of teaching foster parents subjects including sibling rivalry, reuniting foster children with their parents, foster care regulations and child growth and development.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 1981.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&I Code Section 903.7(b).
- The FC estimated state share of collections, based on the sum of the estimated state share of basic distributed collections and the state share of all of the child support collections premises, is \$14,101,000 for Fiscal Year (FY) 2001-02, and \$13,976,000 for FY 2002-03.
- The FC estimated state share of incentives is \$6,663,000 for FY 2001-02, and \$7,282,000 for FY 2002-03.
- The FC state share of collections base level cannot exceed \$3,750,000 each year based on the W&I Code Section 903.7(b).

METHODOLOGY:

- The Foster Parent Training Fund estimate is the difference between the net state share of the estimated FC collections and the base level of the FC estimated state share of total collections. The total estimated state share of FC collections is \$14,101,000 for FY 2001-02, and \$13,976,000 for FY 2002-03.
- The net state shares of FC collections, which are \$7,438,000 for FY 2001-02, and \$6,694,000 for FY 2002-03, are the result of deducting the estimated state shares of FC incentives, which are \$6,663,000 for FY 2001-02, and \$7,282,000 for FY 2002-03, from the state estimated shares of total FC collections. The base level of \$3,750,000 is then subtracted from the net state share of FC collections to identify the amounts to transfer to the Foster Parent Training Fund, which are \$3,688,000 for FY 2001-02, and \$2,944,000 for FY 2002-03. The FY 2002-03 estimate was reduced by approximately \$1 million due to lower revenues and other demands on the State General Fund (SGF). This resulted in the net amount of \$1,972,000.

Foster Parent Training Fund

FUNDING:

The actual transfer from child support FC collections to the Foster Parent Training Fund is 100 percent SGF.

CHANGE FROM APPROPRIATION:

This estimate was updated for the most recent estimated FC collections and incentives for FY 2001-02. For FY 2001-02, the state share of FC collections are lower and incentives are higher than previously estimated, resulting in less funds being transferred to the Foster Parent Training Fund.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in FY 2002-03 is based on the updated estimated FC collections and incentives as well as the impact of a SGF reduction of approximately \$1 million due to lower revenues and other demands on the SGF. The state share of FC collections are lower and incentives are higher than FY 2001-02, resulting in less funds being transferred to the Foster Parent Training Fund.

EXPENDITURES:

(in 000's)

	2001-02 LCSA Admin.	2002-03 LCSA Admin.
Total	\$3,688	\$1,972
Federal	0	0
State	3,688	1,972
County	0	0
Reimbursements	0	0

Title IV-E Child Support Collections

DESCRIPTION:

This premise reflects the estimated federal share (Title IV-E) of Foster Care (FC) collections that reduces the federal share of FC expenditures at California Department of Social Services (CDSS).

The California Department of Child Support Services is responsible for reimbursing CDSS with the federal share of FC collections as reported to the federal government.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- It is assumed that 6.82 percent of the total assistance child support distributed collections are FC collections. This is based on actual collection data reported on the CS 800 Reports, Summary Reports of Child and Spousal Support Payments for July 2000 through June 2001.
- It is assumed that 54.78 percent of the FC collections are federally eligible. This is also based on actual collection data reported on the CS 800 Reports for July 2000 through June 2001.
- For FY 2001-02, the Federal Medical Assistance Percentage (FMAP) is assumed to be 51.25 percent for the July 1, 2001 through September 30, 2001, and 51.40 percent for the period of October 1, 2001 through June 30, 2002.
- For FY 2002-03, the FMAP is assumed to be 51.40 percent for the July 1, 2002 through September 30, 2002, and 50.00 percent for the period of October 1, 2002 through June 30, 2003.

METHODOLOGY:

- For each child support premise, the FC share of collections percentage (6.82 percent) was applied to the estimated collections. The result was multiplied by the federal participation rate of 54.78 percent for each premise. The FMAP rate was then applied. The results for each premise were summed up to a total of \$13,801,000 for FY 2001-02 and \$13,308,000 for FY 2002-03 in the federal share of FC collections.
- The funding is shown as an administrative cost pass-through in the DCSS' budget and as an expenditure reduction in the CDSS' budget under FC Net Payments.

Title IV-E Child Support Collections

FUNDING:

This premise is funded at the FMAP rate.

CHANGE FROM APPROPRIATION:

For FY 2001-02, this premise increased as a result of updating the estimated collections.

The increase is due to the IRS tax refund intercepts and the increase in the federal share of FC collections forecast.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2002-03 estimate decreases due to the impact of Foster Care Collections Compromise (AB 1449) in FY 2002-03.

EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$13,801	\$13,308
Federal	13,801	13,308
State	0	0
County	0	0
Reimbursements	0	0

Child Support Basic Incentives

DESCRIPTION:

This premise reflects the federal and state child support incentives.

Effective October 1, 1999, the methodology for calculating state entitlement for federal child support incentives was changed by Public Law (P.L.) 105-200, the Child Support Performance and Incentive Act of 1998. The federal incentives that will be passed-on to California local child support agencies will no longer be a flat six percent of distributed collections. Furthermore, effective July 1, 1999, Assembly Bill (AB) 1111 (Chapter 147, Statutes of 1999) changed the way state child support incentives will be paid to counties. State incentives, subject to appropriation of funding in the annual Budget Act, will now be used to fund net local child support agency (LCSA) administrative expenditures, after federal financial participation and federal incentives have been deducted.

Pursuant to AB 1111, a flat rate of 13.6 percent of statewide distributed collections must be used to establish the funding pool in each state fiscal year, subject to the appropriation of funding in the annual Budget Act. This pool comprises a combination of both federal and state incentive dollars available to fund LCSA administrative expenditures and recurring and non-recurring electronic data processing maintenance and operation automation costs. The federal incentives are estimated based on the five performance measures; California's incentives are what remains of the 13.6 percent incentive pool after deducting estimated federal incentives.

IMPLEMENTATION DATE:

- AB 1111 implemented changes to California's child support incentive methodology effective July 1, 1999.
- P.L. 105-200 implemented changes to the federal child support incentive methodology effective October 1, 1999

KEY DATE/ASSUMPTIONS:

- Authorizing statute: Family Code Section 17704.
- The combined federal and state incentive payments shall be 13.6 percent of the distributed collections. Distributed collections are those actually received by families or agencies providing assistance.

Child Support Basic Incentives

KEY DATA/ASSUMPTIONS (continued):

- The federal government pays incentives based on P.L. 105-200 using the following criteria:

1. The State's Collection Base

The federal incentive methodology gives a weight of two for all distributed collections made in current and former assistance cases. The Federal Fiscal Year (FFY) 2000 distributed collections were used from the federal Office of Child Support Enforcement Fiscal Year 2000 Box Scores by States (Preliminary) report. The formula is as follows:

$$2 \times (\text{Current Support Collections} + \text{Former Assistance Collections}) + \text{Never Assistance Collections} = \text{the State Collection Base}$$

2. Performance Factors

The federal incentive methodology considers program performance in five areas to determine each performance level:

- Paternities Established
- Support Orders Established
- Current Support Collected

(The above three performance factors may each earn up to a performance level of 1.00 percent of the collection base.)

- Cases Paying on Arrears
- Cost-Effectiveness

(The above two performance factors may each earn up to a performance level of 0.75 percent of the collection base.)

3. The Incentive Base Amount

Each performance level is multiplied by the collection base for each performance factor which results in an incentive base amount.

4. Comparison with Other States

The sum of all states' incentive base amounts is divided into each state's incentive base amount to determine California's percentage of the available federal pool.

Child Support Basic Incentives

KEY DATA/ASSUMPTIONS (continued):

5. The Available Federal Incentive Pool

P.L. 105-200 established a set pool of available incentive funds for each federal fiscal year through FFY 2008. After FFY 2008, the available pool of federal incentive funds will be determined using the Consumer Price Index. Following are the statutorily set pool amounts for each federal fiscal year:

- FFY 2000 \$422,000,000
- FFY 2001 \$429,000,000
- FFY 2002 \$450,000,000
- FFY 2003 \$461,000,000
- FFY 2004 \$454,000,000
- FFY 2005 \$446,000,000
- FFY 2006 \$458,000,000
- FFY 2007 \$471,000,000
- FFY 2008 \$483,000,000

6. Determining the States Incentive Entitlement

California's percentage of the available pool, as determined in number 5, is multiplied by the available federal pool for each performance level in the applicable federal fiscal year to determine California's entitlement to federal incentives. Then each performance level federal incentives amount is cumulated. It is assumed that California would be entitled to \$43,942,000 in FY 2001-02 and \$39,990,000 in FY 2002-03 in federal incentives.

7. Phase-in

P.L. 105-200 established that in FFY 2000, two-thirds of California's incentive will be paid using the old methodology of six percent, and one-third will be paid using the new methodology. In FFY 2001, one-third of the incentive will be paid using the old methodology and two-thirds will be paid using the new methodology. In FFY 2002, 100 percent will be paid using the new methodology.

METHODOLOGY:

- Incentives are projected on 13.6 percent of estimated distributed collections. For State Fiscal Year (SFY) 2001-02, distributed collections are estimated at \$757,116,000 for assistance and \$1,500,100,000 for nonassistance for a combined total of \$2,257,216,000. In SFY 2002-03, the collections are estimated at \$778,570,000 for assistance and \$1,629,399,000 for nonassistance for a combined total of \$2,407,969,000.

Child Support Basic Incentives

METHODOLOGY (continued):

- The federal incentives are estimated using the new methodology under P.L. 105-200. For SFY 2001-02, the federal incentives are \$43,942,000, and for SFY 2002-03, the federal incentives are \$39,990,000.
- The state incentives are what remains of the 13.6 percent pool after deducting estimated federal incentives. For SFY 2001-02, the incentive funding pool is \$307,154,000 (13.6% of \$2,258,413,000). Deducting the federal incentive of \$43,942,000 leaves a state incentives of \$263,212,000. However, the state incentives are proposed to be reduced by \$10,000,000 to recover funds remaining unallocated in FY 2001-02 due to lower revenues and other demands on the State General Fund (SGF). This results in a net amount of \$253,212,000 for FY 2001-02.
- For SFY 2002-03, the incentive funding pool is \$327,484,000 (13.6% of \$2,407,969,000). Deducting the federal incentive of \$39,990,000 leaves a state incentives of \$287,494,000. Again, state incentives are reduced by \$35,300,000. This resulted in a revised state incentive amount of \$252,194,000 due to lower revenues and other demands on the SGF, and to reflect a realistic estimate of local administrative expenditures for FY 2002-03.

FUNDING:

The federal incentives are estimated using the new methodology under P.L. 105-200. The State incentives are what remains of the 13.6 percent incentive pool after deducting estimated federal incentives, and subject to the annual Budget Act appropriation. State incentives were adjusted due to lower revenues and other demands on the SGF and to reflect a realistic estimate of local administrative expenditures. The federal and state incentives will fund the county share of administrative costs incurred by LCSAs.

CHANGE FROM APPROPRIATION:

The SFY 2001-02 federal and state share incentives estimate decreased by \$10,000,000 due to the lower revenues and other demands on the SGF.

REASON FOR YEAR-TO-YEAR CHANGE:

The SFY 2002-03 federal incentive decrease is a result of full phase-in of the new federal performance measures. The state incentives decreased by \$35,300,000 due to lower revenues and other demands on the SGF, and to reflect a realistic estimate of local administrative expenditures.

Child Support Basic Incentives

EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$0	\$0
Federal	43,942	39,990
State	253,212	252,194
County	-297,154	-292,184
Reimbursements	0	0

Data Reliability Audit

DESCRIPTION:

This premise reflects the federal incentive grant amount awarded to California as a result of the completed data reliability audit for all states reported for FFY 2000.

P.L. 105-200 required that the five performance measures data that are reported annually by the states to the Administration of Families and Children (ACF) to be determined complete and reliable through an audit. Failure to meet the data reliability standard in a given performance measure by a state would result in a reduction of federal incentives. Any loss of incentives would be distributed to other states who met the standard.

IMPLEMENTATION DATE:

This premise was implemented September, 2001.

KEY DATA/ASSUMPTIONS:

The data reliability audit was based on federal review of California's FFY 2000 five performance measures as reported on the OCSE 157, Child Support Enforcement Annual Data Report.

METHODOLOGY:

The awarded federal incentive amount of \$10,481,000 was determined by ACF in calculating the differences between the amount of incentives earned by California as a result of the completed audit for all states and the amount of incentives that California reported for FFY 2000.

FUNDING:

The September 28, 2001 grant award letter from ACF indicated additional federal incentives were earned by California as a result of the completed audit for all states and the amount of incentives that California reported for FFY 2000.

CHANGE FROM APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no cost in State Fiscal Year 2002-03.

Data Reliability Audit

EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$0	\$0
Federal	10,481	0
State	-10,481	0
County	0	0
Reimbursements	0	0

Improved Performance Incentives (FC 17706)

DESCRIPTION:

This premise reflects the incentives paid to the local child support agencies (LCSAs) to be used for specified child support-related activities. Assembly Bill (AB) 196 (Chapter 478, Statutes of 1999) authorized a payment of an additional five percent of the state's share of the LCSA's collections to the LCSA with the ten highest welfare and post welfare collections.

Effective July 1, 2001, AB 429 (Chapter 111, Statutes of 2001) changed the payment criteria to be based on the ten highest rankings of the federal performance measures. Four of the federal performance measures were used to rank all LCSAs: Paternity Establishment Percentage, Cases with Support Orders, Collections on Current Support, and Cases with Collections on Arrears.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS :

- Authorizing statute: Family Code Section 17706.
- The ten highest rankings on four of the federal performance measures are based on the LCSAs' performance from the federal fiscal year 2000 data.
- The federal performance measures were used to rank all LCSAs, with the exception of cost-effectiveness. The four performance measures used to determine the county rankings were: Paternity Establishment Percentage, Cases with Support Orders, Collections on Current Support, and Cases with Collections on Arrears.
- The state share of child support assistance collections are based on the LCSA's monthly CS 800 Reports, Summary of Child and Spousal Payments for Fiscal Year (FY) 2000-01.
- The five percent collection growth was based on the November 2001 estimate of the basic assistance collection trend for FY 2001-02.
- In FY 2002-03, the Improved Performance Incentives was reduced to zero as a result of the proposed suspension due to lower revenues and other demands on the State General Fund (SGF).

METHODOLOGY:

- For FY 2001-02, the performance incentives were calculated using the FY 2000-01 actuals state share of collections for CalWORKs without \$50 Disregard. This was multiplied by five percent to determine the incentive paid to each qualifying LCSA.
- For FY 2002-03, the Improved Performance Incentives will be reduced to zero as a result of the proposed suspension due to lower revenues and other demands on the SGF.

Improved Performance Incentives (FC 17706)

FUNDING:

These costs are 100 percent State General Fund.

CHANGE FROM APPROPRIATION:

The FY 2001-02 estimate was updated for the most recent LCSA's actual performance rankings identifying the top 10 LCSAs and actual collection data for the specific counties in FY 2000-01. The estimate reflects the five percent state share of collections for those top ten LCSAs.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2002-03 estimate was reduced to zero as a result of the proposed suspension of the Improved Performance Incentives.

EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin
Total	\$1,002	\$0
Federal	0	0
State	1,002	0
County	0	0
Reimbursements	0	0

California Child Support Automation System

DESCRIPTION:

This premise reflects the federal funds pursuant to Assembly Bill (AB) 150 (Chapter 479, Statutes of 1999) as a pass through to Franchise Tax Board (FTB) for the development and implementation of the California Child Support Automation System (CCSAS).

Pursuant to Welfare and Institution (W&I) Code Section 10080(b)(3), FTB has been designated, as California Department of Child Support Services' agent, as the entity responsible for the procurement, development, implementation, and maintenance of the single statewide automated system in accordance with the state's child support (Title IV-D) plan.

Based on the new direction for child support automation as specified in AB 150, the General Fund (GF) resources associated with statewide implementation, contract and consultant costs for new system planning and development, concept development and verification, project management and support, and independent verification and validation were transferred to FTB. In FY 2000-01, DCSS became the single state agency for the Title IV-D funds. Therefore, federal funds for CCSAS are budgeted by DCSS and passed through as a reimbursement to FTB.

IMPLEMENTATION DATE:

This premise was implemented in September 1999.

KEY DATA/ASSUMPTIONS:

Authorizing statute: W&I Code Section 10080(b) (3).

METHODOLOGY:

Legislation transferred the responsibility for the development and implementation of the single statewide automated system for the child support program from Health & Human Service Data Center to FTB. Within the FTB organization, this project is known as the California Child Support Automation System (CCSAS) Project.

The CCSAS consists of two components – Child Support Enforcement (CSE) and State Disbursement Unit (SDU). Originally, both CSE and SDU were budgeted through Federal Information Technology (IT) Development Project funds. In July 2001, the project determined that the SDU procurement would be a service contract rather than an IT development. Subsequently, the Administration for Children and Families directed the project to separate the SDU costs from the CCSAS budget since it was no longer an IT development system.

The estimated total federal funds for CCSAS for FY 2001-02 is \$13,516,000. Of this amount, \$13,011,000 is for CSE and \$505,000 is for SDU. The estimated total federal funds for CCSAS for FY 2002-03 is \$12,918,000. Of this amount, \$12,401,000 is for CSE and \$517,000 is for SDU.

California Child Support Automation System

FUNDING:

The Title IV-D federal funds pass through for CCSAS represents 80 percent enhanced funding for project planning costs through September 30, 2001. The 66 percent regular funding represents CCSAS planning costs not eligible for the 80 percent enhanced reimbursement, such as, independent validation and verification contracted services incurred through September 30, 2001, and all CCSAS planning costs incurred after September 30, 2001.

CHANGE FROM APPROPRIATION:

The change in the projection for FY 2001-02 is the result of better information of the project needs. Additionally, the total project costs have been identified as CSE or SDU costs.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in FY 2002-03 is due to the change from the 80% enhanced federal funding to the standard 66% federal funding.

EXPENDITURES:

(in 000's)

	2001-02	2002-03
	LCSA Admin.	LCSA Admin.
Total	\$13,516	\$12,918
Federal	13,516	12,918
State	0	0
County	0	0
Reimbursements	0	0

Child Support Program – Basic Collections

DESCRIPTION:

This premise reflects the revenue from the basic distributed child support collections whether it is distributed to the state as revenue, to the families, or to other states.

Basic collections represent the ongoing efforts of the local child support agencies (LCSA) to collect child support payments from non-custodial parents. Besides child support payment data, significant factors that affect basic collections include minimum awards, wage assignments, and intercepts. The Franchise Tax Board (FTB) non-tax collections and the \$50 State Disregard Payments to Families are reflected as separate premises.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code Section 11477.
- The child support payment data for assistance collections are based on the LCSAs' monthly CS 800 Reports, Summary Report of Child and Spousal Support Payments, beginning with July 1999 through June 2001.
- The child support payment data for nonassistance are based on the LCSAs' monthly CS 820 Reports, Child/Family/Spousal and Medical Support Collections and Non-Assistance Distributions and Disbursements Summary, beginning with July 1999 through June 2001.
- The child support collections to other states data are based on the LCSAs' FY 2000-01 CS 820 Reports.

METHODOLOGY:

- Assistance actual distributed collections are reported monthly on the CS 800 Reports. Actuals from the CS 800 Reports, less FTB non-tax assistance collections and \$50 Disregard payments to families, were used to construct a 24-month trend from July 1999 through June 2001. Seasonal adjustments were made to the data by using monthly dummy variables in the linear regression model.
- Nonassistance actual distributed collections are reported monthly on the CS 820 Reports. Actuals from the CS 820 Reports, less the FTB non-tax nonassistance collections, were used to construct a 24-month trend from July 1999 through June 2001. Seasonal adjustments were made to the data by using monthly dummy variables in the linear regression model.
- Assistance collections for other states are reported on the CS 820 Reports. For FY 2001-02, the FY 2000-01 actuals were used and a 5.0 percent growth was applied, which resulted in a projection of \$11,961,000. For FY 2002-03, the FY 2001-02 estimated collections for other states was multiplied by a 4.8 percent growth, which resulted in \$12,535,000. The year-to-year growth rates were based on the California's assistance projected 24 month trend growth.

Child Support Program – Basic Collections

METHODOLOGY (continued):

- Nonassistance collections for other states are reported on the CS 820 Reports. For FY 2001-02, the FY 2000-01 actuals were used and a 11.8 percent growth was applied, which resulted in a projection of \$110,934,000. For FY 2002-03, the FY 2001-02 estimated collections for other states was multiplied by a 10.6 percent growth, which resulted in \$122,692,000. The year-to-year growth rates were based on the California’s nonassistance projected 24 month trend growth.

FUNDING:

- Collections made on behalf of nonassistance families are forwarded directly to custodial parents.
- Collections made on behalf of other states are forwarded directly to other states for distribution.
- Collections for assistance families, less the \$50 disregard payment to families, are retained and serve as recoupment of costs. The assistance collections are shared based on the Federal Medical Assistance Percentage and the nonfederal sharing ratios. These percentages are reflected below:

<u>ASSISTANCE:</u>	July 2001 – Sept. 2001	Oct. 2001 – Sept. 2002	Oct. 2002 – June 2003
Federal	51.25%	51.40%	50.00%
State	46.31%	46.17%	47.50%
County	2.44%	2.43%	2.50%

ASSISTANCE
Nonfederal:

Federal	0.00%
State	95.00%
County	5.00%

<u>Foster Care (FC):</u>	July 2001 – Sept. 2001	Oct. 2001 – Sept. 2002	Oct. 2002 – June 2003
Federal	51.25%	51.40%	50.00%
State	19.50%	19.44%	20.00%
County	29.25%	29.16%	30.00%

FC Nonfederal:

Federal	0.00%
State	40.00%
County	60.00%

Child Support Program – Basic Collections

CHANGE FROM APPROPRIATION:

The FY 2001-02 and FY 2002-03 estimates were updated for the most recent actual assistance distributed collections data from the CS 800 Reports and nonassistance distributed collections data from the CS 820 Reports. Also, the methodology in the November Subvention includes variables for seasonality.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2002-03 increase is due to projected growth in collections based on historical trend.

EXPENDITURES:

(in 000's)

	2001-02 Collections	2002-03 Collections
Assistance Total	\$653,833	\$684,921
Federal	312,857	321,272
State	306,299	326,861
County	34,677	36,788
Other	0	0
Nonassistance	1,323,691	1,463,352
Collections For Other States		
- Assistance	11,961	12,535
- Nonassistance	110,934	122,692
Grand Total ^{1/}	\$2,100,419	\$2,283,500

^{1/} Grand Total does not include FTB Non-Tax Collections, \$50 Disregard, or other collections described in separate premise items.

\$50 State Disregard Payment to Families

DESCRIPTION:

This premise reflects the funds for the \$50 state disregard payments to families.

In addition to the California Work Opportunity and Responsibility to Kids (CalWORKs) grant, custodial parents also receive the first \$50 of the current month's child support payment collected from the absent parent. Under the provision of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the federal government discontinued federal financial participation in the disregard payment to the family as of October 1, 1996. Forwarding the disregard portion of the collection to the family instead of retaining it as revenue to the state results in lost collection revenues.

IMPLEMENTATION DATE:

This premise was implemented in Fiscal Year (FY) 1984-85.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code Section 17504.
- The child support payment data are based on the counties' monthly CS 800 Reports, Summary Report of Child and Spousal Support Payments, beginning with July 1998 through June 2001.

METHODOLOGY:

- The cost of the current \$50 disregard is reported monthly on the CS 800 Report. The disregard is paid when the current child support collection is distributed.
- The forecast was generated utilizing 36 months of data from the CS 800 Reports, from July 1998 through June 2001.

FUNDING:

- The lost collection revenues associated with the \$50 disregard are 100 percent State General Fund. The cost is counted toward the State's Temporary Assistance for Needy Families (TANF) maintenance of effort requirement (MOE).
- For FYs 2001-02 and 2002-03, the costs are reflected in California Department of Social Services' budget as additional TANF/MOE expenditures.
- Costs are reflected in California Department of Child Support Services' collections tables to display amount of collections that are paid to the families.

\$50 State Disregard Payment to Families

CHANGE FROM APPROPRIATION:

The decrease in \$50 disregard reflects recent actual trend data.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change forecasted between 2001-02 and 2002-03.

Projection was flattened due to the assumption that CalWORKs cases will begin to increase.

EXPENDITURES:

(in 000's)

	2001-02	2002-03
	Collections	Collections
Total	\$25,894	\$25,894
Federal	0	0
State	0	0
County	0	0
Other	25,894	25,894

Franchise Tax Board Non-Tax Collections Program

DESCRIPTION:

This premise reflects the non-tax collections obtained by the Franchise Tax Board (FTB) resulting from the collections from cases that are delinquent in child support payments by 60 days pursuant to Senate Bill (SB) 542 (Chapter 480, Statutes of 1999), effective January 1, 2000. The FTB sends demand for payment notices and processes bank, wage and miscellaneous levies on accounts for child support collections based on county referrals.

Pursuant to Assembly Bill (AB) 3589 (Chapter 1223, Statutes of 1992), district attorney offices in the counties of Ventura, Los Angeles, Santa Clara, Solano, Nevada, and Fresno volunteered to work with the FTB to design, test and implement a pilot child support collections program. As of December 1993, these pilot counties became fully operational with this program. AB 923 (Chapter 906, Statutes of 1994) authorized expansion of the FTB Collections Program statewide by December 31, 1996.

AB 1395 (Chapter 614, Statutes of 1997) mandated the district attorney offices to refer all child support cases that are delinquent by 90 days to the FTB for collection effective January 1, 1998.

AB 702 (Chapter 697, Statutes of 1997) required a data match between the FTB and financial institutions doing business in the State. Its purpose was to discover and levy otherwise unknown assets of delinquent child support obligors. The data match was required by federal mandate, Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

FTB program costs are funded through the Department's state operations at 66 percent federal financial participation and 34 percent State General Fund and are passed on to FTB through an interagency agreement.

IMPLEMENTATION DATE:

- March 1, 1993 – Voluntary referral of 60-day delinquent cases
- January 1, 1998 – Mandated referral of 90-day delinquent cases
- July 1, 1998 – Financial Institution Data Match (FIDM)
- January 1, 2000 – Mandated referral of 60-day delinquent cases

Franchise Tax Board Non-Tax Collections Program

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code Section 17501; Revenue and Taxation Code Sections 19271.5(a) and 19271.6.
- The estimated collections were provided by FTB based on historical data.
- The distribution ratio of 89.04 percent is based on FTB's historical data from the period of December 1993 through June 2001.
- The assistance ratio of 57.06 percent and the nonassistance ratio of 42.94 percent are based on FTB's historical data from the period of December 1993 through June 2001.
- Manual collection efforts are being added at FTB to increase Child Support collections on hard-to-collect cases.
- San Diego will be added to automated collection efforts. It is anticipated that San Diego will be participating July 1, 2002.

Non-FIDM Collections

- Collections are based on demands, bank levies, wage levies, out-of-state referral notices, and out-of state contract collections.

FIDM Collections

- Collections are based on data provided by FTB as a result of initial banks and other financial institutions' participation.

METHODOLOGY:

Non-FIDM Collections

- The estimated collections from demands are \$3,488,000 for Fiscal Year (FY) 2001-02 and \$3,277,000 for FY 2002-03.
- The estimated collections from bank levies are \$4,451,000 for FY 2001-02 and \$6,577,000 for FY 2002-03.
- The estimated collections from wage levies are \$65,341,000 for FY 2001-02 and \$56,706,000 for FY 2002-03.
- The estimated collections from out-of-state referral notices are \$331,000 for FY 2001-02 and \$275,000 for FY 2002-03.
- The estimated collections from out-of-state contract collections are \$989,000 for FY 2001-02 and \$765,000 for FY 2002-03.
- The sum total of all the actions for Non-FIDM collections is \$74,600,000 for FY 2001-02 and \$67,600,000 for FY 2002-03.

Franchise Tax Board Non-Tax Collections Program

METHODOLOGY (continued):

FIDM Collections

- The estimated collections for FIDM are \$27,200,000 for FY 2001-02 and \$23,800,000 for FY 2002-03, based on data provided by FTB as a result of initial banks and other financial institutions' participation.

Other Collections

- Collections as a result of manual collection efforts are expected to be \$11,250,000 in FY 2001-02 and increase to \$15,000,000 in FY 2002-03.
- San Diego's participation in the automated collection program is expected July 2002 with an anticipated collection amount of \$7,000,000 in FY 2002-03.

Net Collections

- For FY 2001-02, the combined total of non-FIDM collections (\$74,600,000), and FIDM (\$27,200,000) and the addition of collections from activities of manual collectors (\$11,250,000) is \$113,050,000. This total was multiplied by the distribution ratio of 89.04 percent to determine the distributed collections (\$100,655,000). This amount was multiplied by the assistance ratio of 57.06 percent resulting in an assistance collection amount of \$57,434,000. The distributed collection amount (\$100,655,000) was also multiplied by the nonassistance ratio of 42.94 percent resulting in an nonassistance collection amount of \$43,221,000.
- For FY 2002-03, the combined total of non-FIDM collections (\$67,600,000), FIDM (\$23,800,000) collections from activities of manual collectors (\$15,000,000), and collections anticipated from San Diego (\$7,000,000) totals \$113,400,000. This total was multiplied by the distribution ratio of 89.04 percent to determine the distributed collections (\$100,966,000). This amount was multiplied by the assistance ratio of 57.06 percent resulting in an assistance collection amount of \$57,611,000. The distributed collection amount (\$100,966,000) was also multiplied by the nonassistance ratio of 42.94 percent resulting in an nonassistance collection amount of \$43,355,000.

Franchise Tax Board Non-Tax Collections Program

FUNDING:

The assistance collections are shared based on the Federal Medical Assistance Percentage. These percentages are reflected below:

<u>ASSISTANCE:</u>	July 2001 – Sept. 2001	Oct. 2001 – Sept. 2002	Oct. 2002 – June 2003
Federal	51.25%	51.40%	50.00%
State	46.31%	46.17%	47.50%
County	2.44%	2.43%	2.50%

ASSISTANCE

Nonfederal:

Federal	0.00%
State	95.00%
County	5.00%

<u>Foster Care (FC):</u>	July 2001 – Sept. 2001	Oct. 2001 – Sept. 2002	Oct. 2002 – June 2003
Federal	51.25%	51.40%	50.00%
State	19.50%	19.44%	20.00%
County	29.25%	29.16%	30.00%

FC Nonfederal:

Federal	0.00%
State	40.00%
County	60.00%

CHANGE FROM APPROPRIATION:

The FY 2001-02 estimate decreased based on the most recent actual collection data from the period of July 2000 through June 2001. San Diego's participation in the FIDM is being postponed until FY 2002-03.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2002-03 increase is due to the San Diego participation in the program effective July 2002 and the impact of increased collections from manual collection efforts.

Franchise Tax Board Non-Tax Collections Program

EXPENDITURES:

(in 000's)

Assistance	2001-02 Collections	2002-03 Collections
Total	\$57,434	\$57,611
Federal	27,482	27,023
State	26,906	27,494
County	3,046	3,094
Other	0	0
NonAssistance	43,221	43,355

IRS Tax Rebate Collections

DESCRIPTION:

This premise reflects the increased collections obtained through Internal Revenue Service (IRS) intercepts resulting from the IRS Tax Rebate in FY 2001-02. The IRS Tax Rebates were reduced or withheld from taxpayers that have child support obligations.

The Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16) directed the U.S. Treasury to release the IRS Tax Rebates to qualifying income taxpayers. These payments are subject to offset past-due child support under the Federal Offset Program.

The amount of the IRS Tax Rebate is based on the taxable income shown in the taxpayer's 2000 return. The amount is 5 percent of the taxable income, up to a maximum of \$300 for a single taxpayer, \$500 for head of household, and \$600 for a married couple filing jointly.

IMPLEMENTATION DATE:

- This premise was implemented in July, 2001.

KEY DATA/ASSUMPTIONS:

- Authorizing statute:
Public Law 107-16, Title I, Section 101; and United States Code Title 42, Section 664
- This premise is a one-time occurrence.
- The collections assumptions were based on exact IRS intercept matches of \$300, \$500, and \$600.
- Data was captured from July, 2001 through October, 2001.
- Based on the federal offset amount from the 8/14/01 and 8/27/01 Federal Offset Collections Reports, the fees, adjustments and reversals represents the 3.5% of the total offset amount that the federal government reduced from the California Collections for this time period.

METHODOLOGY:

- The estimated collection from \$300, \$500 and \$600 IRS Tax Rebate matches was \$31,334,600.
- The offset amount of \$1,086,098 (3.5%) was deducted from \$31,334,600 to determine the total net collection amount of \$30,248,000 recouped.
- Total net collections, \$30,248,000 represents \$7,994,000 assistance collections and \$22,254,000 nonassistance collections.

IRS Tax Rebate Collections

FUNDING

The assistance collections are shared based on the Federal Medical Assistance Percentage. These percentages are reflected below:

<u>ASSISTANCE:</u>	July 2001 – Sept. 2001	Oct. 2001 – Sept. 2002	Oct. 2002 – June 2003
Federal	51.25%	51.40%	50.00%
State	46.31%	46.17%	47.50%
County	2.44%	2.43%	2.50%

ASSISTANCE

Nonfederal:

Federal	0.00%
State	95.00%
County	5.00%

<u>Foster Care (FC):</u>	July 2001 – Sept. 2001	Oct. 2001 – Sept. 2002	Oct. 2002 – June 2003
Federal	51.25%	51.40%	50.00%
State	19.50%	19.44%	20.00%
County	29.25%	29.16%	30.00%

FC Nonfederal:

Federal	0.00%
State	40.00%
County	60.00%

CHANGE FROM APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise reflects a one-time occurrence in FY 2001-02.

IRS Tax Rebate Collections

EXPENDITURES:

(in 000's)

	2001-02 Collections	2002-03 Collections
Total	\$30,248	\$0
Assistance Total	\$7,994	\$0
Federal	3,825	0
State	3,745	0
County	424	0
Other	0	0
NonAssistance	\$22,254	\$0

Foster Care Collections Compromise (AB 1449)

DESCRIPTION:

This premise reflects the anticipated lost revenue from foster care collections as a result of the foster care collections compromise. Pursuant to Assembly Bill 1449 (Chapter 463, Statutes of 2001), Foster Care Compromise permits the local child support agency to compromise an obligor's liability for public assistance debt in cases where the parent separated from a child who became the recipient of aid under AFDC-FC or CalWORKs program, when it has been determined that compromise is necessary for the family reunification.

IMPLEMENTATION DATE:

This premise will be implemented October 1, 2002.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code Section 17550.
- Family Reunification caseload (2,213) is from the California Department of Social Services (CDSS), May 2001 Revise, New Family Reunification Cases.
- The percentage of families that may reunite was estimated using the reunification rate (63%) of 1999 CWS/CMS data – Foster Care Termination Reasons. The percentage of families that do not reunite is the difference (37%). The percentage of families that do not reunite solely due to financial hardship cannot be determined.
- The distribution of cases between IV-E (Foster Care) (80%), and Non IV-E (20%) is based on CDSS data. IV-E eligibility is based on AFDC eligibility criteria (living in poverty) and child is deprived of parental support and care.
- Monthly child support payment data (\$185 IV-E, \$258 Non IV-E) is based on San Francisco county experience for July 2001. The percentage of current cases that are collectible was also compared to actual payments received for the month of July 2001 in San Francisco county.
- Of the Non IV-E cases, it is assumed that fifty percent are living below the 250% Federal Poverty Level and therefore eligible for consideration of the Foster Care Compromise.
- All IV-E cases are assumed to be living below the Federal Poverty Level since it's an eligibility requirement of the IV-E program.
- Not all cases receive payments in any given month. A collectability rate was determined by data that compared the number of cases receiving a payment in a month with the number of cases eligible for a payment that month. This was calculated for IV-E cases and for Non IV-E cases.

Foster Care Collections Compromise (AB 1449)

METHODOLOGY:

- Average monthly new family reunification cases were multiplied by the percentage of families that have not reunited. This number was split using the IV-E and Non IV-E distribution.
- To determine eligibility for Foster Care Collections Compromise, the Non IV-E caseload was multiplied by fifty percent to reflect the estimated number of cases below the 250% Federal Poverty Level.
- The average monthly cases for both IV-E and Non IV-E caseload were multiplied by 45 casemonths to reflect 9 months of compromised collections for FY 2002-03.
- The casemonths were then multiplied by \$185 average IV-E child support payment and \$258 average Non IV-E child support payment.
- Total potential collections were then multiplied by the collectability rate of 36 percent for IV-E cases and 45 percent for Non IV-E cases to reflect the potential collections that would be compromised.

FUNDING:

The foster care collections are shared based on the Federal Medical Assistance Percentage. These percentages are reflected below:

<u>Foster Care:</u>	July 2002 – Sept. 2002	Oct. 2002 – June 2003
Federal	51.40%	50.00%
State	19.44%	20.00%
County	29.16%	30.00%
<u>FC Nonfederal:</u>		
Federal	0.00%	
State	40.00%	
County	60.00%	

CHANGE FROM APPROPRIATION:

This is a new premise effective October 1, 2002.

REASON FOR YEAR-TO-YEAR CHANGE:

Implementation begins October 1, 2002, therefore, there is no fiscal impact in FY 2001-02 and nine months of impact in FY 2002-03.

Foster Care Collections Compromise (AB 1449)

EXPENDITURES:

(in 000's)

	2001-02 Collections	2002-03 Collections
Total	\$0	\$ - 2,391
Federal	0	- 659
State	0	- 693
County	0	- 1,039
Other	0	0