

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
September 9, 2004
9:30 a.m.

To: Board of Supervisors

From: Department of Human Assistance

Subject: Reports Back: On Funds Needed To Reinstitute Grandparent Network Program Which Was Unfunded In Previous Budget Reductions; Regarding Status Of Temporary Assistance To Needy Families (TANF) Incentive Funds and Child Care Funds, Including What Our current Commitments For These Funds Are Versus Projected Available Funds; On Potential Funding Sources To Restore Full Funding For Stanford Settlement Program(s) Which Were Unfunded In Previous Budget Reductions; And, Potential Costs For Funding Increase In The Transitional Living Choices Services (TLCS) Request For A Housing Allowance For General Assistance (GA) Recipients Who Are Assigned To This Program Pending Supplemental Security Income (SSI) Approval

Contact: Jane Rasmussen, Interim Director; 875-3611

BACKGROUND:

Report Back On Funds Needed To Reinstitute Grandparent Network Program Which Was Unfunded In Previous Budget Reductions

The Department of Human Assistance (DHA) contracted with Grandparent Network Program in Fiscal Year 2002-03 for \$48,000 in TANF funding which provided supportive and mentoring services to grandparents raising their grandchildren. This contract was one of \$24.0 million in contracts that DHA was not able to renew in Fiscal Year 2003-04 because of budget constraints.

Report Back Regarding Status Of Temporary Assistance To Needy Families (TANF) Incentive Funds And Child Care Funds, Including What Our Current Commitments For These Funds Are Versus Projected Available Funds

Performance Incentive Funds were part of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), the federal welfare reform legislation that created the TANF. States were eligible for a variety of incentive funds and given the ability to retain savings from the TANF block grant. This concept was carried over at the state level when the California Work Opportunity and Responsibility to Kids (CalWORKs) legislation implemented TANF in California and established performance incentives for counties to move CalWORKs recipients to employment. Counties received 75.0 percent of the state's share of grant savings due to:

1. Recipients leaving aid for six months or more due to employment.
2. Increased earnings by recipients.
3. Diversion of applicants from CalWORKs.

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TANF Incentive Funds can be used for the following four purposes:

1. To provide assistance to needy families so that children may be cared for in their own homes or in the home of a relative.
2. To end the dependence of needy parents on government benefits by promoting job preparation, work and marriage.
3. To prevent and reduce the incidence of out-of-wedlock pregnancies.
4. To encourage the formation and maintenance of two-parent families.

DHA previously received TANF Incentive Funds for meeting the performance criteria established by the State of California related to employment of CalWORKs recipients. Initially, counties were allowed to accumulate these funds; however, in Fiscal Year 1999-00 the Governor ended the pass-through of incentive funds to the counties.

In Sacramento County, the DHA and the Human Services Coordinating Council Welfare Reform Task Force conducted a series of public forums and town hall meetings to gather input from the community to assist us in developing our county's Strategic CalWORKs Plan, including plans for performance incentive projects. In addition, three community forums were held to identify the major impediments to transitioning welfare recipients from welfare to work. As a result of these efforts, the department developed a vision for performance incentive funded programs that would provide maximum effectiveness to stabilize families by building their capacity to become self-sufficient. Projects slated for development included those that would:

- Promote self-sustaining employment
- Ensure access to health care
- Support stable housing
- Help teens become self-sufficient adults
- Curb violence
- Build strong families by expanding work with absent parents
- Provide income based child care assistance for all low income families

In collaboration with our partners in the community, we successfully implemented many of the projects envisioned in our initial strategic plan that supported youth, neighborhoods, and self-sufficiency. These collaborations with the faith community, community colleges, schools, other government agencies, community based organizations, and childcare agencies allowed us to maximize our resources and enrich the provision of services to our clients. However, in Fiscal Year 2003-04, due to potential funding shortfalls in our base CalWORKs county allocation and a rapidly declining Performance Incentive Fund Balance, DHA was forced to eliminate \$24.0 million in contracts paid through these funding sources.

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For Fiscal Year 2004-05, the Department has budgeted \$2,198,268 in TANF Incentive Funds to cover ongoing costs for a variety of Community Services programs. Following is a table summary of available TANF Incentive Funds:

STATUS OF TANF INCENTIVE FUNDS	
TANF Beginning Available Balance Fiscal Year 2003-04	\$12,278,184
Spent in Fiscal Year 2003-04	(\$5,629,439)
Budgeted in Fiscal Year 2004-05 CEO Recommended Final Budget	(\$2,198,268)
TANF Available Balance for Fiscal Year 2005-06	\$4,450,477

The Final Recommended Budget for Fiscal Year 2004/2005 includes TANF spending as follows:

Social Services (\$772,000)	
–Galt Community Concilio	\$289,000
–WEAVE, Inc.	483,000
Youth Services (\$60,000)	
–City of Sac – Southside Park	\$ 50,000
–Report Card – CSPC	5,000
–Youth Service Provider Net.	5,000
Employment Services (\$27,000)	
–Voluntary Legal Services - Misdemeanor Expungement	\$ 27,000
Housing Services (\$1.3 Million)	
–A Street	\$150,000
–Adolfo Youth	291,000
–LSS Transitional	42,000
–Mather Expansion	196,000
–Sacramento Cottage	125,000
–Salvation Army	9,000
–Saybrook Apartments	119,000
–Saint John’s Shelter	342,000
–Staff Support (Adolfo)	64,000

Child Care Funding

CalWORKs Child Care Funding (Stage One) is allocated by the State of California to counties to provide child care payments for CalWORKs recipients who are working or are participating in a welfare-to-work activity.

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The funding allocation letters became available September 2, 2004, and the allocation to DHA for CalWORKs Child Care Funding for Fiscal Year 2004-05 is \$26,038,775. DHA had predicted a higher allocation in the Fiscal Year 2004-05 Recommended Final Budget that would have resulted in excess available CalWORKs Child Care funds. Based on the lower actual allocation, DHA now estimates that the entire CalWORKs Child Care allocation will be required to cover the estimated Fiscal Year 2004-05 Stage One child care expenditures, and there will be no excess funding available.

Report Back On Potential Funding Sources To Restore Full Funding For Stanford Settlement Program(s) Which Were Unfunded In Previous Budget Reductions

DHA contracted with Stanford Settlement, Inc. in Fiscal Year 2002-03 for the operation of a Youth Development Program in the amount of \$85,841 and Delinquency Prevention Program in the amount of \$90,231, both of which were TANF funded. DHA also contracted with Stanford Settlement in the amount of \$117,044 for the Senior Center and \$23,771 for the Community Development Program. Both programs were funded by county General Funds. Because of budget constraints, DHA recommended elimination of these contracts in Fiscal Year 2003-04. However, during the Fiscal Year 2003-04 Final Budget Hearings, your Board awarded Stanford Settlement, Inc. \$75,000 in Tobacco Litigation Settlement (TLS) Endowment Funds to partially fund their Senior Center.

DHA's Fiscal Year 2004-05 budget continues to fund the Stanford Settlement, Inc. Senior Center in the amount of \$75,000, but the contracts for the Youth Development Program, the Delinquency Prevention Program, and the Community Development Program were terminated June 30, 2003.

Report Back On Potential Costs For Funding Increase In The Transitional Living Choices Services (TLCS) Request For A Housing Allowance For General Assistance (GA) Recipients Who Are Assigned To This Program Pending Supplemental Security Income (SSI) Approval

TLCS operates a transitional housing program for severely mentally ill GA recipients. DHA makes a rent subsidy payment directly to TLCS for those GA recipients enrolled in their program. The amount of the payment is based on a rent schedule that has not increased since 1996. However, program costs have increased significantly since that time. The rent subsidy payment is accounted for and budgeted as an aid payment in the GA Program in the Aid Payment Budget Unit 8700000. The program is designed to stabilize severely mentally ill GA recipients by providing housing and mental health services so that the recipients can either become eligible for Supplemental Security Income (SSI) benefits or otherwise become self-sufficient, ultimately reducing the cost to the County.

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DISCUSSION:

Report Back On Funds Needed To Reinstitute Grandparent Network Program Which Was Unfunded In Previous Budget Reductions

This Prevention/Intervention program was previously funded with TANF funds in Fiscal Year 2002-03, but not recommended for funding in Fiscal Year 2004-05. DHA has earmarked its remaining TANF funds to programs in compliance with established Board priorities, including mandated programs or safety net programs.

Report Back Regarding Status Of Temporary Assistance To Needy Families (TANF) Incentive Funds And Child Care Funds, Including What Our Current Commitments For These Funds Are Versus Projected Available Funds

DHA has earmarked the remainder of its TANF Incentive Funds to offset funding shortfalls for CalWORKs in the future and to meet funding gaps for homeless programs which otherwise may require the use of county General Funds. For Fiscal Year 2004-05, the DHA has budgeted \$2,198,268 of its TANF Incentive Funds and projects it will exhaust the remaining balance of \$4,450,477 by Fiscal Year 2005-06. The remaining TANF Incentive Funds would be used to cover the cost of ongoing Community Services programs, which currently are funded with a combination of TANF Incentive Funds, county General Fund, state and federal funds, and one-time funding sources.

The following identifies the Fiscal Year 2004-05 Community Services programs that may be eligible for TANF funding in Fiscal Year 2005-06. These programs are separated into three categories:

1. Recurring Programs: Funded by TANF Incentives in Fiscal Year 2004-05 and will continue to use TANF Incentives in Fiscal Year 2005-06.
2. New Programs: Funded with one-time funding sources in Fiscal Year 2004-05 but may be funded by TANF Incentives in Fiscal Year 2005-06.
3. Worst Case Programs: At risk of losing their ongoing state or local funding sources in Fiscal Year 2005-06 but may instead be funded with TANF Incentive funds.

Recurring Programs Funded With TANF Incentives in Fiscal Year 2004-05

<u>PROGRAM</u>	<u>FUNDING SOURCE</u>	<u>AMOUNT</u>
Various	TANF Incentives	\$1,296,670

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New Programs Using One-Time Funding In Fiscal Year 2004-05

<u>PROGRAM</u>	<u>FUNDING SOURCE</u>	<u>AMOUNT</u>
Winter Shelter Program	Cal Expo Funding	\$360,000
St. John's Shelter	Housing & Urban Development/ Emergency Shelter Grants (HUD ESG)	250,000
Winter Shelter	HUD ESG	264,944
Various	Housing Opportunities for Persons with AIDS (HOPWA)	<u>\$1,274,153</u>
	TOTAL	\$2,149,097

**Worst Case Programs Potentially At Risk Of Losing State And Local Funds
In Fiscal Year 2005-06**

<u>PROGRAM</u>	<u>FUNDING SOURCE</u>	<u>AMOUNT</u>
Various	General Fund	\$3,466,948
Various	CalWORKs	<u>2,149,308</u>
	TOTAL	\$5,616,256

Total Actual and Potential Shortfall for Fiscal Year 2005-06 \$9,062,023

Based upon the potential shortfall for Fiscal Year 2005-06, DHA does not believe it would be prudent to use any of the projected TANF Incentive Fund carryover in Fiscal Year 2004-05.

Report Back On Potential Funding Sources To Restore Full Funding For Stanford Settlement Program(s) Which Were Unfunded In Previous Budget Reductions

These prevention programs were previously funded in Fiscal Year 2002-03 with TANF or county General Funds. DHA has currently allocated the TANF and county General Funds to programs in compliance with established Board priorities. We have budgeted or earmarked the county General Funds and the remaining TANF funding to mandated programs, to higher priority programs or to provide the required match for other funding. DHA has no county General Funds available in Fiscal Year 2004-05 Recommended Final Budget to fund either Stanford Settlement Inc.'s request for an additional \$25,000 for the Senior Center or to fund their Community Development Program.

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Report Back On Potential Costs For Funding Increase In The Transitional Living Choices Services (TLCS) Request For A Housing Allowance For General Assistance (GA) Recipients Who Are Assigned To This Program Pending Supplemental Security Income (SSI) Approval

TLCS is requesting an increase of \$30.00 per month per client or \$50.00 per month per client at those locations providing meals. Currently, a total of 67 GA recipients participate in the program. The annualized cost of increasing the rental subsidy by these amounts is approximately \$35,000. This is a part of the mandated GA program and, as such, must be addressed.

FINANCIAL ANALYSIS:

Reinstituting any of the contracts and raising the board and care rate would require additional county General Funds or a reallocation of planned General Fund or TANF expenditures.

Respectfully submitted,

APPROVED:

JANE RASMUSSEN, Interim Director
Department of Human Assistance

TERRY SCHUTTEN
County Executive

By: _____
PENELOPE CLARKE, Administrator
Countywide Services Agency