

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



October 31, 1997

ALL-COUNTY LETTER 97-74

TO: ALL COUNTY WELFARE DIRECTORS
AFDC PROGRAM COORDINATORS**REASON FOR THIS TRANSMITTAL**

- State Law Change
- Federal Law or Regulation Change
- Court Order or Settlement Agreement
- Clarification Requested by One or More Counties
- Initiated by CDSS

SUBJECT: CHANGE REPORTING DEMONSTRATION PROJECT

The purpose of this letter is to describe the Change Reporting Demonstration Project (CRDP) and inform counties of the process they should follow to request to be included in CRDP.

Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) created the California Work Opportunity and Responsibility to Kids (CalWORKs) Program, which replaces the existing Aid to Families with Dependent Children (AFDC) and Greater Avenues for Independence (GAIN) programs. Under CalWORKs, aid will be time limited and recipients must meet hourly work participation requirements. In addition to the many other provisions directed at encouraging self-sufficiency and personal responsibility, the legislation also establishes certain county demonstration projects, including CRDP.

AB 1542 added Section 11265.2 to the Welfare and Institutions Code, which authorizes CRDP. The legislation requires the Director of the California Department of Social Services (CDSS) to implement CRDP in up to six counties to test an alternative to the current monthly reporting (CA 7) process. The counties selected for the project must include small, medium and large counties (with populations of not more than 6,000,000 people). The reporting and budgeting demonstration project required by the legislation under CalWORKs specifies the following:

- Counties will redetermine financial eligibility every six months.
- Counties will have the option of conducting a full eligibility redetermination annually.
- Recipients will be required to report changes in income or resources in excess of \$75, and any change in household composition, within 10 days after the change.
- Changes in the recipients' grant amounts will be made prospectively.

- Grant warrants will include an endorsement under penalty of perjury that all required changes in income, resources, and household composition have been reported. The grant warrant will be accompanied by notification of recipient reporting responsibilities.

CRDP may operate for up to three years. However, the legislation requires the Director to conduct an evaluation after the first year and determine whether to continue, expand, or terminate the project. At any time after the first year, if the Director determines that CRDP is cost-effective and administratively efficient, the Director may implement the change reporting process statewide without further legislation.

CRDP Goal and Objectives

The goal of CRDP is to determine whether modifying client reporting increases cost efficiency and administrative effectiveness.

The objectives of CRDP are to: 1) reduce the time that county staff spend on administrative activities, and 2) increase the time that county staff provide services to clients that will result in activities leading to self-sufficiency.

Food Stamp Program

In an effort to achieve compatibility with the CRDP, the CDSS Food Stamp Program Bureau intends to seek waivers necessary to allow for participation in the project. These waivers will address the differences between the income and resource reporting thresholds of the CalWORKs and Food Stamp Programs. If CDSS is unable to obtain approval of the Food Stamp Program waivers, participating counties may opt out of CRDP. Further information regarding the details of participation, i.e., population to be included (public assistance households, non-assistance households) and other eligibility criteria, will be determined when the representatives from the participating counties meet with Department staff to finalize the CRDP model design.

Medi-Cal Only Program

We are currently exploring the inclusion of Medi-Cal Only program cases in the CRDP at county option. These cases would include Medically Indigent and Medically Needy Only cases, except the aged, blind, and disabled (ABD) cases which do not require status reporting.

County Participation Conditions

To participate in CRDP counties must:

- Guarantee to participate in the demonstration project for one year. Selected counties may opt out of CRDP if CDSS is unable to obtain approval of federal Food Stamp Program waivers.

- Operate within current allocations and cover all costs, including expenses associated with data collection and transmission, travel and the county coordinator's salary and expenses. CDSS will try to minimize data collection requirements.
- Designate a single point of contact to work with CDSS staff to develop and implement the demonstration project. This county staff person must be able to meet in Sacramento with CDSS staff and representatives from other counties to exchange ideas and work out the details of the project. The travel expenses will be paid by the county.
- Maintain efforts to identify and collect overpayments, including those resulting from this project.
- Have the ability to track or identify program participants and gather needed information and provide monthly data to the evaluator no later than 30 days after the end of each month.
- Appoint a county coordinator who will fully cooperate with the evaluator and provide all data required by the evaluator in a machine readable format specified by the evaluator. The coordinator's salary and expenses will be paid by the county.
- Provide all necessary data to CDSS for purposes of creating public use data sets.
- Provide historical data at the case level on earned income and grants for the 12-month period prior to implementation and data for the life of the demonstration.

County Selection Process

The selection of counties to participate in the CRDP will include an evaluation of the counties' responses to the questions included in Attachment A. These questions were developed to measure the counties' ability to successfully implement CRDP. CDSS will give higher consideration to proposals that target all CalWORKs and public assistance Food Stamp cases. CDSS will also consider extra efforts counties have made to prepare for the project, such as steps taken to insure program integrity, obtaining the cooperation of the county district attorney, or taking creative steps to minimize recipient confusion. In addition, CDSS will consider extra efforts to consult and communicate with agencies responsible for Special Investigation Unit functions in counties where the function is outside of the County Welfare Department. Counties must complete the questionnaire and return it no later than December 1, 1997. In addition, interested counties must return a signed copy of Attachment B agreeing to the conditions of participation. The Department will review the counties' responses, select the participating counties, and notify the counties of the results by December 30, 1997.

Department staff will then meet with representatives from the selected counties to finalize the CRDP model and the evaluation design. Among the issues that will need to be addressed are: 1) exceptions to the reporting process; 2) the process for the 6-month and annual determinations; 3) the prospective budgeting process; and 4) program integrity strategies.

Test counties participating in the Eligibility Simplification Program (ESP) (San Bernardino, Fresno, Modoc, Solano, and San Luis Obispo) will be unable to participate in CRDP, since the ESP reporting process is incompatible with CRDP and the ESP evaluation is dependent upon these counties remaining in that project. Other counties participating in ESP may opt out of ESP, if they desire to participate in CRDP. ISAWS participants may be included in this demonstration project.

CRDP Evaluation Process

At this time, we expect the research design will be a pre-post design using comparison control counties that are operating under the current monthly reporting system. We do not anticipate any random assignment control groups. It is likely the evaluation will consist of a process study, administrative cost analysis and an analysis of grants and earnings (including changes in error rates). It is also likely the process study will describe the demonstration project as it is actually implemented and provide qualitative descriptions of how savings were redirected. It may include a survey of key program and administrative staff as to their perceptions of the value of the changes. The administrative costs analysis will compare the grant participation costs in the research counties that have implemented change reporting with comparable costs in the comparison counties.

The report on earnings and grants will analyze whether more cases in the test counties report earnings than in the comparison counties and examine the difference in grant amounts between the two. We anticipate these analyses will be made using existing automated county client data on earnings, grants and overpayments. Additional analyses will be made using these county data linked to employer-reported Unemployment Insurance wages. If warranted, field visits to selected recipients may be made to evaluate potential impact on program integrity. CDSS will contract with an independent evaluator to maintain objectivity and represent the viewpoints of all project participants.

If you have any questions regarding CRDP or this letter, please contact Marcia Dahlin of the CalWORKs Policy Development Bureau at (916) 654-1043.

Sincerely,

BRUCE WAGSTAFF
Deputy Director
Welfare To Work Division

Attachments

**CHANGE REPORTING DEMONSTRATION PROJECT
County Participation Questionnaire**

If your county is interested in participating in the Change Reporting Demonstration Project (CRDP), please provide the following information:

1. What changes in your CalWORKs program will you need to make to ensure CRDP works in your county?
2. Are there any other program changes that you plan to make to maximize the effectiveness of the demonstration project?
3. Describe how you propose to handle prospective budgeting, grant payments, overpayments/underpayments, and intentional reporting errors in CRDP?
4. What safeguards will you have in place to monitor and prevent possible fraud and abuse? What discussions or agreements with the county district attorney have occurred to strengthen these safeguards? If your Special Investigation Unit functions are outside of the County Welfare Department, what efforts have you made to consult and communicate with the outside agency regarding these safeguards?
5. How will you address redeterminations in this demonstration project?
6. Do you plan to include all CalWORKs cash aid cases in CRDP and include all assistance Food Stamp cases to the extent that federal Food Stamp waivers are approved? If not, what cases do you plan to exclude and why?
7. How will you redirect staff time no longer needed to process monthly reports?
8. What method(s) will you use to eliminate client confusion about when to send in their change reporting form?
9. Will your county be willing to participate in CRDP whether or not CDSS is able to obtain approval of Food Stamp Program waivers?
10. If Medi-Cal Only cases are included in CRDP at county option, will your county include them in the demonstration project?

Please send your responses and a signed copy of Attachment B, County Participation Conditions, no later than December 1, 1997 to:

California Department of Social Services
CalWORKs Policy Development Bureau
744 P Street, MS 16-31
Sacramento, California 95814
Attn: Marcia Dahlin

COUNTY PARTICIPATION CONDITIONS

Please sign and return this form along with the County Participation Questionnaire.

To participate in CRDP counties must:

- Guarantee to participate in the demonstration project for one year. Selected counties may opt out from CRDP if CDSS is unable to obtain approval of federal Food Stamp Program waivers.
- Operate within current allocations and cover all costs, including expenses associated with data collection and transmission, travel and the county coordinator's salary and expenses. CDSS will try to minimize data collection requirements.
- Designate a single point of contact to work with CDSS staff to develop and implement the demonstration project. This staff person must be able to meet in Sacramento with CDSS staff and representatives from other counties to exchange ideas and work out the details of the project. The travel expenses will be paid by the county.
- Maintain efforts to identify and collect overpayments, including those resulting from this project.
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- Appoint a county coordinator who will fully cooperate with the evaluator and provide all data required by the evaluator in a machine readable format specified by the evaluator. The coordinator's salary and expenses will be paid by the county.
- Provide all necessary data to CDSS for purposes of creating public use data sets.
- Provide historical data at the case level on earned income and grants for the 12-month period prior to implementation and data for the life of the demonstration.

I have read the conditions and _____(county name) agrees to meet all the above conditions.

COUNTY WELFARE DEPARTMENT DIRECTOR DATE