

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



September 14, 1998

ALL COUNTY LETTER NO. 98-69

TO: ALL COUNTY DISTRICT ATTORNEYS
 ALL TITLE IV-D ADMINISTRATORS
 ALL COUNTY WELFARE DIRECTORS

REASON FOR THIS TRANSMITTAL

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

SUBJECT: CHILD SUPPORT ASSURANCE DEMONSTRATION PROJECT

The California Department of Social Services (CDSS) is soliciting counties to participate in an innovative demonstration project aimed at providing Child Support Assurance (CSA) as an alternative to welfare, pursuant to Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) Section 181, Chapter 3.3. The purpose of the demonstration project is to test child support assurance models as alternatives to welfare. Families with earnings and a child support order would receive a guaranteed child support payment in lieu of a grant under the California Work Opportunity and Responsibility to Kids (CalWORKs) program. The State seeks to demonstrate whether a guaranteed minimum level of financial support for the children of participating families can result in financial stability for these children, while at the same time encouraging custodial parents to be employed and noncustodial parents to financially support their children. The Legislature intends that CSA be consistent with the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193), and maximize cost effectiveness while lifting children out of poverty.

CSA is a four year demonstration project. Proposals are due November 23, 1998. CDSS anticipates reviewing all proposals and making a selection by December 14, 1998. Projects are tentatively scheduled to begin January 1999. At the end of the first year, based on the results of the impact and process studies, modifications to the programs may be allowed if results indicate a need for adjustment. The demonstration will run for three additional years (36 months) with project information being submitted on a quarterly basis. At the end of the demonstration, a final evaluation of the fiscal and programmatic impacts of the demonstrations will be completed.

AB 1542 requires applications for this project to be submitted by a county Board of Supervisors. Upon application, CDSS may approve demonstration projects which test CSA in a variety of ways in up to three counties. At least one of the projects must conform to a design contained in statute which emulates the New York Child Assistance Program (NY CAP). In the CAP-like model the grant amounts and earned income disregard are predetermined (see AB 1542, Chapter 270, Section 18246). The other two projects will either test different

models of child support assurance or may test the same model if the two counties in which that model is tested vary demographically. In non-CAP models a county may determine individual CSA amounts and earned income disregards. Additionally, the county can set the upper limit for financial eligibility up to 200 percent of the Federal Poverty Level (FPL) for the non-CAP models.

Components for any model of the program will include: 1) an assured child support benefit in lieu of a welfare check; and, 2) child care and Medi-Cal to the extent that the client is otherwise eligible. Counties may opt to provide additional services such as employment and training services, enhanced child support enforcement, parental training, mediation, and any supportive services that counties may feel are appropriate. CDSS will select at least one county to participate concurrently in both the CSA and the Noncustodial Parent (NCP) Employment and Training Demonstration Projects. Counties which are not part of the NCP demonstration may wish to include NCP components in their CSA Demonstration Project.

A county may determine the maximum number of participants to be included in CSA, limiting participation to five percent of the county CalWORKs caseload or 8,000 families, whichever is greater. The evaluation process will require counties to randomly assign eligible CSA participants to a control group and an experimental group. Each demonstration site will be required to compile certain data elements such as child support payment histories and welfare grant histories to be used in the evaluation. The CDSS will work with the independent evaluator and the selected counties to develop research designs that ensure thorough evaluations of the CSA Demonstration Projects which minimally include the impact on work participation rates of custodial parents, CalWORKs participation rates and costs, and paternity and child support order establishment. The Research and Evaluation Branch of CDSS will contract with an independent evaluator to conduct a formal evaluation to determine the success of the project.

Funds for CSA services and administrative costs are provided under Welfare and Institutions Code (WIC) Sections 15204.2 and 15204.3, CalWORKs Single Allocation. CSA grant costs are continuously appropriated using sharing ratios as provided for in WIC 15200. CSA Demonstration counties will not receive additional funding for this demonstration project. Counties are encouraged to collaborate with other organizations such as county, state and community service agencies to utilize additional resources to implement this demonstration project. Since financial eligibility for CSA could exceed financial eligibility for CalWORKs, causing grants for these individuals to exceed CalWORKs assistance payment levels, CDSS will evaluate the cost effectiveness of proposals during the review process to determine if projected expenditures are within reasonable limits.

Based on a cooperative partnership between the County District Attorney's Office (DA) and the County Welfare Department (CWD), each participating county will have the flexibility to design and implement a program to meet the needs of the local community. Counties

interested in participating in this demonstration project must submit a joint proposal signed by both the County Welfare Director and the County District Attorney by November 23, 1998 to:

California Department of Social Services
Demonstration Projects Bureau
Attn: Paulette Stokes
744 P Street, MS 6-136
Sacramento, California 95814

The **Proposal Instructions** and **Project Information** are attached for those counties that previously requested a bidding packet. Counties that did not previously request a packet may contact Paulette Stokes at the number below to request one. The **Proposal Instructions** provide technical information for proposal preparation. Proposals must identify and describe the model the county will use and explain how the county intends to implement the project. Additionally, counties must submit a Budget Narrative identifying project costs for State Fiscal Years 1998/99 (6 months), 1999/2000 (12 months), 2000/2001 (12 months), 2001/2002 (12 months), and 2002/2003 (6 months). A format for providing this and other necessary information, is included in the Proposal Instructions. The **Project Information** section explains the demonstration project and provides information the counties may find helpful in designing their projects. The questions and answers that were generated as a result of the CSA Symposium held April 3 and 4, 1998 are included in the Project Information section. The answers represent the CDSS's position on the questions after consideration of input submitted by interested counties.

If you have any questions regarding this demonstration project, please contact Paulette Stokes of the Demonstration Projects Bureau at (916) 657-4249. Any questions regarding the Child Support Program should be directed to Richard Williams of the Child Support Program Assistance Bureau at (916) 654-1532.

Sincerely,

**Original Document Signed By
Bruce Wagstaff on 9/14/98**

BRUCE WAGSTAFF
Deputy Director
Welfare to Work Division

**Original Document Signed By
Leslie Frye on 9/14/98**

LESLIE FRYE, Chief
Office of Child Support

c: CWDA
CSAC