DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, California 95814

October 11, 2000

ALL COUNTY LETTER NO. 00-72

TO: ALL COUNTY WELFARE DIRECTORS
ALL CalWORKs PROGRAM SPECIALISTS
ALL COUNTY FISCAL OFFICERS
ALL COUNTY WELFARE TO WORK MANAGERS

REASON FOR THIS TRANSMITTAL

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

SUBJECT: PERFORMANCE INCENTIVES/NEEDY FAMILY DEFINITION COUNTY PLAN

REFERENCE: County Fiscal Letter No. 98/99-54, 98/99-72; All County Letter No. 00-57

This letter is a follow-up to All County Letter (ACL) No. 00-57 regarding performance incentives and the new "needy family" definition. Information regarding county plans, county self-evaluation requirements, the California Department of Social Services' (CDSS) evaluation regarding the achievement of goals and the Needy Family definition is included in this letter.

COUNTY PLANS

AB 2876 amended Welfare and Institutions Code Section 10544.1 to require counties to submit plans to CDSS on the intended use of their performance incentive funds. The plan is required to describe:

- How the county intends to expend its incentive funds;
- How the benefits and services relate to the issue of sustaining self-sufficiency; and
- How these services will be coordinated with other services within the community that are funded from sources such as the county's single allocation, Welfare-to-Work grants, and community college funds.

To aid in the process and to ensure the plans meet the above statutory requirements, the Department has designed a pre-formatted Overall Expenditure Plan form (Attachment 1) for counties to complete. Counties with Word compatible programs may obtain an electronic copy of the form by sending an e-mail to regionaladvisors@dss.ca.gov with "Request for Overall Expenditure Plan form" in the subject line. Counties without Word compatible programs may either adapt the form for use as long as all information is provided or attach additional pages with the information that will not fit into the form. We have incorporated into this form all the data elements prescribed by AB 2876, therefore, submittal of completed form satisfies the county plan requirements for the performance incentives.

Upon receipt of the plan, CDSS will release the additional funds to the county. CDSS will also review the Performance Incentive County Plan to assess that the proposed projects appear to be consistent with federal TANF provisions. A provisional plan is initially acceptable, but if a provisional plan is submitted, the county must inform CDSS when an approved plan can be expected.

Counties should include all planned expenditures for performance incentives on the Overall Expenditure Plan. Each project that is using performance incentives, either incentive funds on hand or to be awarded in the future, must be listed in the Overall Expenditure Plan. The Department realizes counties may not have made decisions on how to fully expend performance incentives. Counties need to provide an overall description of decisions made up to this point and the status of any further planning processes. If a county plans to hold all or a portion of the performance incentives in reserve, this fact must also be indicated in the Overall Expenditure Plan. Counties may attach copies of existing or current county performance incentive plans provided counties clearly indicate on the Overall Expenditure Plan where the required information may be found. To assist the counties in the completion of the plan, the Department has provided a summary of performance incentives earned through June 30, 2000 (Attachment 2). Further information on the specific performance incentive calculations will be released in an upcoming County Fiscal Letter.

Counties are encouraged to continue or begin expending performance incentive funds currently on hand before a plan is submitted, including expending up to 25 percent on projects aimed at the new "needy family" definition. However, no additional funds will be provided to a county by CDSS until a plan, or a provisional plan is received. Acceptance of incentive funds during fiscal year 2000-01 constitutes a waiver of any claim filed with respect to performance incentives from the 25 percent pool that were earned through State Fiscal Year 1999-00, but not paid. The initial Performance Incentive County Plan is due no later than December 1, 2000 and should be submitted to:

Office of the Regional Advisors
California Department of Social Services
744 P Street, MS 14-44
Sacramento, CA 95814

An updated plan must be submitted annually by December 31st of each year .

AB 2876 also requires counties to report quarterly on the actual expenditure of performance incentive funds. Counties will be expected to report the amount of performance incentive funds expended on a project-specific basis, including those spent using the new definition of "needy families". Therefore, if a Project Description was not included in the Overall Expenditure Plan and the county is now expending performance incentive funds on this project, an updated Overall Expenditure Plan must be submitted. A County Fiscal Letter will be issued with specific instructions for reporting the quarterly expenditures.

COUNTY SELF-EVALUATION

AB 2876 also requires counties to complete an annual self-evaluation report on the results of the benefits and services provided with performance incentive funds and any lessons the county has learned from the approach it has taken. Because the projects are so varied, the Department chose not to design a form for this report. Counties must submit this self-evaluation by December 31st of each year, beginning with December 31, 2001 to the Office of the Regional Advisors at the address noted above.

CDSS EVALUATION

It is the intent of the Legislature to evaluate the efforts of counties in using these funds to assist families in attaining and sustaining long-term self-sufficiency. The Department intends to utilize the Project Descriptions and the annual self-evaluations to determine the extent to which the goals of the TANF program and the goals specified in AB 2876 are being achieved. These goals, as specified in the legislation, are to:

- Improve the quality of jobs provided to recipients.
- Help individuals attain long-term self-sufficiency.
- Prevent the need for CalWORKs benefits for those families making the transition from the CalWORKs program.

ADDITIONAL INFORMATION ON THE NEEDY FAMILY DEFINITION

Since the release of ACL 00-57, the Department has received several questions regarding the “needy family” definition. Effective October 1, 2000, AB 2876 defines “needy families” as those families not receiving aid under CalWORKs in which the minor child is living with a parent or adult relative caregiver and the family’s income is less than 200 percent of the official federal poverty level (FPL) guidelines applicable to the family size. This definition is exclusively for the purposes of providing **nonassistance** services using performance incentive funds pursuant to federal regulations.

The legislation allows up to 25 percent of a county's performance incentive funds to be expended on families meeting the expanded definition. However, counties are not required to spend 25 percent of their performance incentives on “needy families” and may choose to spend up to 100 percent on projects targeted at the previously allowed population.

Counties are allowed to expend their performance incentive funds in any way allowable under federal law. Federal law allows for expenditure of funds in any manner that can be reasonably calculated to accomplish the goals of the Temporary Assistance for Needy Families (TANF) program (please refer to ACL 00-57 for the goals) or for specific activities that had been in California’s approved Title IV-A or IV-F plan in effect as of September 30, 1995.

As a reminder, only two of the four TANF goals are tied to “needy families”. Benefits and services that accomplish goals three and four: preventing and reducing the incidence of out-of-wedlock pregnancies, and encouraging the formation and maintenance of two-parent families, can be provided using any portion of performance incentives and, thus, should not be included in the 25 percent expenditure pool for the new “needy family” population. For example, an after-school program that provides supervision when school is not in session is a potential activity that could reasonably be calculated to accomplish the purpose of preventing and reducing the incidence of out-of-wedlock pregnancies. Therefore, such a program should be funded out of the 75 percent portion of a county’s performance incentives. Counties may obtain copies of the TANF regulations and other guidance on the use of funds, including guidance on the TANF goals, by visiting the Office of Family Assistance Home Page at http://www.acf.dhhs.gov/programs/ofa/ .

The 25 percent limitation on expenditures for the new “needy families” definition is an overall cap that does not need to be maintained on a monthly, quarterly or annual basis. For example, a county may have a project that is designed to provide services under TANF purposes one or two to individuals who are not eligible for CalWORKs but whose income is less than 200 percent of the FPL and has set aside 25 percent of their funds for that project. In addition, the county is intending to hold the balance of their funds as a reserve. In this example, the county may completely expend 25 percent of their funds on the above project without having spent the remainder of their funds. When a county has expended 25 percent of their funds on the new “needy family” population, they can no longer use performance incentive funds for those projects and the remainder of the incentive funds must be spent on individuals that meet the previous definition of “needy family” and/or for services that are reasonably calculated to accomplish purpose 3 or 4 or for specific activities that had been in California’s approved Title IV-A or IV-F plan in effect as of September 30, 1995.

CDSS will be conducting a workshop on performance incentives at the Partnerships Conference in San Diego on December 12, 2000. If you have any questions regarding this letter, please contact the following:

Performance Incentives	Karen Kennedy	(916) 657-3400
Needy Families	Audrey Escarzaga	(916) 654-3062
Planning Summary	Linne Stout	(916) 651-6672

Sincerely,
Original signed by
Bruce Wagstaff
on 10/11/00
BRUCE WAGSTAFF
Deputy Director
Welfare to Work Division

Attachments

c: CWDA
CSAC

County: ___________________________ Year: ______________

Performance Incentives Projects
Overall Expenditure Plan

Do not limit comments to space provided. If you have a Word Program, you may obtain an electronic version with expandable fields by sending an e-mail to regionaladvisors@dss.ca.gov with "Request for Overall Expenditure Plan Form" in the subject line .

Use this form to provide a brief explanation of your overall expenditure plan for performance incentives, including any plans to hold back expenditures and the status of any future planning processes. You must include how the benefits and services that will be provided using Performance Incentive Funds relate to the issue of sustaining self-sufficiency and how these services will be coordinated with other services within the community that are funded from sources such as the county's single allocation, Welfare-to-Work grants and community college funds.

Please list below a summary of all individual projects.

Project Title and Brief Description (include desired outcomes)	Total Incentive Funds Planned for this project	Counts toward "Needy Family" definition?**	Which of the purposes of TANF (or Title IV-A or IV-F) is met? Describe how the purpose is met through this project.	Page number in Attachment

**YES, NO or PARTIAL. If partial, include the amount toward the new "Needy Family" definition.

Provisional Plan ☐ If this is a provisional plan, when can CDSS expect to receive your approved plan? ____________________

Title ________________________________ Signed ________________________________ Date_________________

Attachment 2

PLANNING SUMMARY
COUNTY PERFORMANCE INCENTIVES
For the period of 1/1/98-6/30/00

COUNTIES	*TOTAL EARNED INCENTIVES BASED ON 75%	TOTAL INCENTIVES PAYMENT MADE	BALANCE
Alameda	29,246,272.32	18,071,430.13	11,174,842.19
Alpine	59,252.79	41,702.48	17,550.31
Amador	578,439.33	402,251.76	176,187.57
Butte	8,560,829.29	5,324,352.83	3,236,476.46
Calaveras	1,113,456.31	717,780.60	395,675.71
Colusa	305,822.00	240,168.88	65,653.12
Contra Costa	17,436,036.16	11,110,454.29	6,325,581.87
Del Norte	1,089,972.48	671,819.00	418,153.48
El Dorado	1,860,931.14	1,364,030.59	496,900.55
Fresno	57,630,125.29	38,917,479.25	18,712,646.04
Glenn	1,141,535.71	731,474.00	410,061.71
Humboldt	3,690,312.66	2,371,723.70	1,318,588.96
Imperial	9,265,076.03	5,987,508.05	3,277,567.98
Inyo	493,531.38	366,150.42	127,380.96
Kern	29,412,269.27	18,878,663.12	10,533,606.15
Kings	4,082,573.29	2,609,256.64	1,473,316.65
Lake	2,801,438.04	1,812,167.96	989,270.08
Lassen	1,045,296.07	627,136.33	418,159.74
Los Angeles	374,660,263.71	236,934,782.52	137,725,481.19
Madera	4,721,588.72	3,061,167.83	1,660,420.89
Marin	1,522,265.88	1,005,279.03	516,986.85
Mariposa	413,420.78	303,480.48	109,940.30
Mendocino	2,999,915.57	2,001,377.31	998,538.26
Merced	12,181,293.70	8,043,328.40	4,137,965.30
Modoc	538,875.67	356,593.69	182,281.98
Mono	201,651.83	142,179.86	59,471.97
Monterey	10,159,010.17	6,972,277.40	3,186,732.77
Napa	1,030,815.00	738,799.98	292,015.02
Nevada	1,019,754.00	735,741.95	284,012.05
Orange	52,384,075.26	33,155,380.13	19,228,695.13
Placer	3,242,993.45	2,110,761.68	1,132,231.77
Plumas	287,367.10	229,916.91	57,450.19
Riverside	45,881,742.56	29,864,101.07	16,017,641.49
Sacramento	67,293,598.50	40,913,147.57	26,380,450.93
SanBenito	1,159,388.35	801,294.07	358,094.28
SanBernardino	76,624,564.49	49,087,406.35	27,537,158.14
San Diego	73,182,797.00	48,590,698.67	24,592,098.33
San Francisco	12,252,779.92	7,225,431.92	5,027,348.00
San Joaquin	22,523,920.48	14,363,801.74	8,160,118.74
San Luis Obispo	4,137,711.49	2,746,170.40	1,391,541.09
San Mateo	3,476,563.68	2,238,664.48	1,237,899.20
Santa Barbara	8,385,311.44	5,680,095.71	2,705,215.73
Santa Clara	32,651,846.55	20,893,773.69	11,758,072.86
Santa Cruz	3,376,780.41	2,209,794.28	1,166,986.13
Shasta	6,931,565.15	4,483,769.73	2,447,795.42
Sierra	48,129.34	26,783.15	21,346.19
Siskiyou	1,454,770.26	899,601.78	555,168.48
Solano	8,626,268.81	5,500,058.86	3,126,209.95
Sonoma	4,716,652.17	3,423,053.89	1,293,598.28
Stanislaus	11,399,398.67	7,757,685.87	3,641,712.80
Sutter	2,476,171.19	1,771,960.61	704,210.58
Tehama	2,102,241.54	1,271,595.67	830,645.87
Trinity	308,085.03	214,594.19	93,490.84
Tulare	24,587,273.35	15,007,319.29	9,579,954.06
Tuolumne	1,641,842.28	1,083,738.56	558,103.72
Ventura	13,229,243.27	9,038,146.53	4,191,096.74
Yolo	6,313,293.23	4,000,509.22	2,312,784.01
Yuba	3,744,144.11	2,237,507.44	1,506,636.67
Total	**1,073,702,543.67**	**687,367,321.94**	**386,335,221.73**

* The total earned incentives do not include **ALL** Exits Due to Employment.

Final 10/5/00