

TANF AND CALWORKS: HOW CALIFORNIA SPENDS THE MONEY

Congress must reauthorize the Temporary Assistance for Needy Families (TANF) block grant by September 30, 2002. As the reauthorization debate begins, policymakers and observers are asking how states have spent federal funds since TANF replaced the Aid to Families with Dependent Children (AFDC) program in 1996. Some observers have expressed concern that states have not spent all of the funds that Congress appropriates each year. This paper examines how California spends the \$3.7 billion it receives in federal TANF funding each year. These funds, when combined with state and county dollars, make over \$6 billion available for cash assistance, child care, employment services and other related programs and services.¹ This *Update* describes how dollars flow from the federal, state, and county levels for CalWORKs and related programs. The *Update* finds that:

- California has spent practically all of its federal funds and is meeting state spending requirements.
- Counties appear to have “ramped up” programs and spending has increased markedly since CalWORKs began.
- Counties are spending most, if not all, of their main employment services allocations, but are spending less of the funds they receive for mental health and substance abuse services.
- Counties have not spent significant portions of the performance incentive funds earned to date.

FUNDING BASICS: TANF BLOCK GRANT + STATE MOE = CALWORKS

The federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), enacted in 1996, set annual TANF block grant funding levels for states through September 2002. California receives \$3.7 billion per year from the US Department of Health and Human Services (DHHS), which must be spent on certain services for certain populations. While most of the funds are spent on people who are receiving or eligible to receive cash assistance, funds can be spent on other “needy” families (as defined by states) and can include “non-assistance” services such as child care, job training, and counseling for working families. Federal funds can be carried over and used in subsequent years, but only for cash assistance expenditures.

States can also transfer some TANF funds to two other federal funding streams, the Child Care Development Fund (CCDF) and the Social Services Block Grant (SSBG). The CCDF funds child care and development programs for low income families.² The SSBG, also known as Title XX, provides funds for states to provide social services to vulnerable populations including needy seniors and abused children.

In order for states to continue to receive TANF funds, they must meet a spending requirement called the maintenance of effort (MOE). A state’s MOE is equivalent to a certain percentage of the amount it spent in the mid-1990s. If a state meets federal work participation rates, the MOE is 75 percent of spending during the base period. If a state does not, the MOE requirement is 80 percent. California has generally met federal work requirements and must spend \$2.7 billion each year.³ State funding for

certain programs can qualify as MOE expenditures even though they could not be supported with federal TANF funds. For example, states can continue to provide cash grants to families who have exhausted their five-year time limit for federal assistance and can count those expenditures toward the MOE requirement.

The California Department of Social Services (DSS) spends the majority of TANF and MOE funds within the CalWORKs program. For example, in 2000-01, out of a total of nearly \$7.0 billion combined state and federal funds, \$5.4 billion flowed through the DSS to county CalWORKs programs. Another \$721 million was transferred to the California Department of Education (CDE) for CalWORKs child care (Figure 1).⁴ CalWORKs dollars also fund programs that are not related to CalWORKs, including juvenile probation camps and juvenile assessment and residential treatment facilities.⁵

COUNTIES: HOW DO THEY GET THE MONEY?

County welfare departments receive several allocations of funds from the DSS, and also contribute county dollars, to run CalWORKs programs (Figure 1).

Cash Grants: Counties receive state and federal funds to pay 97.5 percent of costs for cash assistance payments to recipient families, while counties pay 2.5 percent of grant costs. Counties received \$3.2 billion and spent an additional \$82 million of their own funds for cash grants in 2000-01.

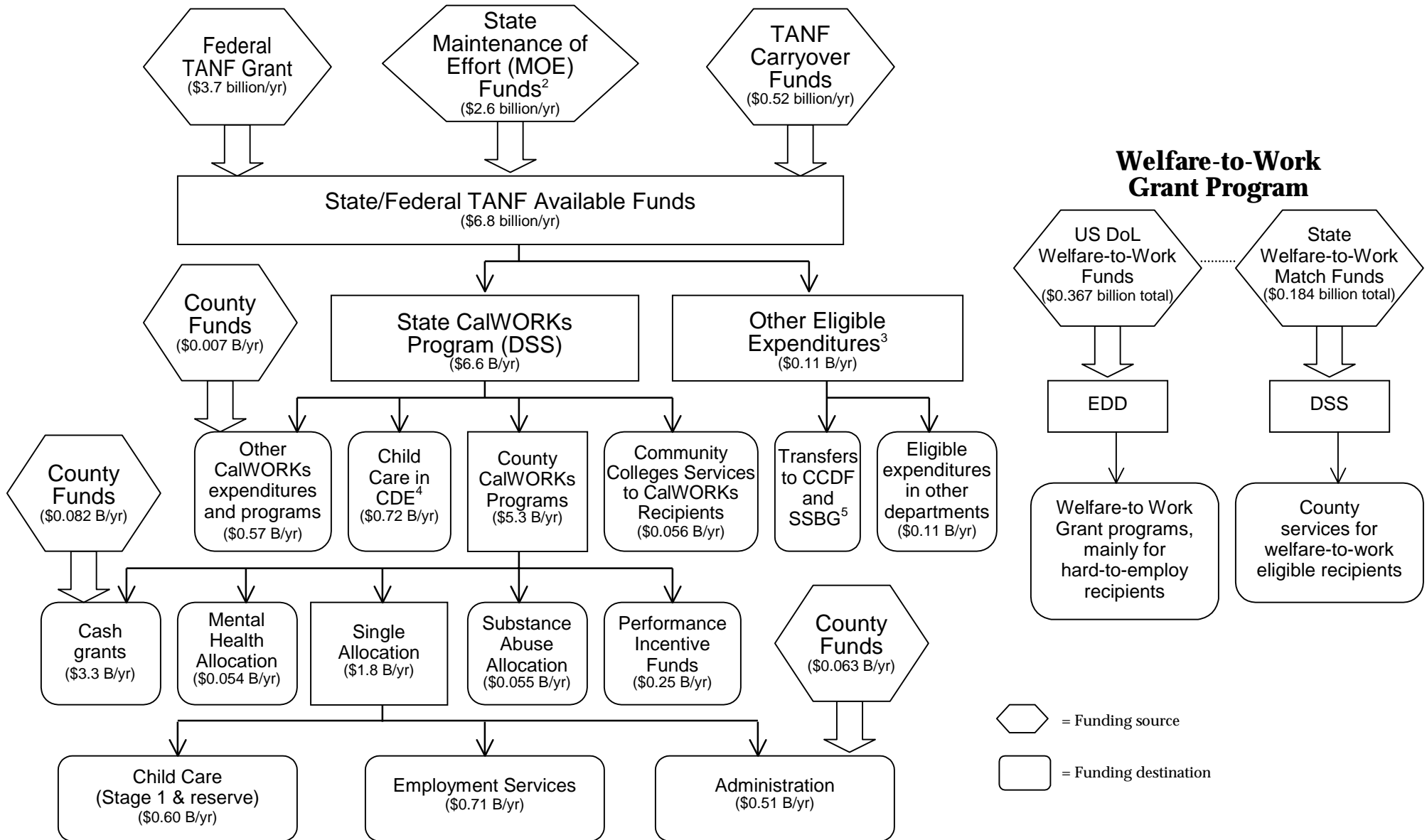
Single Allocation: The DSS allocates a block grant or “single allocation” to each county, comprised of state and federal funds, for employment services, child care, and administration costs. Counties submit annual budget requests for the administration and employment services portions of the single allocation. When CalWORKs was first implemented, counties were allowed to carry over unspent funds to the following year. However, the state has, in effect, not allowed counties to roll over funds in recent years since allocations for the following year are reduced by an equal amount. The county spending requirement for single allocation funds is equal to the amount spent for administration in 1996-97.⁶ Counties received \$1.8 billion and spent an additional \$63 million of their own funds on these programs in 2000-01.

Mental Health and Substance Abuse Allocations: State law provides for separate funding streams for mental health and substance abuse services for CalWORKs recipients.⁷ As in the case of single allocation funds, counties were originally allowed to carry over unspent mental health and substance abuse funds to the next fiscal year. However, unspent funds were not “rolled over” in 2000-01. In 2000-01, counties received \$54 million for mental health and \$55 million for substance abuse services. Counties are not required to spend any of their own money for these services.

Performance Incentive Funds: In order to encourage counties to move families off the welfare rolls and toward self-sufficiency, the Legislature devised an incentive system to reward counties for reduced grant payments resulting from recipients leaving CalWORKs due to employment, increased earnings by recipients, and discouraging families from receiving CalWORKs with one-time payments.⁸ The counties have earned nearly \$1.2 billion in performance incentive funds (also called fiscal incentive funds), and the state appropriated \$250 million in 2000-01 for this purpose. However, the 2001 Budget Act retroactively eliminated the funding for 2000-01 and appropriated only \$20 million for 2001-02.

The 2001 budget package directs the DSS, in collaboration with other stakeholders, to develop a new CalWORKs budgeting methodology, which may substantively change the funding flow described above.⁹

Figure 1: Funding Stream for TANF and CalWORKs-Related Programs¹



1. All annual amounts correspond to 2000-01 appropriation levels. Figures for Welfare-to-Work Program are total federal grant and state match funds.

2. Does not include counties' share of MOE, reflected separately.

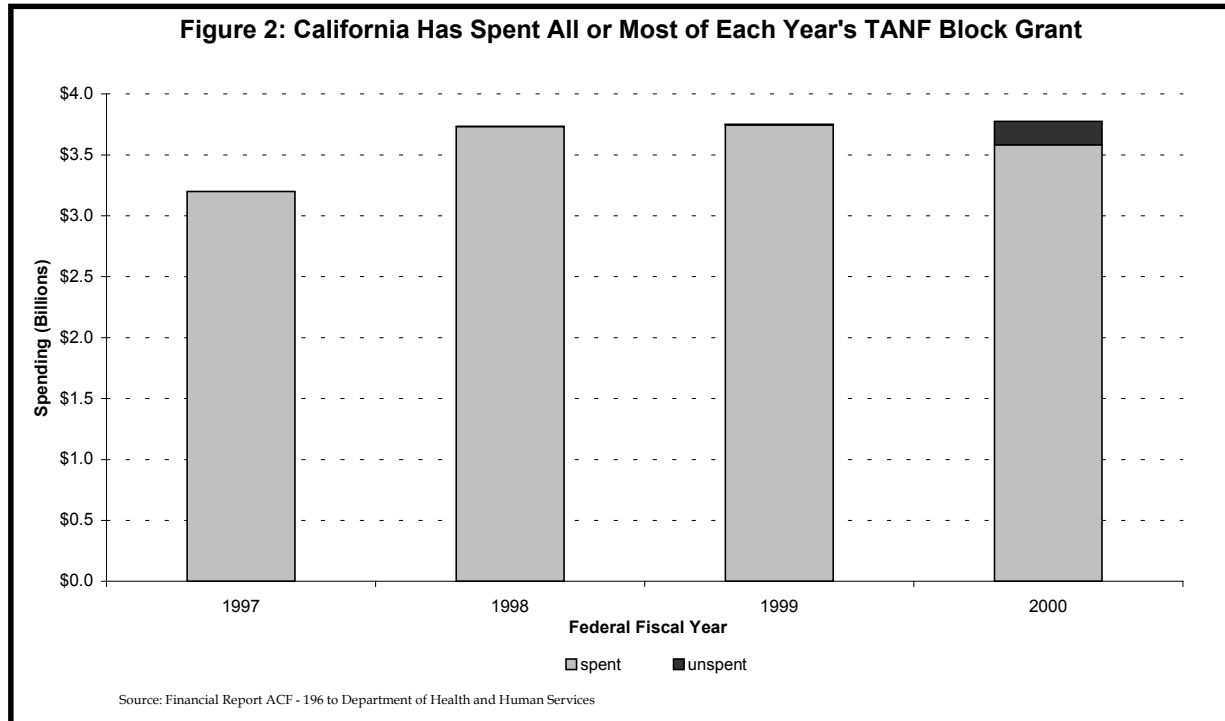
3. For the purposes of this diagram, CalWORKs expenditures include only those program costs funded with TANF or state MOE moneys (e.g., not Welfare-to-Work grants or matching funds). Also, some programs are TANF- or MOE-eligible because of past funding history (e.g., county probation programs that were formerly eligible for funding under the federal Emergency Assistance Program) or because of the population they serve (e.g., state funded food stamps for noncitizens who would otherwise be eligible for CalWORKs; residential treatment for CalWORKs eligible parolees).

4. Stage 2 and Stage 3 CalWORKs Child Care program in California Department of Education (CDE) for current and former CalWORKs recipients. Federal CCDF (Child Care Development Fund) dollars, not shown here, are also used for Stage 2 and Stage 3 child care. The CCDF funds child care programs for low income children.

5. SSBG refers to the Social Services Block Grant (also known as Title XX), which provides states with non-matching funds to provide a wide variety of social services. Federal law allows states to transfer a certain portion of their TANF grants to the SSBG and CCDF each year.

HAS CALIFORNIA SPENT ITS FEDERAL BLOCK GRANT?

States submit quarterly reports to the federal government detailing spending of each year's TANF block grant. Figure 2 shows the funding and expenditures levels for federal fiscal years 1997 through 2000. However, this figure does not indicate *when* the state spent the grant; since states can carry over grants to future years, California can spend its 2001 block grant in 2001, 2002, or future years. As of the end of 2000, the DSS reports that California has spent or transferred virtually all (98.6 percent) of 1997-2000 federal TANF funds, which total \$14.5 billion. California has spent all of its 1997 and 1998 block grants, 99.9 percent of its 1999 block grant, and 94.9 percent of its 2000 grant. California reports that the \$198 million in unspent funds are unliquidated obligations.¹⁰

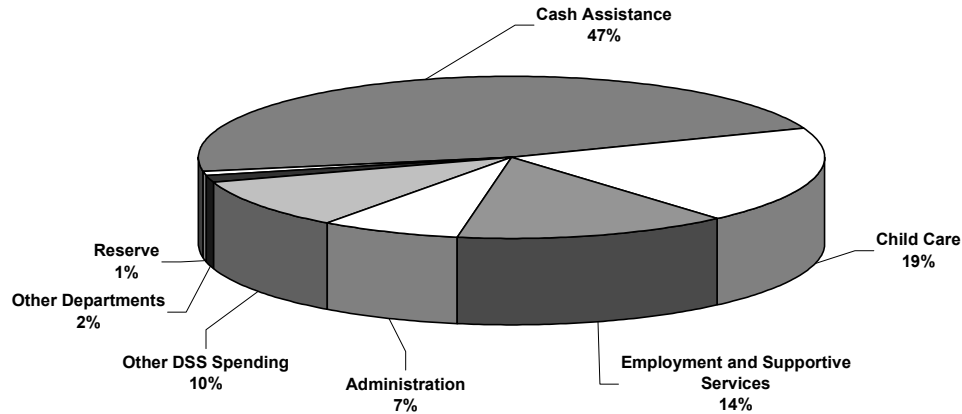


California has met, but not exceeded, its MOE requirement since the TANF block grant structure began. In state fiscal year 1997-98, the state met the 80 percent MOE requirement.¹¹ In every subsequent year, the state has met the 75 percent MOE (\$2.7 billion) due to meeting federal work participation rates. In addition, the state successfully appealed a federal decision that California did not meet one of the work participation rates in federal fiscal year 1997. In turn, the Governor has shifted state and federal funds and amended spending reports, in order to reduce 1997-98 state spending to the 75 percent level. This effectively reduces 2000-01 state spending on CalWORKs by about \$150 million.

HOW IS CALIFORNIA SPENDING CALWORKS AND TANF FUNDS?

California generally spends slightly less than half of its combined CalWORKs and TANF funds for cash assistance (Figure 3). About a third of CalWORKs and TANF funds go to child care and employment services. The remaining 20 percent is for administration and other spending (see Table 1). Figure 4 shows that, while spending on each CalWORKs family has increased slightly in recent years, no major shifts have occurred between spending categories.

Figure 3: Nearly Half of CalWORKs and TANF Funds Are for Cash Assistance



Details of "other" spending are shown in Table 1.
 Source: Proposed 2001-02 spending as of the May Revision of the Governor's Proposed Budget

Table 1: Where Have the "Other" Dollars Gone?	
Other DSS Spending	Expenditure (millions)
Emergency Assistance (Child Welfare and Foster Care)	\$241
County Juvenile Probation Facilities	\$201
Welfare Automation Projects	\$120
Kin-GAP	\$70
California Food Assistance Program (CFAP)	\$40
Teen Pregnancy Disincentive	\$7
Total	\$680
<i>Percentage of all CalWORKs/TANF spending</i>	10%
Other Departments	
Department of Health Services	\$31
Department of Child Support Services	\$28
Tribal TANF	\$27
TANF Match in CCC, CDE, and EDD*	\$22
Employment Training Panel Fund	\$6
Total	\$114
<i>Percentage of all CalWORKs/TANF spending</i>	2%

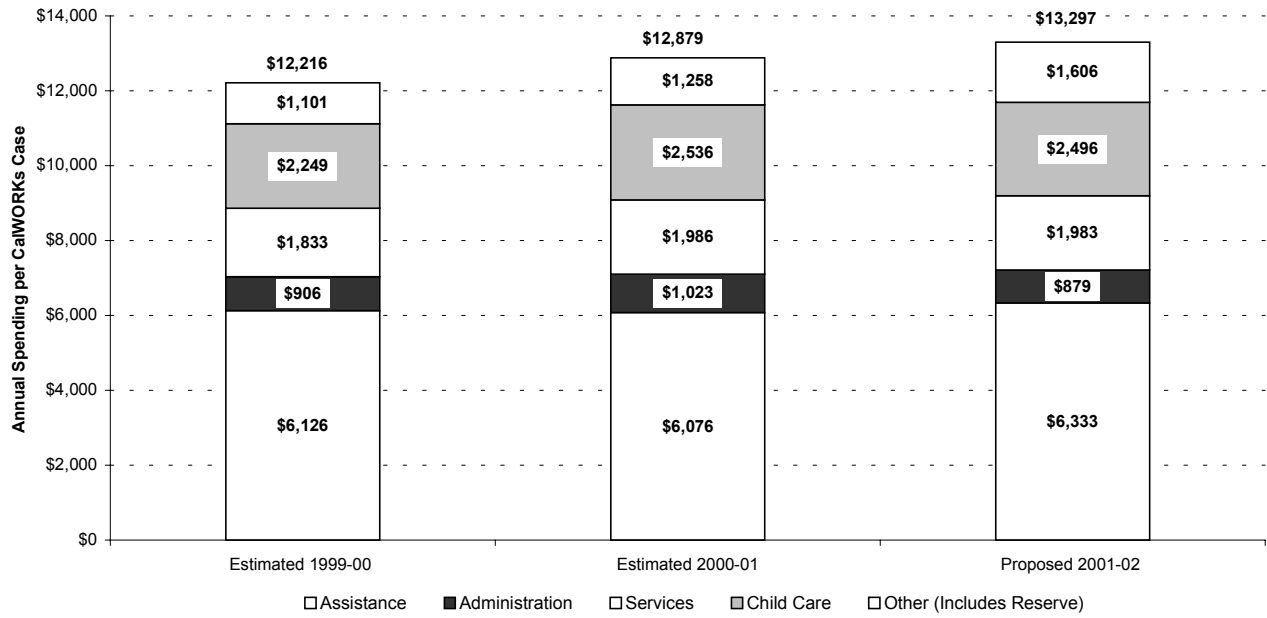
*California Community Colleges (CCC), California Department of Education (CDE), and Employment Development Department (EDD)

HOW ARE COUNTIES SPENDING THE FUNDS THEY RECEIVE FROM THE STATE?

General Employment Services

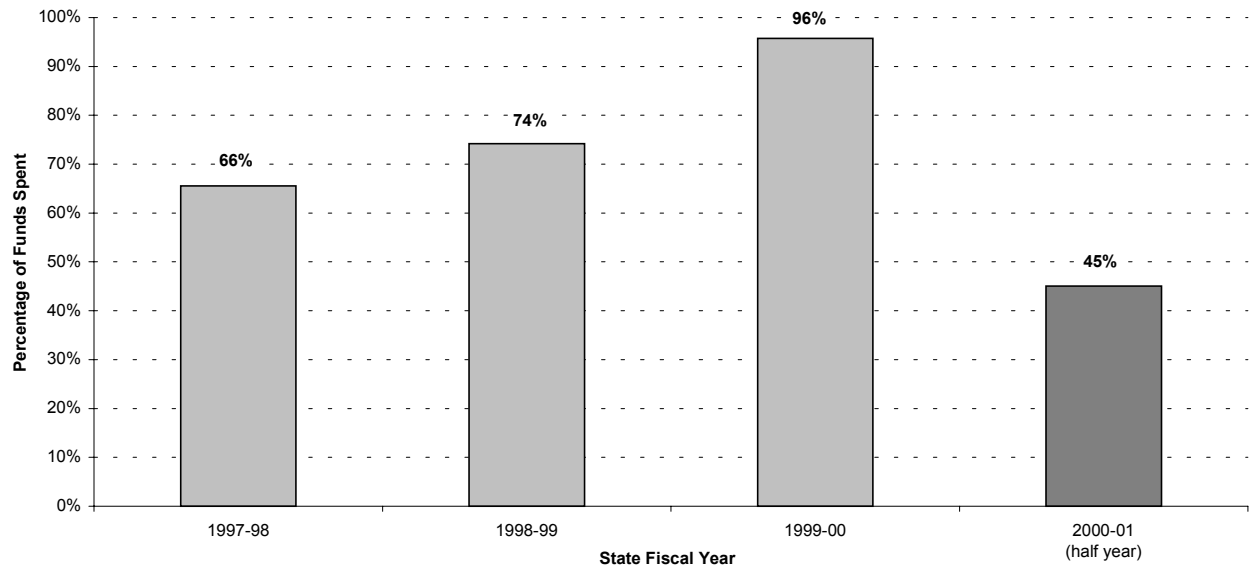
As mentioned previously, counties have several allocations or "pots" of money they can use to assist families. One way to measure how much counties have spent is to combine the three allocations most directly connected with core services to CalWORKs recipients: the single allocation, and the mental

Figure 4: Spending per CalWORKs Case Has Increased Since 1999-00



Note: Totals may not sum due to rounding.
Source: Department of Social Services

Figure 5: Counties Have Increased Spending on Employment Services

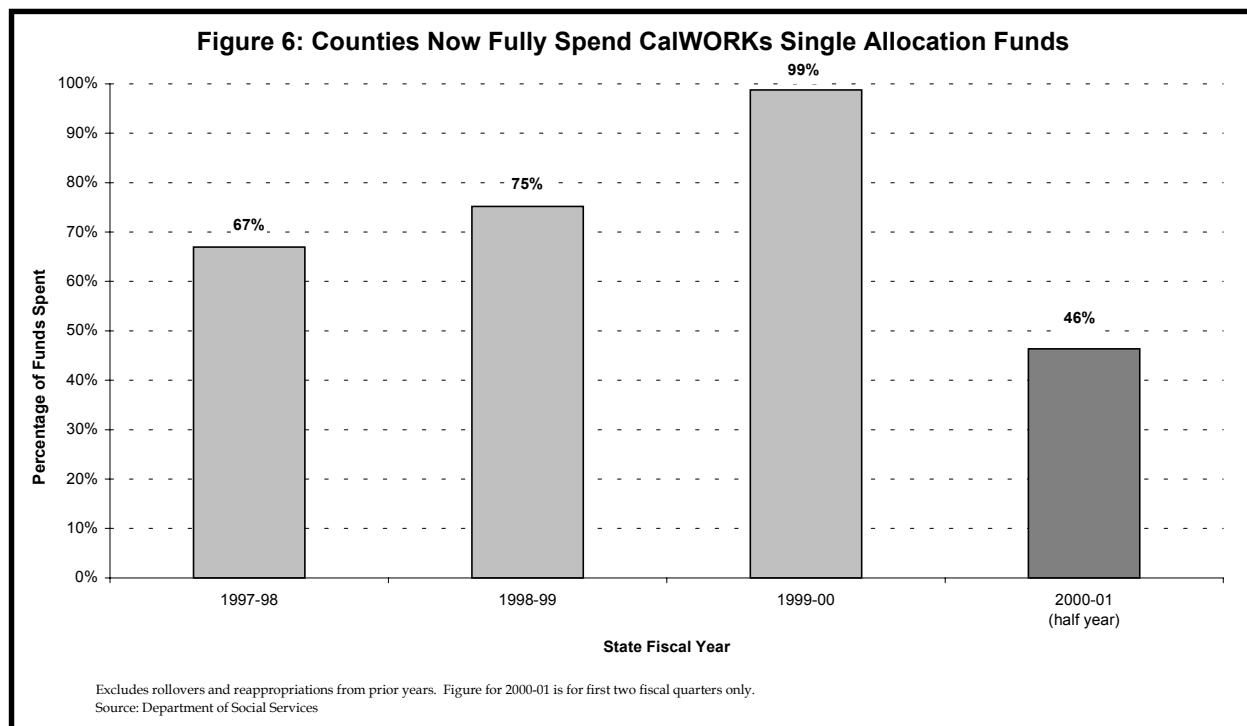


Employment Services include county "single allocation" and mental health and substance abuse expenditures and excludes rollovers and reappropriations from prior years. Figure for 2000-01 is for first two fiscal quarters only.
Source: Department of Social Services

health and substance abuse allocations.¹² Figure 5 indicates that, while counties as a whole left large amounts of these allocations unspent in 1997-98 and 1998-99, most of the funds were spent in 1999-00 and 2000-01. Counties spent 96 percent of the amounts allocated to them for employment services and administration in 1999-00 and have spent 45 percent of the 2000-01 allocations in the first two fiscal quarters.¹³ This pattern can be explained in part by the fact that county programs underwent major transformations in 1998 and 1999 to implement the new CalWORKs program and had not fully “ramped up” services until perhaps 2000. The following two sections explore state and county spending patterns for the different “pots” of money that fund employment services.

Single Allocation

The biggest pot of CalWORKs money that counties have at their disposal is the “single allocation.”¹⁴ Counties have substantial flexibility over how to spend their single allocation funds. They can shift funding between employment services, administration, and child care programs as well as design specific job-readiness, training, and education programs to meet the needs of CalWORK recipients in their counties. County spending has risen steadily since the implementation of CalWORKs, from 67 percent in 1997-98 to 99 percent in 1999-00 (Figure 6). It is likely that counties will spend all of or more than their single allocations in 2000-01 since as a whole they spent nearly 50 percent in the first half of the fiscal year.



In 1997-98, county spending varied but was generally low:

- Seven counties – including Los Angeles County – spent less than 60 percent of their allocation.
- Four counties – including Marin and San Francisco Counties – spent over 90 percent of their allocation (Appendix 1).

Most, if not all, counties are on track to spend a larger percentage of single allocation funds in 2000-01 than in 1997-98:

- Thirty-four counties have spent 40 percent or more of their 2000-01 single allocation funding in the first two quarters of 2000-01.

- Eight counties – including Alameda, Sacramento, and San Bernardino Counties – have spent half or more.
- Only two counties with single allocations of over \$10 million – Placer and San Luis Obispo Counties – have spent less than 35 percent. San Luis Obispo County predicts that spending will pick up substantially by the end of the fiscal year.

Substance Abuse and Mental Health Allocations

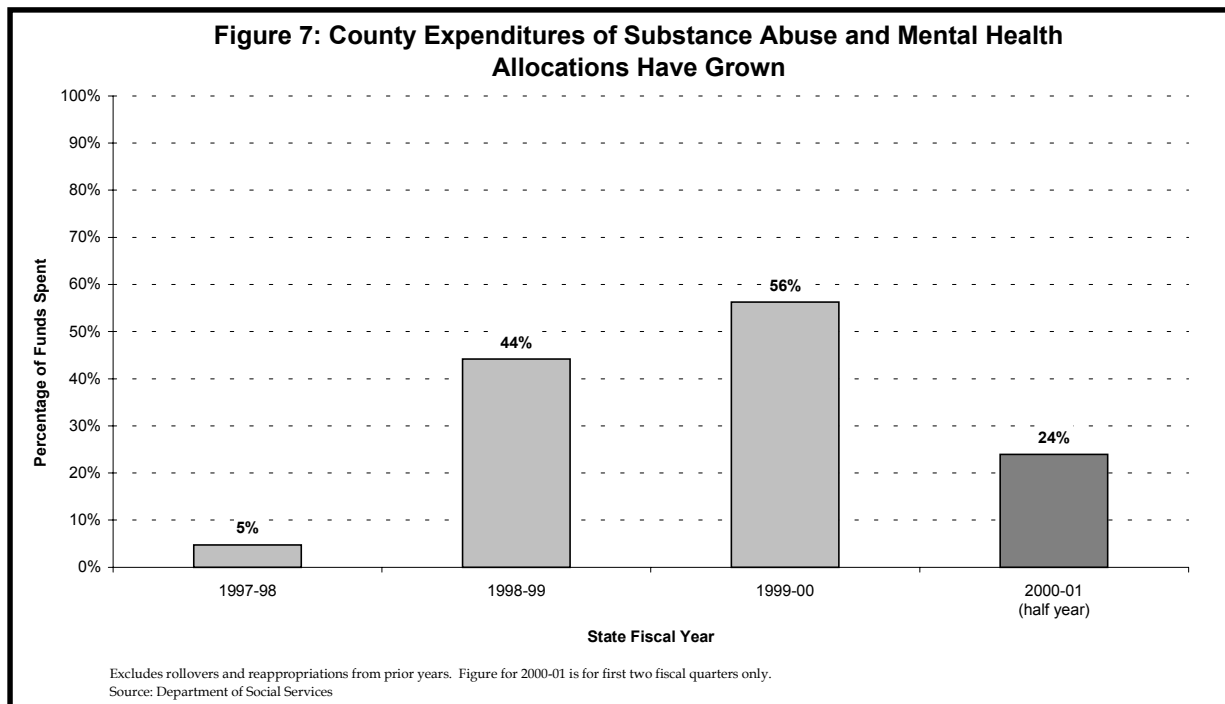
Counties claimed very little of the funds available to them for substance abuse and mental health services for CalWORKs recipients in 1997-98, rising to over half in 1999-00 (Figure 7). It is likely that counties will spend the same or a higher percentage of the allocations in 2000-01 based on expenditures in the first half of the year.

Expenditure of substance abuse funds has varied widely among counties (Appendix 2):

- Less than 4 percent of the total funds available were spent statewide in 1997-98.
- Forty-five counties did not report spending any of the money they were allocated, while Mono County spent more than 100 percent, in 1997-98.
- Less than a quarter (22 percent) of the funds have been claimed statewide in the first two quarters of 2000-01.
- Nine counties have spent more than 40 percent of their 2000-01 allocation and six counties – including Napa, Solano, and Stanislaus Counties – have spent more than half.
- Seventeen counties have not claimed any of their 2000-01 substance abuse funds.

Expenditures of mental health allocations also varied widely by county (Appendix 3):

- Only ten counties reported spending any of the mental health funds that the state allocated in 1997-98.
- Humboldt and Placer Counties spent 100 percent or more of the 1997-98 funds they received.
- In the first two quarters of 2000-01, counties have spent more than a quarter of funds allocated. Seventeen counties have not claimed any of the funds available to them.



- Ten counties have spent 40 percent or more of their allocation, and five counties – including Fresno and Tulare Counties – have spent half or more of their 2000-01 allocation.

Performance Incentive Funds

Counties have earned a total of nearly \$1.2 billion and have received over \$1 billion in performance incentive funds.¹⁵ Counties have designed plans to target this money primarily for youth programs, CalWORKs services, and reserve funds. However, counties have spent only \$62 million (6 percent) of available performance incentive funds as of December 2000. Reasons for low expenditure levels include time consuming county planning processes and the uncertainty of performance incentives as an ongoing funding source. The 2001 Budget reinforced this uncertainty by retroactively eliminating 2000-01 incentive funds and sharply reducing funding for 2001-02. Another CBP *Update* examines performance incentive funds in detail.¹⁶

WELFARE-TO-WORK GRANTS: ANOTHER FUNDING STREAM

Welfare-to-Work (WtW) Grants are another funding source intended to serve an overlapping population. These funds, which are administered by the US Department of Labor (DoL), were designed to serve welfare recipients who need additional assistance overcoming barriers to employment. Eligibility requirements have been expanded in order to allow increased services to non-custodial parents and to youth formerly in foster care. The Employment Development Department (EDD) administers funding of these grants in California.

California has received \$367 million in WtW grant funding (Figure 1). Most of the funding was disbursed through 50 Private Industry Councils (PICs), now called Local Workforce Investment Boards (LWIBs), to private and non-profit service providers who applied for funds. A portion of the funds were allocated directly to service providers by the Governor.

The required state match for WtW funds is \$184 million, or one state dollar for every two federal dollars, of which the state has appropriated \$84 million through 2000-01. The state has five years after receiving federal dollars to spend the required matching funds. These funds, which cannot apply toward the TANF MOE, are primarily allocated to county welfare departments through the DSS and must be spent on clients who meet the WtW eligibility requirements, including many CalWORKs recipients.

CONCLUSION

CalWORKs required counties to make major changes to the services and programs offered to welfare recipients, and spending patterns are consistent with that process. For instance, counties did not fully spend the funds that the state allocated when they were first “ramping up” their CalWORKs programs. However, by fiscal year 1999-00, counties spent virtually all of their single allocation, the main source of money for employment services for welfare recipients. Moreover, it is likely that most counties will spend all or more of the single allocation funds in 2000-01. Perhaps the most important spending trend is that California reports spending practically all of its TANF block grants through federal fiscal year 2000.

Counties have not spent as much of the other smaller CalWORKs allocations, and expenditures vary significantly across counties. Counties have increased spending of mental health and substance abuse funds, but have not yet spent all available funds. In addition, counties have spent a small proportion of the more flexible performance incentive funds. While this has been a sizable funding stream in the

past, it is possible that it will not be a significant funding source in the future.

While some variation in county spending patterns is inevitable, variation is especially wide for substance abuse and mental health allocation spending. Many counties have not reported any spending of these two allocations in first two quarters of fiscal year 2000-01. On the other hand, most counties have spent a sizable fraction of their single allocation funds over the same period.

It may be seen as encouraging that California is fully spending its federal TANF dollars. However, the softening of the state's economy raises the possibility that the welfare rolls will rise as workers lose their jobs. Higher caseloads would place new demands on funding for CalWORKs and other programs that currently rely on TANF and state MOE dollars.

David Carroll prepared this Update. The California Budget Project (CBP) was founded in 1994 to provide Californians with a source of timely, objective, and accessible expertise on state fiscal and economic policy issues. The CBP engages in independent fiscal and policy analysis and public education with the goal of improving public policies affecting the economic and social well-being of low and middle income Californians. Publication of this Update was supported by grants from the David and Lucile Packard and the William and Flora Hewlett Foundations. This publication is the seventh in a series monitoring the implementation of welfare reform in California. Please visit the CBP's web site at www.cbp.org.

Appendix 1: Expenditures of Single Allocation Funds

County	1997-98		2000-01	
	Allocation	Percent spent	Allocation (annual)	Percent spent (half-year)*
Alameda	\$46,090,018	62.8%	\$76,743,462	60.8%
Alpine	\$204,065	80.3%	\$354,494	40.0%
Amador	\$810,004	75.4%	\$985,069	44.9%
Butte	\$10,297,835	72.9%	\$15,441,036	39.2%
Calaveras	\$1,159,093	54.4%	\$1,229,967	47.0%
Colusa	\$853,949	75.5%	\$1,092,681	27.5%
Contra Costa	\$25,907,199	78.3%	\$45,913,502	43.7%
Del Norte	\$1,463,710	56.4%	\$2,976,498	34.0%
El Dorado	\$3,395,185	93.6%	\$4,942,205	40.8%
Fresno	\$40,697,891	66.4%	\$54,264,881	53.8%
Glenn	\$1,030,676	85.0%	\$2,566,144	32.3%
Humboldt	\$5,130,212	71.5%	\$8,412,931	29.0%
Imperial	\$8,467,059	55.4%	\$9,357,720	26.5%
Inyo	\$765,704	85.8%	\$1,095,904	23.7%
Kern	\$28,367,726	68.2%	\$52,242,724	42.4%
Kings	\$4,560,880	89.2%	\$6,886,205	42.2%
Lake	\$3,016,251	66.4%	\$5,149,224	37.9%
Lassen	\$1,584,853	51.0%	\$1,447,061	36.3%
Los Angeles	\$352,131,189	55.4%	\$449,123,455	46.8%
Madera	\$4,362,255	66.1%	\$5,911,954	42.5%
Marin	\$2,919,920	90.2%	\$4,512,329	43.8%
Mariposa	\$807,533	78.9%	\$932,184	49.0%
Mendocino	\$3,751,516	83.4%	\$5,278,566	47.2%
Merced	\$13,100,935	64.1%	\$21,096,704	44.7%
Modoc	\$794,044	69.7%	\$1,023,720	24.5%
Mono	\$445,626	44.0%	\$706,096	6.8%
Monterey	\$12,374,113	84.0%	\$15,771,524	46.8%
Napa	\$2,669,563	85.7%	\$3,057,317	35.1%
Nevada	\$2,231,301	72.2%	\$3,215,986	39.2%
Orange	\$50,510,799	67.4%	\$87,550,305	43.4%
Placer	\$5,633,336	87.3%	\$11,070,303	28.9%
Plumas	\$855,579	72.4%	\$1,284,480	29.3%
Riverside	\$46,645,370	82.3%	\$90,214,996	48.9%
Sacramento	\$67,386,190	68.4%	\$107,272,150	51.2%
San Benito	\$1,595,431	81.0%	\$1,631,447	54.2%
San Bernardino	\$82,146,794	67.5%	\$121,141,182	51.0%
San Diego	\$81,537,577	68.6%	\$105,234,918	44.9%
San Francisco	\$18,375,273	93.8%	\$43,592,528	48.3%
San Joaquin	\$25,264,190	58.4%	\$36,773,777	46.6%
San Luis Obispo	\$5,574,461	89.8%	\$11,673,630	34.5%
San Mateo	\$10,975,170	77.0%	\$13,393,921	38.4%
Santa Barbara	\$11,022,042	80.5%	\$15,583,655	50.0%
Santa Clara	\$46,507,678	81.3%	\$63,628,173	42.2%
Santa Cruz	\$6,329,951	83.9%	\$13,049,454	35.1%
Shasta	\$8,277,392	75.3%	\$8,195,903	53.0%
Sierra	\$346,422	78.1%	\$343,081	40.6%
Siskiyou	\$2,246,291	71.0%	\$2,705,558	52.0%
Solano	\$13,019,910	81.8%	\$22,836,144	42.1%
Sonoma	\$9,812,749	96.9%	\$17,297,596	42.1%
Stanislaus	\$19,444,023	70.7%	\$25,051,032	42.7%
Sutter	\$3,089,837	77.2%	\$3,846,300	34.4%
Tehama	\$2,491,975	61.4%	\$3,801,811	34.7%
Trinity	\$956,728	67.3%	\$790,880	38.8%
Tulare	\$20,701,057	66.4%	\$24,455,190	48.5%
Tuolumne	\$1,952,216	76.5%	\$1,989,131	40.1%
Ventura	\$16,639,853	73.7%	\$25,723,073	38.0%
Yolo	\$6,305,008	78.6%	\$9,234,383	36.4%
Yuba	\$5,112,313	65.9%	\$8,472,828	28.2%
Total	\$1,150,145,921	67.0%	\$1,679,569,372	46.4%

* Expenditures are for first two quarters of fiscal year 2000-01
Source: Department of Social Services

Appendix 2: Expenditures of Substance Abuse Allocation Funds

County	1997-98		2000-01	
	Allocation	Percent spent	Allocation (annual)	Percent spent (half-year)*
Alameda	\$673,333	8.5%	\$2,122,350	7.3%
Alpine	\$4,270	0.0%	\$25,000	0.0%
Amador	\$12,268	0.0%	\$32,950	47.6%
Butte	\$171,652	0.0%	\$680,148	0.0%
Calaveras	\$19,332	0.0%	\$49,198	10.2%
Colusa	\$14,429	0.0%	\$32,871	0.0%
Contra Costa	\$305,827	0.0%	\$1,449,742	11.4%
Del Norte	\$25,328	0.0%	\$194,787	0.0%
El Dorado	\$42,984	7.9%	\$172,871	51.0%
Fresno	\$656,479	0.0%	\$2,095,012	8.6%
Glenn	\$15,905	0.0%	\$96,660	0.0%
Humboldt	\$80,733	56.5%	\$340,806	25.5%
Imperial	\$153,965	0.0%	\$478,854	24.0%
Inyo	\$11,233	0.0%	\$36,668	0.0%
Kern	\$457,932	9.0%	\$1,633,516	0.0%
Kings	\$76,236	0.0%	\$277,451	0.6%
Lake	\$55,981	0.0%	\$222,612	34.5%
Lassen	\$19,461	0.0%	\$108,112	29.6%
Los Angeles	\$5,301,977	0.0%	\$16,461,325	26.9%
Madera	\$76,533	0.0%	\$301,263	8.4%
Marin	\$29,399	0.0%	\$110,872	39.1%
Mariposa	\$14,667	0.0%	\$74,481	12.6%
Mendocino	\$57,416	0.0%	\$224,157	0.0%
Merced	\$243,529	0.0%	\$875,855	13.4%
Modoc	\$18,189	0.0%	\$58,161	0.3%
Mono	\$8,592	105.9%	\$25,000	0.0%
Monterey	\$150,586	0.0%	\$416,909	0.0%
Napa	\$37,719	0.0%	\$113,245	62.9%
Nevada	\$31,349	0.2%	\$108,068	20.4%
Orange	\$754,058	0.0%	\$2,802,227	2.8%
Placer	\$81,395	32.8%	\$265,517	39.6%
Plumas	\$14,378	0.0%	\$63,883	16.3%
Riverside	\$667,962	0.0%	\$2,120,994	1.3%
Sacramento	\$981,237	0.0%	\$3,236,764	16.9%
San Benito	\$20,668	0.0%	\$45,347	8.4%
San Bernardino	\$1,192,641	0.0%	\$3,394,610	30.6%
San Diego	\$1,215,442	16.5%	\$2,889,666	22.9%
San Francisco	\$240,551	0.0%	\$1,116,150	0.0%
San Joaquin	\$422,664	35.5%	\$1,392,841	36.9%
San Luis Obispo	\$69,587	29.4%	\$344,278	50.0%
San Mateo	\$125,008	0.0%	\$292,422	0.0%
Santa Barbara	\$131,413	0.0%	\$478,528	14.2%
Santa Clara	\$557,459	0.0%	\$1,723,179	54.3%
Santa Cruz	\$73,944	0.0%	\$389,516	0.0%
Shasta	\$135,588	0.0%	\$334,026	32.6%
Sierra	\$6,490	0.0%	\$25,000	1.9%
Siskiyou	\$35,886	20.8%	\$212,389	14.9%
Solano	\$170,346	0.0%	\$548,176	77.5%
Sonoma	\$154,733	0.0%	\$428,896	52.3%
Stanislaus	\$311,417	18.0%	\$1,016,669	59.3%
Sutter	\$52,798	0.0%	\$135,769	0.0%
Tehama	\$37,761	0.0%	\$204,187	33.5%
Trinity	\$17,218	0.0%	\$37,699	0.0%
Tulare	\$335,235	4.6%	\$1,075,251	21.8%
Tuolumne	\$26,910	0.0%	\$188,956	38.2%
Ventura	\$210,493	0.0%	\$594,390	44.4%
Yolo	\$97,036	0.0%	\$317,265	0.0%
Yuba	\$92,378	0.0%	\$327,461	0.0%
Total	\$17,000,000	3.7%	\$54,821,000	21.6%

* Expenditures are for first two quarters of fiscal year 2000-01
Source: Department of Social Services

Appendix 3: Expenditures of Mental Health Allocation Funds

County	1997-98		2000-01	
	Allocation	Percent spent	Allocation (annual)	Percent spent (half-year)*
Alameda	\$396,078	86.7%	\$2,094,115	38.1%
Alpine	\$2,511	0.0%	\$25,000	6.1%
Amador	\$7,217	0.0%	\$32,530	38.6%
Butte	\$100,972	0.0%	\$671,046	0.0%
Calaveras	\$11,371	0.0%	\$48,544	7.7%
Colusa	\$8,488	0.0%	\$32,434	8.8%
Contra Costa	\$179,898	0.0%	\$1,430,509	5.8%
Del Norte	\$14,899	0.0%	\$193,419	0.0%
El Dorado	\$25,285	0.0%	\$170,571	51.1%
Fresno	\$386,164	0.0%	\$2,067,141	79.3%
Glenn	\$9,356	0.0%	\$95,428	20.8%
Humboldt	\$47,490	100.0%	\$336,272	29.1%
Imperial	\$90,568	0.0%	\$472,483	40.4%
Inyo	\$6,607	0.0%	\$36,180	0.0%
Kern	\$269,371	55.7%	\$1,611,784	30.7%
Kings	\$44,845	0.0%	\$273,760	44.1%
Lake	\$32,930	0.0%	\$219,704	18.0%
Lassen	\$11,447	0.0%	\$107,259	29.5%
Los Angeles	\$3,118,810	0.0%	\$16,242,331	25.2%
Madera	\$45,020	0.0%	\$297,255	34.2%
Marin	\$17,293	0.0%	\$109,343	23.6%
Mariposa	\$8,628	0.0%	\$73,981	13.6%
Mendocino	\$33,774	0.0%	\$221,478	0.0%
Merced	\$143,252	0.0%	\$864,150	0.0%
Modoc	\$10,699	0.0%	\$57,608	12.8%
Mono	\$5,054	90.0%	\$25,000	0.0%
Monterey	\$88,580	0.0%	\$411,362	0.0%
Napa	\$22,187	0.0%	\$112,186	39.9%
Nevada	\$18,441	1.2%	\$106,897	29.7%
Orange	\$443,563	0.0%	\$2,764,947	14.5%
Placer	\$47,880	164.3%	\$261,985	45.1%
Plumas	\$8,458	0.0%	\$63,277	16.2%
Riverside	\$392,919	2.3%	\$2,092,724	10.7%
Sacramento	\$577,199	0.0%	\$3,193,704	24.8%
San Benito	\$12,157	0.0%	\$44,744	0.0%
San Bernardino	\$701,554	0.0%	\$3,349,396	45.6%
San Diego	\$714,966	0.0%	\$2,851,276	27.2%
San Francisco	\$141,500	0.0%	\$1,101,301	0.0%
San Joaquin	\$248,626	0.0%	\$1,374,312	18.2%
San Luis Obispo	\$40,933	0.0%	\$339,698	31.0%
San Mateo	\$73,535	0.0%	\$288,585	0.0%
Santa Barbara	\$77,302	0.0%	\$472,216	20.1%
Santa Clara	\$327,917	0.0%	\$1,700,254	0.0%
Santa Cruz	\$43,497	0.0%	\$384,334	0.0%
Shasta	\$79,758	0.0%	\$329,582	27.6%
Sierra	\$3,818	0.0%	\$25,000	0.0%
Siskiyou	\$21,110	5.1%	\$210,830	15.0%
Solano	\$100,204	0.0%	\$540,883	0.0%
Sonoma	\$91,019	0.0%	\$423,137	50.8%
Stanislaus	\$183,187	1.7%	\$1,003,144	64.5%
Sutter	\$31,057	0.0%	\$133,963	0.0%
Tehama	\$22,213	0.0%	\$202,006	49.5%
Trinity	\$10,128	0.0%	\$37,197	0.0%
Tulare	\$197,197	7.7%	\$1,060,946	74.0%
Tuolumne	\$15,829	0.0%	\$187,997	5.0%
Ventura	\$123,819	0.0%	\$586,483	25.5%
Yolo	\$57,080	0.0%	\$313,044	4.9%
Yuba	\$54,340	0.0%	\$323,265	0.0%
Total	\$10,000,000	6.5%	\$54,100,000	26.4%

* Expenditures are for first two quarters of fiscal year 2000-01
Source: Department of Social Services

ENDNOTES

¹ States must meet a maintenance-of-effort spending requirement to continue to receive federal TANF funding (see next section).

² Child care fund flows are complicated. California not only transfers TANF funds to the CCDF, but also uses CCDF moneys from the federal government to fund CalWORKs-related child care. For a complete description of the funding and California expenditures, see California Budget Project, *Lasting Returns: Strengthening California's Child Care and Development System* (May 2001).

³ Spending by counties on CalWORKs programs also counts toward the state's MOE requirement.

⁴ This does not include federal CCDF dollars used for Stage 2 and Stage 3 child care.

⁵ This is an allowable use of TANF funds because it was authorized under the previous AFDC program.

⁶ The actual spending requirement that counties must meet is equal to 1996-97 spending levels for administration of CalWORKs and the Food Stamps Program. Some counties have elected to spend more county funds on CalWORKs-related programs than required by statute.

⁷ Counties receive different allocations for mental health and substance abuse services but may move funds between the two allocations if necessary.

⁸ See California Budget Project, *CalWORKs Performance Incentives: Can the Money Be Better Used?* (May 2001).

⁹ AB 429 (Aroner).

¹⁰ Unliquidated obligations are funds for goods or services which have been ordered or contracted, but not delivered. A portion of the money that California reports as being spent has been allocated to counties, but has not actually been spent on services. Performance incentive funds, for example, have been reported as spent by the state but have generally not been spent by counties.

¹¹ However, the TANF block grant and MOE requirement were less than full-year levels for 1997-98.

¹² Calculations for this section are based on sums of annual single allocations and mental health and substance abuse allocations, and they do not include reappropriations from unspent moneys in prior years.

¹³ Since county expenditure claims often increase in the last two quarters of the fiscal year, it is likely that counties will spend all or nearly all of these funds in the current year.

¹⁴ While counties channel funds for assistance payments to recipients, they have little control on how it is spent.

¹⁵ Counties earn performance incentive funds based on reductions in grant payments resulting from reduced caseload and increased earnings by recipients. However, the Legislature has appropriated less than the full amount that counties have earned.

¹⁶ California Budget Project, *CalWORKs Performance Incentives: Can the Money Be Better Used?* (May 2001).