



County of Los Angeles
Department of Public Social Services



Bryce Yokomizo
Director

August 29, 2002

TO: Each Supervisor

THAT WILL BE

FROM: Bryce Yokomizo, Director

SUBJECT: FY 2001-02 CalWORKs SHORTFALL

This is to provide you with an update on our FY 2001-02 CalWORKs shortfall.

On May 30, 2002, based on expenditures through the third quarter of the fiscal year, I advised you that we projected a CalWORKs shortfall of \$38.5 million. We have now filed our fourth quarter claim and now estimate the CalWORKs shortfall for the fiscal year to be \$24.8 million. The projected decrease in the shortfall is primarily attributable to lower than anticipated expenditures in Employment Services.

This amount is below the \$70.4 million maximum your Board approved for the use of Performance Incentives, but does not represent a final shortfall figure. The California Department of Social Services has advised us that they identified surplus FY 2000-01 Mental Health and Substance Abuse funds that they intend to roll into FY 2001-02 and distribute to Los Angeles and other under-equity counties. In addition, counties have until the end of March 2003 to file amended claims for FY 2001-02. Either or both of these factors may further reduce the final CalWORKs funding shortfall figure.

I will provide a final report on our FY 2001-02 CalWORKs shortfall and the use of Performance Incentives to cover this shortfall in April 2003.

BY:mjd

c: Chief Administrative Officer
County Counsel
Auditor-Controller