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EDMUND G. BROWN JR.
GOVERNOR

August 6, 2015

COUNTY FISCAL LETTER (CFL) NO. 15/16-08

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY FISCAL OFFICERS
ALL COUNTY AUDITOR CONTROLLERS
ALL COUNTY PROBATION OFFICERS
ALL TITLE IV-E AGREEMENT TRIBES

SUBJECT: ADOPTIONS TITLE IV-E NON-FEDERAL DISCOUNT RATE
CLARIFICATION

REFERENCE: [CFL NO. 14/15-17](#), DATED NOVEMBER 6, 2014
[ALL COUNTY LETTER \(ACL\) NO. 13-100](#),
DATED DECEMBER 13, 2013
[CFL NO. 12/13-24](#), DATED DECEMBER 31, 2012
[CFL NO. 12/13-17](#), DATED OCTOBER 8, 2012
[CFL NO. 11/12-50](#), DATED APRIL 24, 2012
[ACL NO. 11-86](#), DATED MARCH 1, 2012
[ACL NO. 11-69](#), DATED OCTOBER 13, 2011

This letter clarifies instructions for the calculation of the Adoptions Title IV-E non-federal discount rate performed by the County Welfare Departments (CWDs). The discount rate is used to determine the amount of administrative costs associated with non-federally eligible adoption cases. For information about the Foster Care discount rate, refer to [CFL No. 12/13-24](#).

In addition, a template is attached to link all of the adjustments made to the persons counts reported on the County Expense Claim (CEC) with those reported on the Adoptions Automated Assistance Claim (CA 800) and the Extended Foster Care (EFC) 18+Temp(orary) claim used to capture the persons counts. This template provides a standardized format to capture how the Title IV-E non-federal discount rate is calculated by each county for reporting and record-keeping purposes.

Title IV-E Non-Federal Discount Rate Calculation

The Title IV-E non-federal discount rate is the state's federally-approved methodology for allocating costs to the benefiting programs, as stated in the [CFL No. 12/13-24](#). Each

county must calculate its own Title IV-E non-federal discount rate on a quarterly basis using the approved methodology outlined in this CFL. This methodology must be applied uniformly statewide to meet federal cost allocation plan requirements for consistent and equitable treatment of costs as required by [Title 2 Code of Federal Regulations \(CFR\) Part 225, Appendix A.](#)

Counties may choose one of two options for calculating the Title IV-E non-federal discount rate used on the CEC:

- 1) Use a single county rate based on combined CWD and County Probation Department (CPD) adoption cases.
- 2) Calculate separate rates for CWDs and CPDs based on their respective adoption populations.

Under both options, the CWD is responsible for reporting the ratio calculation. The CWD will provide the quarterly Title IV-E non-federal discount rate to the CPD. The CPDs, may then apply the Title IV-E non-federal discount rate to eligible costs prior to submitting invoices to the CWD or have the CWD apply the Title IV-E non-federal discount rate on the CPD's behalf before costs are claimed on the CEC.

The Title IV-E non-federal discount rate is computed as follows:

Numerator: Unduplicated Title IV-E eligible cases.

Divided by

Denominator: Total of all Title IV-E eligible and Non-Title IV-E eligible cases.

Similar to determining the Foster Care Title IV-E non-federal discount rate in [CFL No. 12/13-24](#), the CA 800 must be the data source used for reporting the federal adoption (Aid Codes 03 and 07) and state-only adoption (Aid Code 04) caseload information on the CEC.

Composition of Cases/Cost Data

A. Title IV-E eligible cases include:

- All Title IV-E eligible placements, including prior month adjustments as reported in the total persons count cells on the county's monthly CA 800 claims listed below:
 - The CA 800A Fed form for Aid Code 03.
 - The EFC 18+ Non-Minor Dependent (NMD) Temp for Aid Code 07.

A case paid under more than one aid code during a single month may be counted on the federally-eligible persons counts as long as the case was Title IV-E eligible for at least one day during the month. The Title IV-E eligible persons count must be unduplicated; no case should be counted under more than one aid code for the same case-month.

Payments on the case should be reported separately under each aid type for the portion of the month that the case was eligible under that aid type.

- As stated in [CFL No. 14/15-17](#), the [Public Law \(PL\) 110-351](#) shifted otherwise qualified non-federal Adoption Assistance Program (AAP) cases to Title IV-E eligible cases by de-linking the income requirement of the Aid for Dependent Children-Foster Care (AFDC-FC). As a result of the phased in eligibility changes, there are more children federally eligible and fewer non-federally eligible cases.

There are three components that must be met to be federally AAP eligible.

- Three Part Special Needs Determination
- Citizenship
- A Path to Eligibility, either:
 - “Applicable Child” - Title IV-E pathway ([California Code of Regulations \[CCR\] Title 22 section 35326\(\[d\] and \[e\]\)](#)), *or*
 - Non “Applicable Child” – Title IV-E pathway ([CCR Title 22 section 35326\[c\]](#)), *or*
 - State/Non-Fed Eligibility ([CCR Title 22 section 35326\[f\]](#))
- As stated in [ACL No. 11-86](#), children/youth whose initial AAP payment occurred on or after age 16 and are participating in one or more of the five conditions specified in [Welfare and Institutions Code section \(W&IC\) 11403\(b\)\(1-5\)](#) are also Title IV-E eligible.
- As stated in [ACL No. 13-100](#), Non Minor Dependents (NMDs) over the age of 18 but under 21 that remain under the jurisdiction of the juvenile court and participating in one or more of the five conditions specified in [W&IC section 11403\(b\)\(1-5\)](#) are Title IV-E eligible.
- The AAP Wraparound cases are claimed through the normal CA 800 assistance claim process as federal or non-federal. It is no longer necessary to track these costs separately per [CFL No. 01/02-32](#).

B. Non-Title IV-E eligible cases include:

- Non-federally eligible cases, including all prior month adjustments, as reported in the total persons count cells on the county's monthly CA 800 listed below:
 - The CA 800A NonFed form for Aid Code 04.
- If at the time of initial eligibility determination the child does not meet the Title IV-E (federal) eligibility pathway as described above, but meets an eligibility pathway set forth in [W&IC section 16120\(i\)](#), the child would be non-federally eligible.
- The non-federal eligibility determination remains for the life of the case.
- Age-limited aid codes allow for individuals to stay in aid codes past the age limit and continue Medi-Cal eligibility. As a result, state-funded (aid code 04) AAP children who turn 18 years old and qualify for the extension of AAP benefits would not lose their Medi-Cal benefits or eligibility.

C. Reconciliation between the CA 800 Persons Count and the CEC Persons Count

- The template included in this CFL must be filled out quarterly and submitted with the CEC. This template links the persons counts reported on the CA 800 assistance claim forms with what is reported on the CEC. The template will also be made available through the all-county email that transmits the CEC template each quarter.

To complete the attached template:

- Part A, Items One through Two:

Enter the number of federally-eligible adoption cases as they appear during the quarter in the county's CA 800A Fed form for Aid Code 03 and Aid Code 07. Complete items one through two as described previously in "Composition of Cases/Cost Date," Section A of this CFL. Include source information for item two in the appropriate column.

- Part B, Items Three through Four:

Enter the number of non-Title IV-E eligible cases as described previously in "Composition of Cases/Cost Data," Section B of this CFL. Entering persons counts for the non-federal adoption cases is done the same way as the federal cases and should be entered in the non-federal cells. Include source information in the appropriate column for item four.

- Effective with the December 2015 quarter, counties must submit the attached “AFDC AAP – Federal and Non-Federal Persons Count” template with the quarterly CEC claim. If probation cases are not included in the total persons count, the county must submit a separate template identifying how the probation Title IV-E non-federal discount rate is calculated. Receipt of this reconciliation document is required before the county’s CEC will be processed.
 - Persons counts from the CA 800s must be adjusted on a separate worksheet to reflect unduplicated counts.
 - Persons counts must reflect the total count for the three months of the reporting quarter. Previously, counties had the option of using data for one month of the quarter or a total of the three months of the quarter.
 - The CWDs must enter the Title IV-E persons count totals from the template into the CEC Expenditure Schedule, DFA 325.1 Line AD Federal Count for Adoptions Assistance. The total non-federal persons count from the template is entered on Line AE Non-Federal Count for Adoption Assistance on the same schedule.
- E. The Title IV-E non-federal discount rate is applied to the following Title IV-E Program Codes (PCs) for the Adoptions program through the CEC:

PC	TITLE
005	Specialized Training for Adoptive Parents
117	Adoptions-Case Management
121	Non-Recurring Adoption Expense Reimbursement Program
748	PL 110-351- Title IV-E Training-Adoptions
892	Non-Minor Dependent Adoptions Case Management

- F. The Title IV-E non-federal discount rate is applied to the following probation PC (prior to being claimed in the CEC):

PC	TITLE
132	Probation IV-E/Adoptions

Title IV-E Tribal Governments

Tribal governments must follow the same procedures as outlined for CWDs.

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If you have any questions regarding this CFL, please direct them to your assigned Fiscal Policy Bureau analyst or the Fiscal Systems Bureau at fiscal.systems@dss.ca.gov.

Sincerely,

Original Document Signed By:

LILIA A. YOUNG, Chief
Fiscal Forecasting and Policy Branch

Attachment

**California Department of Social Services
Adoptions - Federal and Non-Federal Persons Count**

Attachment

COUNTY:	PROBATION CASES INCLUDED?:	Yes: No:	If no, county must submit a separate template with probation cases.
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PART A			Quarter:			
Item No.	Title IV-E eligible cases	Source of Persons Count	Persons Count			
			Month 1	Month 2	Month 3	Quarter Total
1	Total federally eligible placements (Aid Codes 03 and 07)	CA 800A FED & EFC 18+NMD Temp				0
2	Other Adjustment (ie: duplicate person count), Please Explain: _____					0
TOTAL:			0	0	0	0

PART B			Persons Count			
Item No.	Non-Title IV-E cases	Source of Persons Count	Persons Count			
			Month 1	Month 2	Month 3	Quarter Total
3	Total non-Title IV-E placements (Aid Code 04)	CA 800A NONFED				0
4	Other Adjustment (ie: duplicate person count), Please Explain: _____					0
TOTAL:			0	0	0	0

Non-Fed Ratio (total of non-Title IV-E cases /total of all cases):	#DIV/0!
Fed Ratio (1 - Non-Fed Ratio):	#DIV/0!