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March 18, 2016

COUNTY FISCAL LETTER (CFL) NO. 15/16-46

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

SUBJECT: CLARIFICATION AND UPDATED PROGRAM CODES
FOR THE FOSTER CARE TITLE IV-E NON-FEDERAL
DISCOUNT RATE

REFERENCE: [ALL COUNTY LETTER \(ACL\) NO. 12-64](#),
DATED DECEMBER 3, 2012;
[CFL NO. 12/13-24](#), DATED DECEMBER 31, 2012;
[CFL NO. 12/13-17](#), DATED OCTOBER 8, 2012
[CFL NO. 11/12-53](#), DATED JUNE 29, 2012
[CFL NO. 11/12-50](#), DATED APRIL 24, 2012
[CFL NO. 10/11-64](#), DATED MAY 2, 2011
[CFL NO. 07/08-31E](#), DATED MARCH 27, 2008
[CFL NO. 07/08-31](#), DATED DECEMBER 13, 2007
[WELFARE AND INSTITUTIONS CODE
SECTION 16519.5](#)

This letter provides clarification of instructions previously issued in [CFL No. 12/13-24](#) regarding the calculation of the Title IV-E non-federal discount rate that is used to determine the amount of administrative costs associated with non-federally eligible Foster Care cases. The definition of an “Unapproved Relative” has been clarified and the instructions under the sections titled “Title IV-E Non-Federal Discount Rate Calculation and Composition of Cases/Cost Data” have been revised and bolded. The Program Code (PC) chart has been updated and now includes additional codes. The attached template has been updated and supersedes the previous template included in [CFL No. 12/13-24](#).

Definition of an “Unapproved” Relative

This CFL clarifies the definition of an unapproved relative as it applies to the Title IV-E non-federal discount rate template. An unapproved relative means that the home has not yet been approved in accordance with the approval process identified in the [Manual of the Policies and Procedures \(MPP\) 31-445](#). An in-home assessment performed by a social worker prior to placing a child with a relative does not constitute a Title IV-E approved placement.

For counties implementing the RFA project, relatives are approved using the process established under Welfare and Institutions Code ([W&IC section 16519.5](#)) and the associated written directives. For the purpose of the Title IV-E non-federal discount rate, an unapproved relative also includes a related individual who has received an emergency placement of a child pending the completion of the RFA process.

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. Each county must calculate its own Title IV-E non-federal discount rate on a quarterly basis following the approved methodology outlined in this CFL. This methodology must be uniformly calculated and applied statewide to meet federal cost allocation plan requirements for consistent and equitable treatment of costs as required by [Title 45 Code of Federal Regulations \(CFR\) Part 95, Subpart E](#).

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

- 1) Use a single county rate based on combined CWD and County Probation Department (CPD) Foster Care cases.
- 2) Calculate separate rates for CWDs and CPDs based on their respective Foster Care 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, which 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 (see below for description).

Divided by

Denominator: Total of all Title IV-E eligible and Non-Title IV-E eligible cases, including Emergency Assistance-Foster Care, State-Only Foster Care, County/Tribe-only Foster Care cases, and any other open child welfare case that is managed by the social worker, as described for Title IV-E and non-Title IV-E cases in the following section titled, "Composition of Cases/Cost Data."

As outlined in [CFL No. 12/13-24](#) and [CFL No. 07/08-31](#), the CA 800 must be the single data source for reporting the federal Foster Care (Aid Code 42 and 49), state-only Foster Care (Aid Code 40 and 43) and Emergency Assistance (EA) Foster Care (Aid Code 5K) caseload information on the CEC.

To reflect the entire universe of Foster Care children, counties are also required to maintain records and report the count of all county-only and non-Title IV-E funded Foster Care cases (e.g., Aid Code 45 or 9X), including prior month adjustments, in a manner similar to the methodology used for Aid Codes 42, 49, 40, 43, and 5K.

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 CA 800s listed below
 - The CA 800 FC FED form for Aid Code 42.
 - The CA 800 FC EFC FED form for Aid Code 49.
 - The Residentially Based Services (RBS) FC/EFC FED form for Aid Code 42 and 49.

A case paid under more than one aid code during a single month may be counted on the federally-eligible persons count 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 separately reported under each aid type for the portion of the month the case was eligible under that aid type. These counts will exclude counts of children placed in unapproved non-related extended family member placements for any length of time pending approval.

- The following cases can be reported as federally eligible:
 - Wraparound is an alternative to group home placement and should be claimed as indicated above. For a federally-eligible child in a Title IV-E eligible placement, the county can claim the actual placement costs on the CA 800FC FED. These cases should be counted as federally-eligible in the Title IV-E non-federal discount rate calculation.
 - Emergency Assistance cases paid for children that were otherwise determined to be eligible for Title IV-E funding and are either placed in a federally eligible placement or placed with unapproved relatives for no more than four months pending approval of the home, excluding unapproved non-related extended family members¹. This includes any applicable prior month adjustments in this category recognized during the reporting period that are included on the CA 800A FED and RBS FC/EFC FED forms for Aid Code 5K. Only the portion of 5K cases meeting the above criteria and appearing on the persons count cells in either form are eligible to be reported as federally-eligible cases. **Some counties may have federally-eligible EA cases that are not placed with unapproved relatives but placed in an otherwise eligible placement and should be claimed as federal cases. For counties that do place with unapproved relatives, a tracking mechanism should be in place to ensure that federally-eligible cases do not surpass the time allowed (four months), otherwise these cases will need to be reported as non-federal cases.**
 - Foster Care cases paid with county funds for children who are otherwise determined to be eligible for Title IV-E funding and placed with unapproved relatives or for no more than four months pending approval of the home, excluding unapproved non-related extended family members. This includes any applicable prior month adjustments in this category recognized during the reporting period.
 - All other cases paid with Supplemental Security Income funds for children otherwise determined to be eligible for Title IV-E funding, including all applicable prior month adjustments recognized during the reporting period.

B. Non-federal cases include:

- Non-federally eligible cases, including all prior month adjustments, as reported in the total persons count cells on the county's CA 800 listed below:

¹ Instructions on non-related extended family members applied in accordance with the definition of relative cited in [45 CFR 233.90\(c\)\(1\)\(v\)](#) and [ACL No. 12-64](#)

- The CA 800 FC NONFED form for Aid Code 40.
- The CA 800 FC EFC NONFED form for Aid Code 43.
- The RBS FC/EFC NONFED form for Aid Code 40 and 43.

This includes any cases where the child is placed with an unapproved relative for more than four months pending approval of the home, including unapproved non-related extended family members pending approval for any length of time.

If a child in Wraparound is not Title IV-E eligible and/or is *not* in an eligible Title IV-E placement, the county should not claim the actual placement costs on the CA 800FC FED. The child should be counted as non-federally-eligible in the Title IV-E non-federal discount rate calculation.

Emergency Assistance Foster Care placements for non-federally eligible cases (including prior month adjustments not otherwise counted in the above bullets) that are reported on the CA 800A Fed or RBS FC/EFC FED for Aid Code 5K in the persons count cells in either form. This includes any cases where the child is placed with an unapproved relative for more than four months pending approval of the home, including unapproved non-related extended family members pending approval for any length of time. **Also included are any cases where a child is placed with an approved relative but was determined to not be Title IV-E eligible.**

- County-funded Foster Care placements tracked separately (i.e., Aid Code 45 and/or 9X, etc.), which include non-related extended family members pending approval of the home. Examples of county-funded Foster Care placements includes Permanently Residing Under the Color of Law (PRUCOL) children placed with relatives, undocumented child with no PRUCOL, children whose placement costs exceed the amount that can be paid through Foster Care funding sources, children placed in “for profit” facilities, children remaining in placement due to jurisdiction termination, etc.

C. Reconciliation between the CA 800 persons count and the CEC persons count

- Attached to this CFL is the updated template that will be required quarterly to reconcile persons count between what is reported on the CA 800 and the CEC. This 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 1-5**: Enter the number of federally-eligible Foster Care cases as they appear during the quarter in the county’s CA 800 FC FED (Aid Code 42), the **EFC 18+ NMD TEMP (Aid Code 49)** and the RBS FC/EFC FED. Complete items two through five as described previously in “Composition of Cases/Cost

Date” Section A. Include source information for items **four and five** in the appropriate column.

- Part B, **Items 6-10**: Complete the non-Title IV-E eligible cases as described previously in “Composition of Cases/Cost Data” Section B. Entering persons count for the non-federal Foster Care cases is done the same way as for the federal in the non-federal cells. Include source information in the appropriate column for items **nine and ten**.
 - Subtract non-dependent non-related guardian (NRLG) cases from the non-Title IV-E eligible cases below Part A and Part B.
 - Effective with the **March 2016 quarter**, counties must submit the attached “AFDC Foster Care – Federal and Non-Federal Persons Count” template with the quarterly CEC claim. If probation costs 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.
- D. Additional information for calculating the Title IV-E non-federal discount rate
- Cases involving minor parents in Foster Care placed with their child(ren) should be reflected as one count **in the denominator and should be included in the numerator, if applicable, depending on their eligibility**.
 - Cases paid under the Seriously Emotionally Disturbed program for children who have been placed in out-of-home care by an individualized education program team are not counted because the program has been moved to the California Department of Education and the cases are no longer claimed on the California Department of Social Services CA 800 claim. **Case counts for this population will not be included in the Title IV-E non-federal discount rate calculation.**
 - Costs for the Kinship Guardianship Assistance Payment (Kin-GAP) Program, Federal Kin-GAP (Fed-GAP) and NRLG cases will be charged directly to the benefiting program. Case counts for those populations will not be included in the Title IV-E non-federal discount rate calculation. For further claiming information for these programs, please refer to [CFL No. 10/11-64](#), [CFL No. 11/12-50](#), [CFL No. 11/12-53](#) and [CFL No. 12/13-17](#).
 - Persons count data from the CA 800 claims tabs must be adjusted on a separate worksheet to reflect unduplicated counts.
 - Persons count data 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 shall enter the Title IV-E persons count totals from the template into the CEC Expenditure Schedule, DFA 325.1 Line AD Federal Count for Aid to Families with Dependent Children-Foster Care (AFDC-FC) Persons. The total non-Title IV-E cases from the template are entered on Line AE, AFDC-FC column 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 Foster Care program through the CEC:

| PC | DESCRIPTION |
|------------|---|
| 004 | Probation Peer Review |
| 007 | Relative/Nonrelative Home Approval Process |
| 037 | Child Welfare Services Outcome Improvement Project (CWSOIP) |
| 088 | Peer Quality Case Review (PQCR) |
| 126 | Shasta's Children's Programs Consortia |
| 137 | Substance Abuse(SA)/HIV Infant-Foster Parent Training |
| 145 | Child Welfare Services (CWS) Training |
| 147 | CWS – Court Related |
| 148 | CWS – Case Management |
| 155 | Licensing/Foster Family Home |
| 177 | FFP Pre-Placement Preventive CM |
| 179 | FFP CM Foster Care |
| 359 | CWS/LiveScan/California Law Enforcement Telecommunications System Background Checks |
| 504 | Assembly Bill (AB) 2129 Foster Parent Training |
| 506 | AB 2129 Foster Parent Recruitment |
| 523 | SA/HIV Infant – Foster Parent Recruitment |
| 557 | CWS-CMS Staff Development |
| 562 | Kinship and Foster Care Emergency Funds |
| 575 | CWS - Training Admin |
| 577 | Monthly Visits – Group Home Placements |
| 709 | State Mandates Federal |
| 730 | Public Law (PL) 110-351 IV-E Training – Foster Care |
| 732 | Increase Family Case Planning |
| 733 | IRSAE |
| 839 | EFC Training |
| 841 | EFC Court Related Activities |
| 842 | EFC Case Management |
| 843 | EFC Group Home Monthly Visits (CWD) |
| 888 | Resource Family Approval (RFA) |

| PC | DESCRIPTION |
|------------|---|
| 922 | CWS Case Review |
| 932 | Foster Parent Recruitment, Retention and Support - Federal |
| 935 | FPRRS FP Training |

- F. The Title IV-E non-federal discount rate is applied to the following probation PCs (including PC 119 and PC 845 which are the Public Agency IV-E Pass Through codes and not Probation codes) prior to being claimed to the CEC:

| PC | DESCRIPTION |
|------------|--|
| 119 | Public Agency IV-E Pass Through |
| 127 | Probation IV-E – Case Management |
| 128 | Probation IV-E – Preplacement Prevention |
| 130 | Probation IV-E - Training |
| 131 | Probation IV-E - Licensing |
| 576 | Probation IV-E Training Admin |
| 579 | MO Visits/Group Homes (Probation) |
| 844 | EFC Group Home Monthly Visits (Probation) |
| 845 | EFC Public Agency IV-E Pass-Through |
| 851 | EFC Probation IV-E Case Management |
| 852 | EFC Probation IV-E Pre-placement Prevention |
| 854 | EFC Probation IV-E Training |
| 855 | EFC Probation IV-E Training - Administration |
| 889 | RFA Probation |
| 939 | Probation FPRRS - Federal |
| 940 | Probation FPRRS – Training Federal |
| 943 | Probation FPRRS – FP Training Federal |

Changes to the Template

The California Department of Social Services (CDSS) has made changes to the Discount Rate template to clarify certain EA populations. One additional line item was added to Parts A and B of the template, as well as an adjustment line item in both sections of the template.

The following changes were made:

Part A:

- **Line Item No. 3** – A line was inserted to capture Total EA cases paid for federally eligible children in a temporary or emergency placement, pending approval of relative, for no more than four months (Aid Code 5K).
- **Other Adjustment** – An adjustment line was added to indicate possible duplicate persons count and to explain any adjustments made.

Part B:

- **Line Item No. 8** – A line was added to capture EA cases paid for children in approved placements, but the children are determined non-Title IV-E eligible.
- **Other Adjustment** – An adjustment line was added to indicate possible duplicate persons count and to explain any adjustments made.

Title IV-E Tribal Governments

Tribal governments must follow the same procedures as outlined for CWDs. Questions regarding this CFL may be directed to the Fiscal Systems Bureau at fiscal.systems@dss.ca.gov.

Sincerely,

Original Document Signed By:

SALENA CHOW, Acting Branch Chief
Fiscal Forecasting and Policy Branch

Attachment

