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STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES

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ARNOLD SCHWARZENEGGER
GOVERNOR

March 15, 2010

ALL COUNTY LETTER (ACL) NO. 10-15

TO: ALL COUNTY WELFARE DIRECTORS
ALL CHIEF PROBATION OFFICERS
ALL LOCAL MENTAL HEALTH DIRECTORS
ALL COUNTY ADOPTION AGENCIES
ALL ADOPTION DISTRICT OFFICES
ALL GROUP HOME PROVIDERS
ALL FOSTER FAMILY AGENCIES
KARUK TRIBE

SUBJECT: CALIFORNIA ALLIANCE OF CHILD AND FAMILY SERVICES v. CLIFF ALLENBY, et.al.

REFERENCE: WELFARE AND INSTITUTIONS CODE SECTIONS 11453(A)
WELFARE AND INSTITUTIONS CODE SECTION 11460(C)(2)(A)(I)
AND (II)
WELFARE AND INSTITUTIONS CODE 11462
SENATE BILL 370 (CHAPTER 1294, STATUTES OF 1989)

REASON FOR THIS TRANSMITTAL

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

The purpose of this ACL is to provide counties information and instructions on the impact of the court order issued on February 23, 2010, in the case of the California Alliance of Child and Family Services v. Cliff Allenby, et.al. The District Court ordered the California Department of Social Services (CDSS) to adjust the group home rates paid under the California's Rate Classification Level (RCL) system to reflect the California Necessities Index (CNI) increases from 1990-91 through 2009-10. The cumulative increase for that period was determined by the Court to be 76.25 percent. Effective immediately and retroactive to December 14, 2009, counties shall pay the rates reflected in the chart below for both federally eligible and non-federally eligible children in group home placements. The CDSS shall amend this schedule annually to reflect changes in the CNI.

GROUP HOMES

| GROUP HOMES Standardized Schedule of Rates Effective December 14, 2009 | | |
|---|--------------|---------------|
| RCL | Point Ranges | Standard Rate |
| 1 | Under 60 | \$2,085 |
| 2 | 60-89 | 2,605 |
| 3 | 90-119 | 3,125 |
| 4 | 120-149 | 3,643 |
| 5 | 150-179 | 4,159 |
| 6 | 180-209 | 4,681 |
| 7 | 210-239 | 5,199 |
| 8 | 240-269 | 5,719 |
| 9 | 270-299 | 6,237 |
| 10 | 300-329 | 6,757 |
| 11 | 330-359 | 7,274 |
| 12 | 360-389 | 7,795 |
| 13 | 390-419 | 8,319 |
| 14 | 420 & Up | 8,835 |

OUT-OF-STATE GROUP HOMES

For California group home placements made out of state, the rate to be paid shall be the rate established by the rate-setting authority of the other state. The level of state participation shall not exceed the current fiscal year's RCL 14 as reflected in the above schedule of rates and subject to subsequent annual CNI augmentation. (See Welfare and Institutions [W&IC], section 11460(c)(2)(A)(i) and (ii).)

The county is responsible for ensuring that the out-of-state facility is licensed or approved as required by the state in which it is located and certified in accordance with California's licensing standards as set by the CDSS Community Care Licensing Division. The county is also responsible for determining if any non-allowable costs are included in the rate and ensuring that only allowable costs are claimed for federal or state Aid to Families with Dependent Children–Foster Care reimbursement. Allowable costs are defined as food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, and reasonable travel to

the child's home for visitation. For group homes placements, allowable costs also include reasonable administration and operational activities to include social work activities that are not otherwise considered daily supervision or administration activities.

FINANCIAL AUDIT REPORT REQUIREMENT

As a reminder, a non-profit corporation is responsible for reporting any change in the annual combined federal revenue, in accordance with the Manual of Policies and Procedures section 11-405.213(b)(4), if the combined federal revenue exceeds the federal threshold, currently set at \$500,000. Also, the non-profit corporation is required to report the change in federal revenue to CDSS within three months from the end of the fiscal year and submit a Financial Audit Report (FAR) and audited cost data within nine months of the end of a corporation's fiscal year. Therefore, the impact of the increased rates for many providers will likely result in increased federal revenues which will require a change from submitting a FAR on a triennial basis to submitting a FAR on an annual basis.

INQUIRIES

County staff should contact the Foster Care Rates Policy Unit, Foster Care Rates Bureau, with questions regarding foster care group home rates, at (916) 324-4873. The Group Home providers with questions regarding this ACL should contact their Foster Care Rates Consultant at (916) 324-4857. Questions regarding FARs should be directed to the Financial Unit, Program and Financial Audits Bureau, at (916)324-1717. Any questions pertaining to the Wraparound Program should contact the Wraparound Consultant in the Integrated Services Unit, at (916) 651-6600.

Sincerely,

Original Document Signed By:

GREGORY E. ROSE
Deputy Director
Children and Family Services Division