

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814
(916) 445-7046



October 20, 1982

ALL-COUNTY LETTER NO. 82-108

TO: ALL-COUNTY WELFARE DIRECTORS
ALL-COUNTY FISCAL OFFICERS
ALL-COUNTY ADMINISTRATIVE SERVICE OFFICERS
ALL-COUNTY AUDITORS

SUBJECT: FUNDING FOR FEDERAL FOSTER CARE DEFICIT FOR FEDERAL FISCAL YEAR 1981

REFERENCE:

A ceiling on federal funds for foster care maintenance payments and administrative costs has been imposed on the states beginning with the 1981 Federal Fiscal Year (FFY). California is still working with the Department of Health and Human Services (DHHS) to establish the final federal fund level. As of March 15, 1982, California was notified that at the present time the ceiling level for FFY 1981 is \$44,217,522. This figure is subject to further revision as the base year cost figures are still being reviewed by DHHS.

Statewide foster care expenditures for FFY 1981 currently total \$48.9 million which is \$4.7 million in excess of the established ceiling.

Welfare and Institutions (W&I) Code Section 15200 provides that after deducting available federal funds, state funds will be appropriated to each county to reimburse for the support and maintenance of children in foster care at the rate of 95 percent of the nonfederal share. Because of the clarity of the state law as to the amount of state funds which can be made available for nonfederal foster care expenditures, the sharing ratio is not affected by this unanticipated shortage of federal funds. Although additional federal funds may be forthcoming, it is now necessary for this department to make the necessary adjustments to the state and county shares.

The individual county share of five percent of the deficit will be established and applied as follows:

1. The State Department of Social Services (SDSS) will accumulate the per county share of the annual federal expenditures from the audited, approved monthly assistance claims. (Summary Report of Assistance Expenditures - Federal Children in Foster Homes and Institutions - Form No. CA 800 BHI (Fed.)). From these amounts, each county's share of federal child support as reported on the audited, approved, monthly child support claim will be deducted. (Summary Report of Child Support Payments - Form No. CS 800).
2. The ratio of the per county share of the total net federal expenditures will be computed and applied to the counties' share of the deficit.
3. SDSS will prepare a separate Form No. CA 800 BHI (Fed.) for each county, forward copies to each county and apply the county share of the deficit to the next advance of foster care funds. The particular advance will be identified when the county receives their copies of the adjustment Form No. CA 800 BHI (Fed.).

Should a similar federal deficit occur in FFY 1982 or in subsequent years, this same methodology may be used to calculate and charge each county's share of the county portion of the deficit. Should any additional federal funds become available, subsequent adjustments will be made to restore federal funds.

Any supplemental claims, adjustment claims or audit exceptions involving foster care costs for FFY 1981 which are processed after the deficit is applied will be shared on the regular state/county sharing ratio; i.e., 95 percent state, 5 percent county for assistance expenditures and 50 percent state, 50 percent county for administrative costs subject to the availability of state funds within the county's administrative allocation for FY 1980-81 or FY 81-82.

Please direct all concerns relative to this situation to Fiscal Policy and Procedures Bureau at (916) 445-7046 or ATSS (8) 485-7046.


JAMES H. GOMEZ
Deputy Director
Administration

cc: CWDA