

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

(916) 445-0813



August 22, 1984

ALL-COUNTY LETTER NO. 84-91

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY PROBATION OFFICERS  
ALL COUNTY ADOPTION AGENCIES  
ALL GROUP HOME PROVIDERS  
ALL HOMEFINDING AGENCIES  
ALL GROUP HOME CONSULTANTS AND ASSOCIATIONS

SUBJECT: 1984/85 AFDC-FC RATE ADJUSTMENTS

The purpose of this letter is to provide instructions to counties regarding the implementation of the increases in Aid to Families with Dependent Children-Foster Care (AFDC-FC) rates provided for by the 1984/85 Budget Act. For simplification, the description of AFDC-FC rate increases will be divided into three classifications: foster family homes, group homes, and homefinding agencies.

FOSTER FAMILY HOMES

Assembly Bill 2695 (Chapter 977, Statutes of 1982) established a standardized schedule for basic foster family home rates in Welfare and Institutions Code (W&IC) Section 11461. The schedule was adjusted for a 4% cost-of-living for Fiscal Year (FY) 1983/84. The 1984/85 Budget Act provides a specific dollar amount, or supplemental payment, to be used for implementing the standardized rate schedule set forth in W&IC Section 11461(a). W&IC Section 11461(c) provides that, if sufficient funds are available, counties with rates below the standardized schedule shall receive State participation in the new standardized rates. The Department of Social Services has determined that the supplemental payment allocated in the 1984/85 Budget Act is sufficient for implementing the standardized scheduled rates on a statewide basis.

The Cost-of-Living Adjustment (COLA) for foster family home rates was eliminated from the 1984/85 Budget Act. Therefore, those counties with basic foster family home rates above the standardized scheduled rates cannot receive a COLA this year. The following procedures will be utilized for implementing the foster family home standardized schedule effective July 1, 1984:

A. County rates which are less than the standardized basic rate schedule.

These counties are instructed to implement the standardized basic foster family home rate schedule as follows:

| Age     | Standardized Schedule |
|---------|-----------------------|
| 0 - 4   | \$ 280.00             |
| 5 - 8   | 304.00                |
| 9 - 11  | 324.00                |
| 12 - 14 | 360.00                |
| 15 - 20 | 392.00                |

These instructions apply to counties which have at least one basic rate below the scheduled rate. Those rates which are below the schedule should be raised to the scheduled amount. If one or more of the rates are above the schedule, the higher rate should be maintained as indicated in Section B.

B. County rates which exceed the standardized basic rate schedule.

Since the COLA was eliminated from the 1984/85 Budget Act, State participation in the county basic rate cannot be increased for FY 1984/85.

C. Specialized care rates.

Rates for specialized care systems are composed of a specialized care increment and a basic foster family home rate. Since no COLA was granted for family home rates, the specialized care increment may not exceed the FY 1983/84 level and the State will not participate in any increases to the increments.

Those counties which have a specialized care system and also have basic foster family home rates below the standard should increase the basic family home rate portion of the specialized care rate in accordance with Section A.

GROUP HOMES

The 1984/85 Budget Act provides two types of increases for group home rates. Both operate as rate ceilings for FY 1984/85. This means that the group home's actual allowable and reasonable costs for Calendar Year 1983, increased by an inflation factor, must equal or exceed the ceiling amount in order for the entire amount to be applied. The two increases are as follows:

A. Supplemental Increase

This year's Budget Act allows for a ceiling increase of up to 9.97% above FY 1983/84 rates. This would make up for the difference between prior Budget Act COLA amounts and the California Necessities Index (CNI) inflation factor for the last two years (FY 1982/83 COLA was zero, and CNI was 8.2%; FY 1983/84 COLA was 4%, and CNI was 5.7%). Providers in existence prior to July 1, 1982, are eligible for up to the full 9.97% ceiling increase. For providers new in FY 1982/83, the ceiling increase is limited to 1.7%; for those new in FY 1983/84, there is no ceiling increase under this provision.

B. FY 1984/85 Cost-of-Living.

The Budget Act also includes a 3% COLA ceiling increase for group homes. This COLA will be "split" according to regulations [Operations Policies and Procedures (OPP) Section 11-402.162]. Group homes with FY 1983/84 rates at or below the median FY 1983/84 rate will receive a ceiling increase of a flat dollar amount. Those with FY 1983/84 rates above the median will receive a ceiling increase of slightly less than 3%.

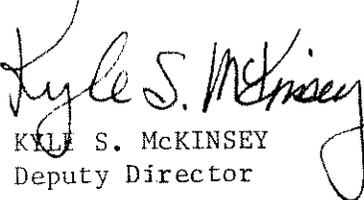
Group home rates will be established by the Foster Care Rates Bureau. Counties will be notified of FY 1984/85 rates and should not increase rates until notified.

HCME FINDING AGENCIES (HFA)

Pursuant to W&IC Section 11463 and OPP Section 11-403, homefinding agencies will receive rate increases in an amount no greater than the increase granted AFDC recipients. For FY 1984/85, that amount is 5.6%. Any county licensed as a homefinding agency is subject to these provisions for homefinding agencies. Foster family homes certified by such counties will therefore receive only the 5.6% increase.

The Foster Care Rates Bureau will also be establishing rates for homefinding agencies and will notify counties of the FY 1984/85 rates as soon as possible.

Questions regarding foster family home rates should be referred to the Foster Care Program Management Bureau at (916) 445-0813 (ATSS) 485-0813. Questions regarding rates for group homes or homefinding agencies should be referred to the Foster Care Rates Bureau at (916) 323-1263 (ATSS) 473-1263.

  
 KYLE S. MCKINSEY  
 Deputy Director

cc: CWDA