

Manual of Policies and Procedures

OPERATIONS



STATE OF CALIFORNIA
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OPERATIONS POLICIES AND PROCEDURES

This User's Manual is issued as an operational tool. It contains the following:

- a) Regulations adopted by the California Department of Social Services (CDSS) for the governance of its agents, licensees, and/or beneficiaries;
- b) Regulations adopted by other State Departments affecting CDSS programs;
- c) Statutes from appropriate Codes which govern CDSS programs;
- d) Court decisions; and
- e) Operational standards by which CDSS staff will evaluate performance within CDSS programs.

Regulations of CDSS are printed in gothic type as in this sentence.

Handbook material, which includes reprinted statutory material, other department's regulations and examples, is separated from the regulations by double lines and phrases "**HANDBOOK BEGINS HERE**", "**HANDBOOK CONTINUES**", and "**HANDBOOK ENDS HERE**" in bold print. Please note that both other departments' regulations and statutes are mandatory, not optional.

In addition, please note that revised language in this manual letter will be identified by a vertical line in the left margin.

Questions relative to this Users' Manual should be directed to your usual program policy office.

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**ADMINISTRATIVE STANDARDS FOR PUBLIC SOCIAL SERVICES
DEFINITIONS AND PURPOSE**

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DIVISION 10 ADMINISTRATIVE STANDARDS FOR PUBLIC SOCIAL SERVICES

CHAPTER 10-000 DEFINITIONS AND PURPOSE

10-001 GENERAL 10-001

The regulations contained in the Manual of Policy and Procedures (MPP), Divisions 10 and 30, provide social services policy, delivery standards and requirements.

10-005 PURPOSE 10-005

- .1 This Division sets forth the conditions for the administration of social services as defined in Division 30 and described in the Comprehensive Annual Services Program Plan (CASP).
 - .11 The State Department of Social Services (SDSS) is designated as the single state agency for the supervision of the services funded under Title XX and Title IV B of the Social Security Act and described in CASP.
 - .12 The county welfare departments and other primary service providers are agents of the SSD for the purposes of delivering the social services defined in Divisions 10 and 30 and described in CASP.
 - .13 Each county welfare department shall administer the services programs, as defined in Division 30 and described in CASP, through operational units distinctly separated from the payment of benefits, unless excepted from this requirement by SDSS upon written approval in accordance with Section 10-110.2.
 - .14 All services programs defined in Divisions 10 and 30 and described in CASP, funded under Titles IV A, IV-B and XX of the Social Security Act and provided by Primaries and their contract agencies and the contract agencies of SDSS shall be subject to these regulations.
 - .15 CASP shall be used to describe the regulations contained in Divisions 10 and 30.

10-010	DEFINITIONS	10-010
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- (a) "Agency provider" means an agency, sole proprietorship, partnership, corporation or any other association which provides specific social services under terms of a contract.
- (b) "County" means a county welfare or social services department.
- (c) "Fair hearing" means the formal process by which a recipient's appeal from a service provider's action is heard and adjudicated in accordance with Division 22 and Section 10-117.
- (d) "Individual provider" means a person, not acting as an agent for other persons, under contract to the county or a recipient to provide services to one or more recipients.
- (e) "Mandated service program" means a service program which is provided in all geographical areas in accordance with the provisions of the various chapters of Division 30.
- (f) "Primary service provider" or "primary" means a county welfare department or other entity to which the state department has directly delegated the responsibility for administering the delivery of social services. The term does not include any public or private agency or person under contract for the provision of services.
- (g) "Service-funded activity" means a clearly delineated activity purchased from an entity other than the primary or performed by social service staff. Such an activity may be delivered separately from the service program of which it is a part.
- (h) "Service program" means a set of social service functions organized around a unifying theme, with services directed at meeting specific needs within the eligible population. Service programs are directed at the goals specified in Section 30-001.1. Specific service programs are identified in Division 30.

10-010 **DEFINITIONS** (Continued) **10-010**

- (i) "Single organizational unit" means the State Department of Social Services.
- (j) "Social services" or "services" means the composite of service programs funded under Titles IV-B, IV-E, and XX of the Social Security Act, and any other applicable funding sources.
- (k) "Social service(s) staff" means those public employees responsible, directly or indirectly, for the delivery or authorization for delivery of social services, and whose salaries and wages are funded in whole or in part through Titles IV-B, IV-E, or XX of the Social Security Act. This does not include employees of contract agencies under contract to the primary for the delivery of social services, or individual contractors.
- (l) "Staff activity" means a clearly delineated activity, or group of closely interrelated activities, which is performed by social service staff as part of a service program; which is performed in direct interaction with a recipient and/or his/her representative(s); and which is defined as a staff activity in Section 30-002(ee).
- (m) "Support activities" means broadly based activities related to overall service operations. Such activities benefit the recipient population in whole or in part; and are federally funded through Titles IV-B, IV-E, or XX.
- (n) "Volunteer agency" means an organization which provides leadership and program services through the use of unpaid citizen volunteers.

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CHAPTER 10-050 AUTHORITY, RESPONSIBILITIES, COMPLIANCE AND SANCTIONS

10-050 AUTHORITY, RESPONSIBILITIES, COMPLIANCE AND SANCTIONS 10-050

10-051 AUTHORITY 10-051

Pursuant to the provisions of Welfare and Institutions Code Section 10600, and in accordance with the requirements of the 1974 Social Service Amendments to the Social Security Act (P.L. 93-647), the State Department of Social Services is designated as the single state agency bearing responsibility for supervising or administering, directly, by delegation or through contracts, service programs in the State of California.

10-052 RESPONSIBILITIES OF PRIMARIES 10-052

The primary shall provide and deliver those mandated and/or optional services for which it is responsible under Division 30 and the currently effective CASP.

10-053 COMPLIANCE AND SANCTIONS 10-053

Provisions governing compliance and sanctions for service programs shall be the same as those specified in Chapter 11-800 for eligibility and assistance programs.

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**ADMINISTRATIVE STANDARDS FOR PUBLIC SOCIAL SERVICES
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10-113 STAFFING 10-113

Each Primary shall employ sufficient staff, with the appropriate levels of skill, to deliver the services as described in Division 30.

- .1 Each Primary shall establish and maintain practices and procedures necessary to meet the following requirements:
 - .11 Within the limitations of the allocations of federal and state social service funds, there shall be adequate numbers of appropriately assigned and utilized social service staff to provide all the services as defined in Division 30 and described in CASP.
 - .12 Service program staffing shall conform with policies established in Division 30.
 - .13 The Primaries shall, whenever possible, employ aids or equivalent paraprofessional classes to expand the delivery of services, and to provide employment to recipients of public assistance and other low income individuals.
- .2 County personnel practices shall meet the requirements of Chapter 1 or Chapter 2, Division 5, Title 2, California Code of Regulations.

10-114 STAFF DEVELOPMENT 10-114

- .1 The Primaries shall develop and maintain a method for providing for staff development in compliance with Division 14-000.

10-116 NOTICE OF ACTION 10-116

- .1 A written notice of action, containing information about the right to request a hearing, shall be provided to the applicant or client when an:
 - .11 Application is denied.
 - .12 Approval action is taken which includes a service fee or an hourly or other limitation.
 - .13 Existing authorization is adversely altered, discontinued or reduced, or a service fee is changed.
- .2 An oral approval may be used if a fee is not involved, or the approval does not involve limitation on the payment or hours of services authorized.
- .3 Timeliness: Notices shall be mailed or otherwise provided in a timely manner.
 - .31 An approval or denial notice shall be provided within 30 days of the date the application is signed.
 - .32 A notice of action reducing or discontinuing a service payment shall be mailed or released at least ten days in advance of the effective date of the intended action. The ten-day count does not include the day of mailing or the effective day of the action.
- .4 Scope/Adequacy
 - .41 An approval notice shall inform the applicant of the effective date.
 - .42 A notice which denies, reduces, discontinues or suspends a service, or which increases a fee, shall include the information concerning the recipient's circumstances which has been used to make the determination and shall cite the regulations which support the action.
 - .43 Notice which alter an existing service authorization shall indicate the circumstances under which the service will continue during the hearing process, if a hearing is requested.
 - .44 All written notices of action shall contain information about the right to request a hearing, and shall meet the requirements for standardized notice formats, including the procedure for exercising that right.

10-116	NOTICE OF ACTION (Continued)	10-116
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.5 Exceptions

- .51 Notice is not required for information and referral service.
- .52 The agency may dispense with timely notice but shall send an adequate notice not later than the effective date of the action when:
 - .521 The agency has factual information confirming the death of the recipient.
 - .522 The agency receives a signed statement from the recipient that the recipient no longer wishes the service.
 - .523 A limited term services authorization ends, providing the recipient had been informed in writing at the time of approval that the allowance would terminate on a specified date.
 - .524 The agency receives a signed statement from the recipient, in response to a prior notice from the agency that a service fee has been increased, that the recipient will not pay the new fee or no longer wishes the service at the new fee.
 - .525 The agency receives information that a recipient has been admitted or committed to an institution in which continued services of the Primary would not qualify for federal financial participation.
 - .526 A notice to the last address of record has been returned undelivered and a new address is not known.
 - .527 The agency receives definitive information that the client has been accepted for the same service in another jurisdiction.
 - .528 The agency receives a signed statement from the recipient that the recipient will not supply essential eligibility information previously requested in writing by the agency. The original request for information shall clearly state that service will be mandatorily withheld if the essential information is not received by the specified date. A timely notice shall be sent if the requested information is not received on the specified date.

10-117 HEARINGS 10-117

- .1 Procedures for conducting hearings in services determinations shall be consistent with those in the Manual of Policies and Procedures, Division 22-000.
- .2 **Right of Hearing:** A hearing is available to an individual or the individual's authorized representative who makes application for, or receives a mandatory social service as described in CASP, or an optional social service authorized in CASP and which has been elected by the county in which the claimant resides.
- .3 **Information about Hearings:** At the time of application, each applicant shall be given information about the right to request a hearing before the state agency. This information shall be included on any written notice of action.
- .4 The following persons do NOT have a right to a hearing under these provisions:
 - .41 Persons whose cost of service is not paid under Title XX provisions.
 - .42 Individual providers of service such as homemaker/chore workers, whether in the employ of a client or an agency.
 - .43 Persons whose ineligibility for services has been upheld in an existing fair hearing decision and who have not subsequently reapplied to the county welfare department or delegate service agency for a redetermination of eligibility.
 - .44 Questionable requests shall be admitted into filing and decided or dismissed through the fair hearing review.
 - .45 Emergency shelter parents.

10-118 SOCIAL SERVICES ADVISORY COMMITTEE **10-118**

- .1 Counties may establish a social service advisory committee to provide guidance in Title XX implementation and ongoing operations.
- .2 Federal matching is available for meeting the travel and per diem expenses of members incurred as a direct result of advisory committee activities.
- .3 Federal matching is available for salaries or wages paid to the supportive staff of advisory committees and for technical assistance such as data collection, studies and surveys to assist the advisory committee in fulfilling its function.

10-119 RECORDS **10-119**

- .1 Each Primary shall maintain a system of recording and reporting social service recipient and activity data for the purpose of meeting statistical, fiscal and program reporting required by Adult and Family Services Division.
- .2 Records shall be retained as required by 23-353, or as otherwise required by Adult and Family Services Division.

10-120 REPORTS **10-120**

Reports shall be rendered as required by SSD and as authorized by W&I Code, Section 10809.

10-130	PROGRAM PLANNING	10-130
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- .1 Each Primary shall prepare and submit a social services plan annually. The plan shall:
 - .11 Contain methods for carrying out responsibilities for service programs and policies.
 - .12 Provide information essential to the development of a statewide CASP.
 - .13 Be the basis for monitoring and evaluating the services program of the Primary.
- .2 The services plan shall be:
 - .21 Established annually.
 - .22 In format and content prescribed by SSD.
 - .23 Approved by SSD as a condition for federal and state participation in the cost of services.
 - .24 Inclusive of all services to be provided and based upon the best information available.
 - .25 Submitted 180 days prior to the beginning of the program year.

10-150	MONITORING AND EVALUATION	10-150
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The Primary shall monitor and evaluate processes designed to appraise and improve the effectiveness of services delivered, legal and regulatory compliance and resource utilization.

10-151 DEFINITIONS 10-151

- .1 Monitoring means the activity necessary to assure compliance with regulations and contractual requirements.
- .2 Evaluation means the use of reviews to:
 - .21 Determine the efficiency and effectiveness of social services delivery systems management, optimal utilization of resources and elimination of deficiencies in management information systems, administrative procedures or organizational structure.
 - .22 Determine whether desired results or benefits are being achieved, whether the objectives established by the regulations are being met and whether the agency has evaluated alternatives which might yield desired results at lower costs.

10-152 MONITORING AND EVALUATION RESPONSIBILITIES 10-152

The County shall establish and implement procedures to monitor and evaluate all social service delivery systems operated directly or through purchase of service agreements.

- .1 (Has been deleted per Manual Letter No. 78-34.)
- .2 Staff assigned to perform monitoring and evaluation shall be adequate in numbers and qualifications to competently monitor and evaluate program, management, fiscal components of the County's delivery systems.
- .3 To assure development of expertise and consistency of effort, staff designated for this function shall exclusively devote its effort to the monitoring and evaluation process except when:
 - .31 The County size is too small to justify at least one full-time person.
 - .32 Expertise such as EDP analysis is so seldom needed that only occasional engagement is necessary.
 - .33 The County purchases these services. Reports on purchased monitoring and evaluation services shall be certified in accordance with the Standards for Audit of Governmental Organizations, Programs, Activities and Functions, Comptroller General of the United States, 1972.

10-152 MONITORING AND EVALUATION RESPONSIBILITIES (Continued) 10-152

- .4 When circumstances such as those described in 10-152.31 exist, the County shall apply in advance for exception approval. Such requests shall be accompanied by a description of the staffing that will be used and the minimum degree to which the County will exclusively commit this staff to the monitoring and evaluation process. The County shall document and retain evidence of fulfillment to this commitment.
- .5 Findings shall include recommendations regarding processes worthy of encouragement and amplification, and processes needing correction and data for policy-setting, priority-setting and other management decisions.
- .6 The active participation and commitment of the county welfare department management shall be required throughout the monitoring and evaluation process and in planning and implementing corrective actions.
- .7 The County's evaluation efforts may include a random sample quality control review of eligibility for services established by declaration. The sample shall be large enough to identify significant error trends at least each six months. Review forms and procedures shall comply with DOH quality control procedures.
- .8 The County shall maintain documentation of monitoring and evaluation studies including:
 - .81 Hypothesis as to probable error causes.
 - .82 Corrective action alternatives identified.
 - .83 Corrective actions selected for implementation, including reasons for selection, cost-benefit analysis, where appropriate, implementation timetables and criteria for evaluation of the planned corrective actions.
- .9 The County shall implement those corrective actions approved and evaluate the progress of implemented corrective action, comparing actual progress to the scheduled implementation timetable.
- .10 The County shall measure the effectiveness of implemented corrective actions and maintain documentation of corrective action evaluation results.

10-153 **OBJECTIVES TO BE ATTAINED THROUGH MONITORING AND EVALUATION** **10-153**

- .1 Assurance that methods of delivering social services conform to pertinent laws and regulations, Division 30 and the CASP.
- .2 Assurance that social services provided are effective in the progress of recipients toward program goals at minimum costs.

10-154 **PRIMARY RESPONSIBILITY FOR PURCHASE OF SERVICE WITH PUBLIC AND PRIVATE AGENCIES** **10-154**

- .1 The county welfare department shall retain continuing, basic responsibility for:
 - .11 The eligibility of individuals for services in all programs other than Child Day Care.
 - .111 In Child Day Care, eligibility determination is to be made by the contractor.
 - .12 The authorization, selection, quality, effectiveness and execution of a plan or program of services suited to the needs of an individual or group of individuals.
 - .13 The development of criteria for determining under what circumstances and for how long the service will be provided by the service contractor.
 - .14 The preparation of least annually of a written record of the performance of service contractors, both qualitative and quantitative, which shall be readily available for DSS review.

10-154	PRIMARY RESPONSIBILITY FOR PURCHASE OF SERVICE WITH PUBLIC AND PRIVATE AGENCIES (Continued)	10-154
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- .2 The county welfare department shall assure that the regulations and requirements governing service programs are applicable to the purchase of service, including:
 - .21 Provision for fair hearing and grievances.
 - .22 Safeguarding of information.
 - .23 Protection of civil rights.
 - .24 Financial controls.
 - .25 Maintenance of fiscal, service and other records related to the contract.
 - .26 Reporting procedures.
 - .27 Provision of opportunity for recipients to exercise choice with regard to source of purchases service.

- .3 The county welfare department shall monitor purchase of service providers to maintain and improve the quality of services by providing consultation and technical assistance, periodically reviewing performance and helping develop new and more effective approaches and methods of delivering purchased services.

**ADMINISTRATIVE STANDARDS FOR PUBLIC SOCIAL SERVICES
SERVICE DELIVERY METHODS**

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10-200 SERVICE DELIVERY METHODS 10-200

- .1 The Primaries are authorized to provide service programs using any combination of the three delivery methods listed in Section 10-200.2. The County shall state in its social services plan, prepared pursuant to Section 10-130, which method or methods it will use to provide each mandatory service and each optional service which the County has elected to provide. Eligibility determination and need assessment activities shall be provided as specified in Section 10-201. Flexibility in delivery methods is to be used to provide the best appropriate service for the least cost.

- .2 A Primary may elect to:
 - .21 Provide services directly.
 - .22 Purchase services from an individual.
 - .23 Purchase services from another public or private agency.

10-201 DIRECT DELIVERY METHOD BY PRIMARY 10-201

- .1 Services delivered by this method are provided directly by the staff of the Primary. All service activities and service funded resources defined in Division 30 may be provided by this delivery method.

- .2 Eligibility determinations and need assessments shall be performed by the Primary unless an exception is obtained for this requirement from SSD.

- .3 The Primary shall agree not to discriminate in the delivery of services on the basis of race, color, creed, national origin, sex, age, or condition of physical or mental handicap; shall agree to make services accessible to clients "having a mental or physical handicap" and shall safeguard information in accordance with W&I Code Section 10850.

10-202 PURCHASE OF SERVICE FROM AN INDIVIDUAL 10-202

- .1 A service-funded activity listed in Section 30-002 may be purchased from an individual for any of the twenty-one mandated and voluntary service programs in the Pre-Expenditure Report.
- .2 If payment is made directly to the recipient or to his or her individual provider, reimbursement for costs claimed is allowable only when such claims are substantiated by a written receipt signed by both the individual provider and the recipient, or the recipient's authorized representative. In addition, the county shall insure that the service provided meets the following conditions:
 - .21 Was provided to a recipient who was eligible to receive the service, and
 - .22 Is identified in the Pre-Expenditure Report.
- .3 Purchase of service from an individual by the Primary shall be formalized in a written agreement in accordance with procedures set forth in Chapter 23-600, Purchase of Service.
- .4 Any individual provider is subject to all applicable provisions of Division 10, 23, 25 and 30 and the Pre-Expenditure Report.

10-203 PURCHASE OF SERVICE FROM A PUBLIC OR PRIVATE AGENCY 10-203

- .1 Any service-funded activity listed in Section 30-002 may be purchased from a public or private agency other than the Primary, for any of the twenty-one mandated or voluntary service programs in the Pre-Expenditure Report.
- .2 Purchase of services from a public or private agency shall be formalized in a written agreement in accordance with procedures set forth in Chapter 23-600 Purchase of Service.

**10-205 ALLOWABLE COST OF IN-HOME SUPPORTIVE SERVICES PURCHASED 10-205
BY CONTRACT FROM A PUBLIC OR PRIVATE AGENCY**

- .1 The portion of a payment by a county on a contract for in-home supportive services in excess of 110 percent of the allowable cost of service shall not be eligible for matching or reimbursement from state or federal social service funds.
- .2 The allowable cost of service will be determined by the department whenever the department deems it appropriate. The allowable cost of service will be established on a county by county basis and will be expressed in terms of a dollar cost per hour of in-home supportive service provided to the recipient. If a contract requires the payment to be computed on a basis other than dollars per hour of IHSS service, the department will compute an hourly cost of service for purposes of this section.
- .3 In computing the allowable cost of service, the department will consider the following factors:
 - .31 The statewide average of the hourly cost for in-home supportive service provided by contracts with agencies pursuant to Section 12302 of the Welfare and Institutions Code. This information will be compiled by the department from reports currently made by the counties.
 - .32 The proportionate difference between the county average and the statewide average of the hourly rate of pay to domestic employees. This information will be compiled by the department from reports about domestic employees recently placed by the Employment Development Department or from any other source.
 - .33 An adjustment for price level considerations. This factor will be determined by the department from information derived from recognized, appropriate indices.

10-205 ALLOWABLE COST OF IN-HOME SUPPORTIVE SERVICES PURCHASED BY CONTRACT FROM A PUBLIC OR PRIVATE AGENCY (Continued)

- .4 The allowable cost of service will be communicated to the county in writing and will remain in effect until revoked or amended.
- .5 A county may appeal to the department for an adjustment to the allowable cost determination.
 - .51 The county shall initiate the appeal by filing with the department a written request for an adjustment no later than 15 working days from the date the letter communicating the allowable cost to the county was mailed.
 - .52 The county's written appeal shall contain documentation to demonstrate the need for the requested adjustment.
 - .521 If the director or his deputy determines that additional information is necessary, such information shall be provided within 10 working days of the date of the department's notification to the county, or at a later date specified by the department.
 - (b) Failure of the county to provide additional information within the specified time period may result in denial of the requested adjustment.
 - .53 After receipt of all information, the director or his deputy will issue a written decision granting, modifying, or denying the adjustment.
 - .531 The decision shall be based upon demonstrated extraordinary circumstances affecting the operation of the program within the county; the allowable cost's potential adverse impact on continuity of service or the ability to provide efficient and effective management of the program; and the amount of available state and federal funds.

10-205 ALLOWABLE COST OF IN-HOME SUPPORTIVE SERVICES PURCHASED BY CONTRACT FROM A PUBLIC OR PRIVATE AGENCY 10-205
(Continued)

- .6 The allowable cost of service is not to be considered a standard rate of payment. Counties shall continue to encourage maximum competition among bidders and secure the lowest price possible.
- .7 The allowable cost of service is not a "state rate for payment" for purposes of MPP Section 10-203.2.
- .8 The allowable cost of service set pursuant to these regulations will be effective upon the approval of the Department of Finance.

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**ADMINISTRATIVE STANDARDS FOR PUBLIC SOCIAL SERVICES
FUNDING AND EXPENDITURES**

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DIVISIONS 11 ADMINISTRATIVE STANDARDS FOR ELIGIBILITY AND ASSISTANCE PROGRAMS

CHAPTER 11-000 OBJECTIVES AND DEFINITIONS

11-001 OBJECTIVES 11-001

The objective of Eligibility and Assistance Programs is stated within Welfare and Institutions Code Section 10001.

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.1 This statute specifies that one of the purposes of public social services is:

"To provide on behalf of the general public, and within the limits of public resources, reasonable support and maintenance for needy and dependent families and persons."

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11-003 DEFINITIONS 11-003

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.1 Welfare and Institutions Code Sections 10051, 10052, 10054, 10055, 10056, 10057, 10058, 10059, 10060, and 10061 state:

10051. "Public social services" means those activities and functions of state and local government administered or supervised by the Department or the State Department of Health Services and involved in providing aid or services or both, including health care services and medical assistance, to those people of the state who, because of their economic circumstances or social condition, are in need thereof and may benefit thereby.

10052. "Aid" means financial assistance provided to or in behalf of needy persons under the terms of this division, including direct money payments and vendor payments.

10054. "Department" means the State Department of Social Services.

10055. "Director" means the Director of Social Services.

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- .3 Determining State Performance in Relation to Goal
 - .31 Except for children living with legal guardians, all children receiving an AFDC-FC payment shall be included in the goal evaluation.
 - .32 The highest monthly average of children residing in foster care for more than twenty-four months during the course of a federal fiscal year shall be used to establish state performance.
 - .33 Performance shall be established on a statewide basis.
- .4 Specific Goal
 - .41 The goal for the maximum number of children who have been in foster care for more than twenty- four months for the period of October 1, 1992 through September 30, 1993 shall be 36,000 children or 42.9 percent of the AFDC-FC caseload, excluding guardianship cases.
 - .42 The goal shall be met when state performance is equal to or less than either the absolute number or the percentage specified in .41.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 471(a)(14)(A), Social Security Act.

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CHAPTER 11-200 OPERATIONAL STANDARDS

11-201 ORGANIZATION 11-201

.1 Separation of Income Maintenance Function from Services Functions

.11 Purpose

The major objectives of separation of the reception, income maintenance and service functions are:

- .111 Greater recognition and appreciation of the individual's dignity, personal rights, and responsibilities.
- .112 Prompt and better focused services to those needing and desiring them, and prompt payment of aid to those eligible.
- .113 Better utilization of staff by assigning social workers exclusively to the service function and by assigning eligibility workers to the income maintenance and quality control functions.

.12 Structure

- .121 The income maintenance function for all aids shall be administered through a separate organizational line from that through which the service functions are administered.
- .122 Separation of functions is required in the organization of the county welfare department below the Office of Director.
- .123 In county welfare offices where the number of staff precludes complete separation of functions as specified above, they may be combined to the extent necessary.

.13 State Department of Social Services (SDSS) Approval of Separation Plan

The county plan for separation shall be subject to approval by SDSS.

11-204 ASSIGNMENT OF PERSONNEL 11-204

.1 Income Maintenance and Quality Control

Eligibility workers, or employees who meet comparable standards in the state approved county system, shall be used exclusively for income maintenance or quality control functions.

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CHAPTER 11-300 KINSHIP GUARDIANSHIP ASSISTANCE PAYMENT (KIN-GAP) RATES

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CHAPTER 11-300 KINSHIP GUARDIANSHIP ASSISTANCE PAYMENT (KIN-GAP) RATES

**11-301 KINSHIP GUARDIANSHIP ASSISTANCE PAYMENT PROGRAM 11-301
(KIN-GAP)**

- .1 The Kin-GAP rate shall include, but not be limited to, the cost of, and the cost of providing, the following items:
- .11 Food
 - .12 Clothing
 - .13 Shelter
 - .14 Daily Supervision
 - .15 School Supplies
 - .16 Personal Incidentals
 - .17 Liability insurance which covers the child
- .2 Counties shall determine Kin-GAP rates for Kin-GAP children placed in the approved home of a relative in accordance with Welfare and Institutions Code Section 11364.

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- .21 The Kin-GAP rates effective 1/1/2000 are as follows:

Age	Kin-GAP Rate
0-4	\$393
5-8	\$428
9-11	\$457
12-14	\$506
15-18	\$553

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- .3 Supplemental Payments
- .31 A child receiving a Kin-GAP payment is entitled to an Infant Supplement, where appropriate, pursuant to Sections 11-415.12 and 90-115.2.
 - .32 The related guardian of a child receiving Kin-GAP, is entitled to the Allowance for Funeral Expenses, where appropriate, pursuant to Section 11-420.2.

11-301 KINSHIP GUARDIANSHIP ASSISTANCE PAYMENT PROGRAM 11-301
(KIN-GAP) (Continued)

.33 A child receiving a Kin-GAP payment is not entitled to a specialized care increment (Section 11-401.3) nor a clothing allowance (Section 11-420.1).

.4 Out of County Placements

.41 When a child is living with a related legal guardian who lives in a different county than the county with payment responsibility, the county with payment responsibility shall pay the basic rate of the host county.

NOTE: Authority cited: Sections 10553, 10554, and 11369, Welfare and Institutions Code. Reference: Sections 11212, 11364, 11400(f), 11461, and 11465, Welfare and Institutions Code.

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11-400 AFDC-FOSTER CARE RATES - DEFINITIONS 11-400

Definitions. For purposes of the Foster Care Program, the following definitions shall apply wherever the terms are used throughout Chapter 11-400:

- a. (1) Assessed/Qualified Child - A child eligible to be placed in a certified group home program classified at rate classification level (RCL) 13 or RCL 14. The child must be assessed as seriously emotionally disturbed and in need of the level of services provided in the group home program classified at RCL 13 or RCL 14. The determination that a child is an assessed/qualified child shall comply with Section 11-402.182. An assessed/qualified child shall not be a child who needs inpatient care in a licensed health facility.
- (2) Audit Period - The time period(s) which is reported in an Audit Report.
- (3) Audit Report - A report issued by the Department in accordance with Section 11-430.113 concerning the audit findings in a program and/or fiscal audit. The report may contain one or more audit periods but shall represent only one overpayment for determining whether Sections 11-402.667 and 11-402.668 are applicable.
- b. (1) Balancing - A method for the recovery of a full or partial overpayment by crediting an amount owed to a provider towards repayment of a sustained overpayment amount.
- (2) Base Factor - The 1.0 weighting for each eligible hour of child care and supervision (CCS).
- (3) Basic Rate - The rate paid on behalf of AFDC-FC child placed in a family home exclusive of any specialized care increment.

11-400 **AFDC-FOSTER CARE RATES - DEFINITIONS (Continued)** **11-400**

- (4) Behavioral Science - The study of personal relationships, the results of which would improve a person's behavior, health, or happiness. Behavioral science subjects include, but are not limited to, child development, psychology, counseling and guidance, early childhood education, human services, nursing, social science, social welfare, social work, and sociology.
- (5) Repealed by Manual Letter No. OPS-99-05, effective 12/10/99.
- c. (1) "Certified Family Home" means a family residence certified by a licensed foster family agency and issued a certificate of approval by that agency as meeting licensing standards, and used only by the foster family agency for placements.
- (2) Certified Group Home Program - A group home program, accepting only assessed/qualified children, that is classified at RCL 13 or RCL 14 and that is certified by the State Department of Mental Health or its designee as a program that provides mental health treatment services for seriously emotionally disturbed children.
- (3) Child Care and Supervision (CCS) - One of the three program components of the standardized rate setting system.
- (4) Child Care Duties - The duties required of the child care staff as provided for in Title 22, California Code of Regulations, Division 6, Section 84065.1(b) unless restricted by the August 30th Report, "FUNDING FROM OTHER SOURCES," page 6.

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Title 22, Section 84065.1(b) states:

"(b) Child care staff shall perform the following duties:

- (1) Supervision, protection and care of children individually and in groups at all times.
- (2) Assistance to each child in working with a group and in handling individual problems.
- (3) Administration of discipline and setting of limits for behavior.
- (4) Notation of the child's progress; identification of the possible need for professional services; and communication of such findings to professional staff."

The August 30th Report states:

HANDBOOK CONTINUES

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"FUNDING FROM OTHER SOURCES

The Department recognizes that circumstances may arise when it is not clear whether staff hours associated with a particular activity fall into one of the program components used for classification purposes. Such circumstances will be determined by the Department on a case-by-case basis. As a general rule, however, the source of the revenue received by the group home provider to fund an activity will be used to make this determination.

For example, a group home program may have a staff (sic) person with professional qualifications in education who works with the children on their school work outside of the school classroom. Many children in foster care are below grade level and need special attention. If the provider receives funding for this activity through the education system, it is considered an educational activity, which is not one of the three program components used for classification purposes.

However, if the provider is not otherwise funded for this activity, it may be considered a parental-type activity (helping one's child with his/her home work) that is allowable for funding under AFDC-FC and the hours will be counted as Child Care and Supervision for classification purposes. In "gray" areas such as this, considering the source of revenue used to fund an activity will allow the Department to avoid the possibility of duplication of funding from other public sources."

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- (5) Child Care Worker - A group home employee engaged in providing child care duties and who meets CCL licensing requirements as specified in Title 22, California Code of Regulations, Division 6. A child care worker in a Community Treatment Facility who meets CCL personnel requirements as specified in Title 22, Division 6, Chapter 1, Section 84165(d), California Code of Regulations, or who is otherwise deemed to be a child care worker by CCLD.
- (6) Community Treatment Facility - means a facility defined in Health and Safety Code Section 1502(a)(8), certified as a Community Treatment Facility by the California Department of Mental Health (CDMH) and licensed as a Community Treatment Facility by the California Department of Social Services (CDSS), Community Care Licensing Division (CCL).
- (7) Community Treatment Facility Licensed Nursing Staff - means a person employed by a Community Treatment Facility and licensed as a registered nurse by the California Board of Registered Nursing; or a vocational nurse or psychiatric technician licensed by the California Board of Vocational Nurses and Psychiatric Technician Examiners to perform functions within their scope of practice.

11-400 **AFDC-FOSTER CARE RATES - DEFINITIONS (Continued)** **11-400**

- d. (1) Daily Supervision - all functions of the day-to-day care of the child, including assistance as needed with activities of daily living, personal care, planned activities, food services, incidental medical and dental as specified in California Code of Regulations, Title 22, Section 80409(a), and the assumption of responsibility for the safety and well-being of the child.
- (2) Date of Issuance - The date an audit report is mailed by the Department, as shown by the postmark on the envelope containing the report, or by proof of service.
- (3) Date of Mailing - The date any correspondence is mailed by the Department, as shown by the postmark on the envelope or by proof of service.
- (4) Date of Receipt - The date a group home provider or foster family agency receives a document from the Department, as shown by a signed certified mail receipt or by operation of the mailbox rule.

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A party is deemed to receive documents mailed through the United States Postal Service five days after the documents are deposited in a sealed envelope with postage paid at an official postal mailing site, if the place of address is within California, or 10 days if the place of address is outside California but within the United States.

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- (5) Department - the California Department of Social Services.
- (6) Direct Contact Contract - An agreement between a group home provider and a social worker, as defined in Section 11-400s.(5) exclusively for direct social work activities to children in care in accordance with Sections 11-402.212(a)(2)(A) and 11-402.222(d). The social worker that is eligible for double weighting shall be an Independent Contractor as provided by state and federal laws, including Section 3353 of the California Labor Code.
- (7) Director - the Director of the Department of Social Services.
- (8) Due Date - The date a group home rate application, a request for good cause or an additional information request is due. If this date falls on a weekend or a legal holiday, the due date is the next business day. If this information is mailed, it shall be postmarked on or before the due date.
- (9) Duplicate - a facsimile copy of the original produced by photocopying or some other technique of accurate reproduction.

11-400 **AFDC-FOSTER CARE RATES - DEFINITIONS** (Continued) **11-400**

- e. (1) Eligible Hour - The unit of time which shall be subject to the allocation requirements contained in the August 30th Report, Page 5 (See Handbook Example following Section 11-402.211(a)(5)), in CCS, social work activities, or mental health treatment services which may be weighted to determine points. The following shall not meet the criteria of an eligible hour:
- (A) Any on-call hours for any personnel.
 - (B) Any hour of service provided by an employee in direct contact with a child that is not child care and supervision, social work activities, or mental health treatment services.
- (2) Emergency Placement - The placement of a child placed prior to determination that the child qualifies as an assessed/qualified child where placement is in a certified group home program classified at RCL 13 or RCL 14. The child must be evaluated by a mental health professional as described in Section 11-40m.(3).
- f. (1) Fail to Maintain - An unplanned group home program modification which decreases the level of care and services associated with the RCL upon which the rate was established.
- (2) Family Group - means no more than six children, under the age of six years, and the houseparents.
- (3) Family Home shall be defined in accordance with Section 45-101(f)(1).

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The term family home is defined in Section 45-101(f)(1) as follows: Family Home - the family residence of a licensee in which 24-hour care and supervision are provided for children and which is licensed by the appropriate community care licensing agency or a family residence which is approved and which provides care and supervision. For rate setting purposes, the term family home shall include homes licensed as foster family homes, or small family homes and homes which are approved. See Section 45-101(a)(2) for definition of approved home.

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- (4) Financial Audit - An audit by a certified public accountant or a state-licensed public accountant that includes all the programs, and activities, and cost data of a non-profit corporation which operates a group home and/or foster family agency which provides treatment services. Submission of the financial audit report is a condition of receiving a group home program rate and/or a foster family agency treatment rate.

11-400 **AFDC-FOSTER CARE RATES - DEFINITIONS (Continued)** **11-400**

- (5) Financial Audit Report - A written report which contains an opinion on the corporation's internal controls and which states whether, in all material respects, the most recent financial statements are presented fairly in accordance with generally accepted accounting principles. See Section 11-405.2 for additional requirements.
- (6) First-line Supervisor - A group home employee responsible for the direct supervision of child care workers. This includes residential counselors, program specialists, nurses, and other supervisory staff, regardless of title, where there is documentation of direct supervision of child care workers.
- (7) Fiscal Audit - An audit conducted to determine whether the cost data and other financial information submitted by a group home or foster family agency is accurate and supported and to determine whether misuse or fraud has occurred.
- (8) Fiscal Year - the state fiscal year which begins July 1 and ends June 30 of the following year, unless otherwise specified.
- (9) Formal Education - Completed college credits from an accredited or approved college or university.
- (10) Formal Hearing - (A) An administrative hearing conducted by an Administrative Law Judge to review a Report of Findings of an informal level hearing officer of audit findings disputed by a group home provider, foster family agency, or the Department; or (B) An administrative hearing to review the contention of a group home provider or foster family agency that does not concur with a rate setting protest decision letter pursuant to Sections 11-430.4 through 11-430.74; or (C) An administrative hearing conducted by an Administrative Law Judge to review a Statement of Disputed Audit Findings filed by a group home provider to protest the reduction of a provisional rate as a result of a program audit.
- (11) Foster Family Agency shall be defined in accordance with Section 45-101(f)(6).

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The term foster family agency is defined in Section 45-101(f)(6) as follows: Foster family agency means any individual or organization engaged in the recruiting, certifying, and training of, and providing professional support to, foster parents, or in finding homes or other places for placement of children for temporary or permanent care who require that level of care as an alternative to a group home. Private foster family agencies shall be organized and operated on a nonprofit basis.

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11-400 AFDC-FOSTER CARE RATES - DEFINITIONS (Continued) 11-400

- (12) Foster Family Agency Basic Rate - the minimum rate that a foster family agency is required to pay to the certified foster parents on behalf of an AFDC-FC eligible child exclusive of any additional increment.

 - (13) Fraud - Fraud is an intentional misrepresentation or concealment of information in order to acquire something of value. Fraud includes the intentional false reporting of financial information or illegal acts resulting in material misstatements to the non-profit corporation's financial statements. Fraud also includes the misappropriation of assets by means of deception, theft, embezzlement, or material misrepresentation, which results in the illegal expenditure of funds.

 - (14) Frozen Rate - A cost-based rate set by the Department prior to July 1, 1990 based on a program's actual historical costs which is greater than the standard rate for the group home program's rate classification level (RCL) on July 1, 1990.

 - (15) Full-time Equivalent - A total of 40 hours for one week or a total of 173 hours for one month.
- g. (1) Good Cause - The inability to respond to a required action due to circumstances beyond the control of the group home provider/foster family agency including, but not limited to, natural disasters and emergency medical situations.
- (2) Group home shall be defined in accordance with Welfare and Institutions Code Section 11400(h) and also includes a Community Treatment Facility for purposes of Division 11.

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- (A) The term group home is defined in Welfare and Institutions Code Section 11400(h) as follows:

"Group Home' means a nondetention privately operated residential home, organized and operated on a nonprofit basis only, of any capacity, that provides services in a group setting to children in need of care and supervision, as required by paragraph (1) of subdivision (a) of Section 1502 of the Health and Safety Code."

1. Health and Safety Code Section 1502(a)(1) states: "Residential facility' means any family home, group care facility, or similar facility determined by the director, for 24-hour nonmedical care of persons in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual."

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11-400 **AFDC-FOSTER CARE RATES - DEFINITIONS** (Continued) **11-400**

- (3) Group Home Administrator Certificate - A certificate of completion of a group home administrator certification program to be developed by Community Care Licensing (CCL) pursuant to Health and Safety Code Section 1522.41(b)(1).
- (4) Repealed by Manual Letter No. OPS 99-05, effective 12/10/99.
- h. (1) Host County - The county in which the majority of an agency's foster family homes or group home facilities are located. If the program has facilities in more than one county, the host county shall be that of the facility where the greatest number of children are placed.
- (2) Houseparent - means the consistent, nurturing adult who resides with the family group, provides daily care for no more than three children, and is involved in the long-range planning for those children during the group home placement, and who meets the personnel requirements stated in Title 22, Division 6, Section 84265(d), (e), (f), (h)(1), (2), and (3)(A) and who meets the Community Care Licensing requirements for a child care worker pursuant to Section 11-400c.(5).
- (3) Houseparent Duties - means: (1) teaching social skills, (2) teaching motor skills, (3) teaching self-care skills, and (4) other child care worker duties as defined in Section 11-400(c)(4).
- i. (1) Infant Supplement - the amount paid to an eligible facility in addition to the AFDC-FC payment for a minor parent for a child living with his/her minor parent(s).
- (2) Informal Hearing - An administrative review hearing conducted by a hearing officer to examine group home program audit findings disputed by the group home provider in a Statement of Disputed Audit Findings pursuant to Sections 11-430.12 through 11-430.146.

11-400 **AFDC-FOSTER CARE RATES - DEFINITIONS (Continued)** **11-400**

- (3) Inpatient Care in a Licensed Health Facility shall be defined in accordance with Health and Safety Code Section 1502.4(a)(2)(A) as follows:

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"Inpatient care in a licensed health facility' means care and supervision at a level greater than incidental medical services as specified in Section 1507."

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- (4) Interagency Placement Committee (IPC) - A committee established by the county, with a membership that includes at minimum a representative of the county placement agency and a mental health professional from the county department of mental health. The IPC determines whether a child whose placement is funded by AFDC-FC is an assessed placement and in need of the care and services provided by the group home program classified at RCL 13 or RCL 14.

11-400 **AFDC-FOSTER CARE RATES - DEFINITIONS (Continued)** **11-400**

- j. (Reserved)
- k. (Reserved)
- l. (1) Leaseback - For the purposes of these regulations, leasebacks are limited to the following business arrangements: affiliated leasebacks, less-than-arms' length leases, and long-term leases that create material or financial interest in land or real property.
 - (2) Licensed Clinical Social Worker (LCSW) - An individual who has been licensed by the California Board of Behavioral Science Examiners to provide clinical social work services which may be defined as social work activity or mental health treatment services.
 - (3) Licensed Marriage, Family and Child Counselor (LMFCC) - An individual who has been licensed by the California Board of Behavioral Science Examiners to provide marriage, family and child counseling which may be defined as social work activities or mental health treatment services.
 - (4) Lien - A certificate lien established pursuant to Section 11466.33 of the Welfare and Institutions Code or any judgement lien created under Part 2, Title 9, Division 2, Chapter 2 (commencing with Section 690.010) of the California Code of Civil Procedure. If an amount is due and payable to the Department as a result of a sustained overpayment, the Department may, as one of its involuntary collection procedures, file a certificate lien with a county clerk and bring an action in superior court to seek a judgement lien.
- m. (1) Mandatory Repayment Schedule - Shall be defined in accordance with Section 11466.22(d)(4) of the Welfare and Institutions Code.

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Welfare and Institutions Code Section 11466.22(d)(4) states:

"The department shall establish an involuntary overpayment collection procedure, that shall take into account the amount of the overpayment, projected annual income, a minimum required repayment amount, including principal and interest, of 5 percent of the annual income prorated on a monthly basis, simple interest on the overpayment amount based on the Surplus Money Investment Fund, and a maximum repayment period of seven years. The department may establish regulations permitting the director at his or her discretion to renegotiate the involuntary payment agreement if the director determines that the agreement would cause severe harm to children in placement."

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- (2) Mental Health Clinical Hour - The unit of time for the provision of direct contact mental health treatment services, consisting of 50 minutes of time with the child and ten minutes of preparation.
- (3) Mental Health Professional - An individual who is licensed, certified, registered, waived or otherwise recognized or authorized under State law pursuant to CDMH's Title 9, Chapter 11, Medi-Cal Specialty Mental Health Services, Subchapter 1, Article 2, to provide mental health treatment services, including but not limited to interns and those referenced in Section 1810.223, California Code of Regulations.

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Title 9, Division 1, Chapter 11, Medi-Cal Specialty Mental Health Services, Subchapter 1, Article 2, Section 1810.223, Licensed Mental Health Professional, California Code of Regulations states:

"Licensed mental health professional means licensed physicians, licensed clinical psychologists, licensed clinical social workers, licensed marriage, family and child counselors, registered nurses, licensed vocational nurses, and licensed psychiatric technicians."

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- (4) Management Decision - The evaluation by the Department of a provider's financial audit report, cost data, or other information or documentation as described in OMB Circular A-133 Subsection .405.
- (5) Mental Health Treatment Services - One of the three program components of the standardized rate setting system. These services include the evaluation, treatment, and psychometric testing performed by a mental health professional while together with the child. Also included are day treatment programs which are certified by the State Department of Mental Health.
- (6) Misuse – Misuse is the unauthorized acquisition, use, or disposition of assets for the personal benefit of any individual or individuals that has a material effect on the financial statements. Misuse also includes the use of AFDC-FC funds for purposes that are not permissible as specified in Section 11-404, which provides guidelines on the appropriate use of State and Federal Foster Care funds.

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- n. (1) New foster family agency program - is one which:
- (A) Serves an entirely different population at an entirely different level of service than that currently served by the foster family agency's existing program(s); and
 - (B) Is either based in different certified family home(s) than the current program(s) operated by the foster family agency, or the current program(s) operated by the foster family agency is replaced by an entirely new program.
- (2) New foster family agency provider - is one who:
- (A) Has not operated a foster family agency or group home program for AFDC-FC funded children in the fiscal year preceding that for which the rate is being set; or
 - (B) Has operated a foster family agency in the fiscal year preceding that for which the rate is being set but did not accept AFDC-FC funded children during that fiscal year; and
 - (C) Has not merely added a new program; increased the level of services provided; changed incorporation; reorganized; or changed name, location, ownership or license.

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- (3) New Program - A new program provided by an existing provider is one in which:
- (A) The type of children to be accepted have measurable differences in their characteristics, behaviors, or need for care and services due to the type of background and any medical, mental, social or emotional conditions which are different than those children in the provider's existing program(s) as described in the new program statement; and

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- (B) The staffing pattern is quantitatively different, whether or not the RCL changes, because:
 - (1) The number of eligible hours per child per month in at least one program component is different from the provider's existing program(s); and
 - (2) The staff's professional levels for the proposed program are disparate from those in the provider's existing program(s).
- (4) New Provider - A sole proprietor, partnership, or corporate entity who has not operated a group home which receives funding from AFDC-FC or severely emotionally disturbed (SED) in the preceding fiscal year.
- (5) Nonprofit Organization - Any corporation which (1) is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest; (2) is not organized primarily for profit; and (3) uses its net proceeds to maintain, improve, and/or expand its operations.
- o. (1) Offset - A payment to a group home program from government sources other than the AFDC-FC program and restricted donations from public and private sources specified to fund an allowable cost.
- (2) On-going Training - Training which is structured as a training session; announced ahead for a particular time and place; presented by a trainer qualified to train in the specific subject matter; any costs incurred for the trainer, tuition, conference fees, and employee's cost of attendance, including wages or salary, shall be paid by the provider; and relates directly to the program as described in the program statement.
 - (A) For group home programs serving children under six, on-going training provided by group homes to houseparents must include the on-going training described in Title 22, Division 6, Section 84265(h)(3)(A).
- (3) Overpayment - A group home provider overpayment in the AFDC-FC program, established through a program or fiscal audit, is either a sustained overpayment defined in accordance with Section 11466.22(d)(2) of the Welfare and Institutions Code or a self-reported overpayment in accordance with Section 11466.22(d)(1) of the Welfare and Institutions Code in a rate application by a group home provider that is established for an audit period when a group home provider receives foster care maintenance payments to which it is not entitled.

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Welfare and Institutions Code Section 11466.22(d)(1) provides the following:

"(1) Overpayments shall be determined by either a group home provider audit or a group home provider self-reporting an overpayment."

Welfare and Institutions Code Section 11466.22(d)(2) provides the following definition of the term "sustained overpayment" after an audit has identified an overpayment:

"(2) If an informal hearing is not requested, or on the 60th day after an informal decision if a provider or the department does not file a notice of intent to file a formal appeal, or on the 30th day following a formal appeal hearing decision, whichever is latest, a group home provider overpayment shall be sustained for collection purposes and the department shall issue a demand letter for repayment of the sustained overpayment."

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- p. (1) Paid-awake - The hours in which staff are awake and reimbursed in a manner consistent with the Department of Industrial Relations.
- (2) Party - the group home provider, foster family agency, or the Department.
- (3) Placement Agency - shall be defined in accordance with Section 45-101(p)(4).

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The term placement agency is defined in Section 45-101(p)(4) as follows: Placement Agency means the agency with responsibility for placement and care of an AFDC-FC eligible child.

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- (4) Point(s) - The number calculated by the hours of service per child per month weighted by education, experience, training and/or professional level of the individual providing the service and divided by the greater of 90 percent of the group home program's licensed capacity or by 5.4, as provided for in the program classification methodology. Effective July 1, 2002, for Community Treatment Facilities that have been granted a waiver in accordance with Section 11-402.233(b), the weighted hours shall be divided by the occupancy factor specified in the waiver.
- (5) Primary Placing County - The county(ies) which places the greatest percentage of children in the group home program.
- (6) Program - A provider's unique combination of services to a specific population of children in one or more licensed group home facility(ies) as described in the program statement.

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- (7) Program Change - Any alteration to an existing program planned by a provider to a group home that may affect, in any way, the RCL, the AFDC-FC rate, or the type of children in placement.
- (8) Program Classification - The computed RCL.
- (9) Provider - A group home provider is a licensee of one or more group homes, as defined in Section 11466.22(b) of the Welfare and Institutions Code, that receives foster care maintenance payments under the AFDC-FC program.

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Section 11466.22(b) of the Welfare and Institutions Code Section provides the following definition of the term "provider":

"(b) For the purposes of this section, a group home provider is a licensee of one or more group homes, as defined in subdivision (h) of Section 11400, receiving foster care maintenance payments under the AFDC-FC program. The department may collect a sustained overpayment from the party responsible for the sustained overpayment, regardless of whether the party remains in the business of providing group home programs, and regardless of whether the party remains licensed by the department."

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- (10) Provisional Rate - A temporary rate established for no longer than 13 months for a new or existing provider requesting a rate for a new program or an existing provider requesting an RCL increase. The provisional rate is based on the RCL that the group home projects it will provide, and upon which the Department sets the rate, until the Department issues an audit report which establishes the actual RCL.

q. (Reserved)

r. (1) Rate Classification Level (RCL) - The rate category for a program whose calculated points fall into a specified point range.

(2) Rate Payment Offset - An involuntary collection procedure for recovering a sustained overpayment or a self-reported overpayment in a rate application from a group home provider and/or foster family agency who does not enter into a repayment agreement with the Department or a group home provider and/or foster family agency who has three outstanding payments on a repayment agreement prior to the sustained overpayment being repaid.

11-400 **AFDC-FOSTER CARE RATES - DEFINITIONS (Continued)** **11-400**

- (3) RCL Reduction – A reduction to a group home provider’s previously approved RCL resulting from: (A) a voluntary program change application in which the provider requests an RCL decrease; (B) a provisional rate program audit in which the group home failed to maintain the approved RCL for the specified audit period; or (C) a nonprovisional program audit in which the provider either failed corrective action or did not provide corrective action as described in Section 11-402.55.

- (4) Real Property - Real estate; land and everything more or less attached to it.

- (5) Reasonableness Adjustment - Adjustments made to costs reported by a group home provider which are based on reasonableness limits, as specified in Section 11-402.828, for salary, shelter, and vehicle costs.

- (6) Repayment Agreement - Shall be defined in accordance with Section 11466.22(d)(3) of the Welfare and Institutions Code.

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Welfare and Institutions Code Section 11466.22(d)(3) states the following:

"The department shall establish a voluntary repayment agreement procedure with a maximum repayment period of nine years. The procedure shall take into account the amount of the overpayment, projected annual income, of the program that caused the overpayment, a minimum repayment amount, including principal and interest, of 3 percent of annual income prorated on a monthly basis, simple interest for the first seven years of the voluntary repayment agreement on the overpayment amount based on the Surplus Money Investment Fund, and simple interest for the eighth and ninth years of the voluntary repayment agreement based on the prime rate at that time plus 3 percent. The department may adopt regulations permitting the director, at his or her discretion, to renegotiate the volunteer repayment agreement if the director determines that the agreement would cause severe harm to children in placement."

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- (7) Residential Child Care Experience - Prior experience in providing direct child care worker duties or houseparent duties to children residing in out-of-home care, including first-line supervision of child care workers or houseparents.

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- (A) Qualifying experience shall include direct child care or direct supervision of child care workers at the group home program for which a rate is being requested and prior employment experience with direct responsibility caring for children or directly supervising child care workers in other group homes, county receiving home/shelters, youth authority camps and facilities, county juvenile halls and camps, juvenile detention facilities, public and/or private mental health day treatment programs, or as a licensed or certified foster parent.
 - (B) Qualifying experience shall include child care worker duties in nonresidential settings such as a teacher of specialized education, a juvenile probation officer, or a child protective services worker.
 - (C) Qualifying experience shall include experience in child day care, residential adult drug and alcohol treatment programs, or mental health treatment programs when stated in the program statement that the specified population of children to be served by the program requires this experience.
 - (D) For group home programs serving children under six qualifying experience for a houseparent shall include direct work experience in a licensed infant care center, group child care program or group residential care for children under six years of age.
- s. (1) Seriously Emotionally Disturbed (SED) shall be defined as in Welfare and Institutions Code Section 5600.3(a)(2).

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Welfare and Institutions Code Section 5600.3(a)(2) states:

"(a)(2) For the purposes of this part, 'seriously emotionally disturbed children or adolescents' means minors under the age of 18 years who have a mental disorder as identified in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders, other than a primary substance use disorder or developmental disorder, which results in behavior inappropriate to the child's age according to expected developmental norms. Members of this target population shall meet one or more of the following criteria:

- (A) As a result of the mental disorder the child has substantial impairment in at least two of the following areas: self-care, school functioning, family relationships, or ability to function in the community; and either of the following occur:
 - (i) The child is at risk of removal from home or has already been removed from the home.

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- (ii) The mental disorder and impairments have been present for more than six months or are likely to continue for more than one year without treatment.

- (B) The child displays one of the following: psychotic features, risk of suicide or risk of violence due to a mental disorder.

- (C) The child meets special education eligibility requirements under Chapter 26.5 (commencing with Section 7570) of Division 7 of Title 1 of the Government Code."

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- (2) Set Rate - the per child/per month rate set by the Department for an AFDC-FC group home program or foster family agency pursuant to Section 11460, et seq. of the Welfare and Institutions Code.

- (3) Settlement Conference - A meeting between representatives of the Department and the group home provider to resolve a pending administrative appeal of a disputed audit finding which has reached the formal hearing level. If the parties and the Administrative Law Judge agree, a settlement conference may be held by telephone.

- (4) Social Work Activities - One of the three program components of the standardized rate setting system. These activities are as specified in the August 30th Report, Attachment A, subparagraphs (a) and (b) except as restricted by the August 30th Report, "FUNDING FROM OTHER SOURCES," page 6.

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Social work activities as provided in the August 30th Report state in relevant part:

- "(A) Development of needs and services plan; development of discharge plan; assessment to identify changing needs.
 - 1. Psychological and psychometric testing is not considered a social work activity.

- (B) Interaction (counseling) between the employee and the child and/or others aimed at preparing the child to analyze and better understand the situation is included in Social Work Activities. Specifically, this includes helping the child understand the reason for placement and to handle associated emotional problems, resolving the difficulties between child and family that led to the need for placement, and planning for the return of the child."

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- (5) Social Worker - An individual qualified to perform social work activities who has at least a Master's Degree, from an accredited or state approved graduate school, in social work or social welfare; marriage, family, and child counseling; child psychology; child development; counseling psychology; clinical psychology; social psychology; Master's Degree with another title, the purpose of which was to train persons to provide social work activities; or a Baccalaureate Degree in social work or social welfare and at least two years of experience in providing social work activities which may include social work activities performed in mental health settings.
- (6) Specialized Care Increment - an amount paid to a family home in addition to the family home basic rate on behalf of an AFDC-FC child requiring specialized care because of health and/or behavior problems.
- (7) Specialized Care Rate - the total rate paid on behalf of an AFDC-FC child requiring specialized care. Such rate includes both the family home basic rate and the additional specialized care increment.
- (8) Specialized Care System - any mechanism utilized by a county to pay family homes, as defined in Section 11-400f.(3), a rate greater than the county's basic foster care rate on behalf of an AFDC-FC child placed in emergency shelter care or with care needs greater than those of a normal foster child, because of health and/or behavior problems.
- (9) Repealed by Manual Letter No. OPS-99-06, effective 12/30/99.
- (10) Repealed by Manual Letter No. OPS-99-05, effective 12/10/99.
- t. (1) Training Log - A compilation of documentation necessary to verify the on-going training that was provided to child care workers, first-line supervisors, and houseparents in group home programs serving children under six. Documentation for each training session shall include the date of training; location of training; title and a short paragraph about the subject of training; names and signatures of staff attending for training provided onsite by a group home provider or independent third-party verification for training that is provided offsite or by an entity other than the group home provider and their classifications; hours of training; name of trainer(s) and their qualifications; documentation showing provider paid any costs for training, including employee wages and benefits; listing of the materials distributed and used by the trainer; and type of training, i.e., in-person, video, onsite, offsite.
- (2) Training Plan - A prospective fiscal year summary of on-going training to be provided for child care workers, first-line supervisors, and houseparents which shall include at a minimum, a projection of the total staff hours of training, the general subject matter of the anticipated training and any information within the categories listed under "training log" that are known to the provider at the time of application. A group home program's training plan must be submitted to the Department as part of the rate application process. Staff meetings that do not meet the definition of Section 11-400o.(2) shall not be considered training.

11-400 **AFDC-FOSTER CARE RATES - DEFINITIONS (Continued)** **11-400**

- (3) Transitional Housing Placement Program (THPP) - for the purposes of this section, is a community care facility licensed by the Department and includes all components of the program that provides supervised housing and supportive services for eligible dependent foster/probation youth as specified in Welfare and Institutions Code Section 11403.2(a)(1).

- (4) Transitional Housing Program - Plus (THP-Plus) - for the purposes of this section, is a transitional housing placement program not licensed by the Department, but certified by counties to provide housing and supportive services, as needed, to emancipated youth pursuant to Welfare and Institutions Code Section 11403.2(a)(2).

- u. (1) Underpayment - An amount owed to a group home provider by the Department.

- (2) Repealed by Manual Letter No. OPS-99-05, effective 12/10/99.

- v. (Reserved)

- w. (1) Weighting/Weighted - The factor applied to the eligible hours in each of the three program components to determine the number of points.

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- x. (Reserved)
- y. (Reserved)
- z. (Reserved)

NOTE: Authority cited: Sections 10553, 10554, 11460(b), 11462(i) and (j), 11462.06, 11466.1, 11466.21, 11466.22, 11466.5, and 14680, Welfare and Institutions Code; Section 1559.110, Health and Safety Code; and Chapter 1294, Statutes of 1989, Section 23. Reference: Sections 1200, 1250, 1502(a)(1) and (a)(8), 1502.4, 1502.4(a)(1), (a)(2)(A), and (b), 1530.8, and 1559.110, Health and Safety Code; Section 3353, California Labor Code; Sections 4096, 4096(e)(2), 4096.5, 5600.3(a)(2), 5777, 5778, 10852, 11226, 11228, 11230, 11231, 11232, 11233, 11234, 11235, 11236, 11400(h), 11402.5(a), 11460, 11461.1, 11462, 11462(a)(1), 11462.01(a)(2)(A)(i) and (ii), 11462.01(a)(2)(B)(i), 11462.03, 11466.1, 11466.2, 11466.21, 11466.22, 11466.3, 11466.31, 11466.33, 11466.34, 11467.1 (Assembly Bill 1197, Chapter 1088, Statutes of 1993), 11468, 11468.6, 14680, 16522(a), (b), and (c), and 18350, Welfare and Institutions Code; Public Laws 98-502 and 104-156; Assembly Bill 1575, Chapter 728, Statutes of 1997; The Classification of Group Home Program Under the Standardized Schedule of Rate System Report, August 30, 1989, and Title 8, California Code of Regulations, Section 11050; and federal Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; *Government Auditing Standards* of the Comptroller General of the United States (Yellow Book) 1994 Revision, including Amendment No. 1 (May 1999) and Amendment No. 2 (July 1999) Section 4.25 and 4.26; and Department of Health and Human Services, Administration for Children and Families letters dated April 19, 2001, February 22, 2002 and May 7, 2002; American Institute of Certified Public Accountants Statement on Auditing Standards Number 82, Description and Characteristics of Fraud.

11-401 **FAMILY HOME RATES** **11-401**

- .1 Family Home Basic Rates
 - .11 The family home basic rate shall include but not be limited to the cost of, and the cost of providing, the following items:
 - .111 Food
 - .112 Clothing
 - .113 Shelter
 - .114 Daily supervision
 - .115 School supplies
 - .116 Personal incidentals
 - .12 In addition to the items specified in .11 above, the family home basic rate shall be allowed to include the cost of, and the cost of providing, the following:
 - .121 Reasonable travel to the child's home for visitation.
 - .122 Liability insurance which covers the child.
 - .13 Counties shall adjust existing county basic rate age group categories to conform with the age group categories specified in Welfare and Institutions Code Section 11461, in the first fiscal year after June 30, 1983 in which a cost-of-living increase is provided in accordance with Welfare and Institutions Code Section 11453.
 - .14 Counties shall determine basic rates for AFDC-FC children placed in family homes in accordance with Welfare and Institutions Code Section 11461(a), (b), (c) and (d).

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.141 Welfare and Institutions Code Section 11461 provides generally:

Counties shall make payments in accordance with the updated rate schedule shown below.

The updated schedule for 1999/00 (effective July 1, 1999) reflects a 2.36 percent increase to the 1998/99 rates pursuant to the California Necessities Index. The basic rates are as follows:

Age	Rate
0-4	\$384
5-8	\$418
9-11	\$446
12-14	\$494
15-19	\$540

Those counties which had in effect a basic rate that was higher than the basic rate established on October 1, 1989, also received a 2.36 percent increase pursuant to the California Necessities Index for the 1999/00 FY, effective July 1, 1999.

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.15 Repealed by Manual Letter No. OPS-99-01, effective 1/1/99.

.2 Family Home Specialized Care Rate Determination

.21 Counties shall determine the specialized care rate in accordance with .211 and .212 below and Welfare and Institutions Code Section 11461(e):

.211 Counties shall separately identify their basic rate and specialized care increment which comprise the specialized care rate using the county's basic rate schedule in effect as of July 1, 1982.

(a) Any county that currently does not separately identify the basic rate and specialized care increment from the specialized care rate shall subtract the July 1, 1982 basic rate from the specialized care rate. The remainder shall be the county's July 1, 1982 specialized care increment.

11-401 **FAMILY HOME RATES** (Continued) **11-401**

.212 The specialized care rate shall be the sum of the basic rate as determined in .14 above plus the specialized care increment as determined in .211 above and Welfare and Institutions Code Section 11461(e).

.3 Family Home Specialized Care Rate System

.31 Beginning July 1, 1984, counties with existing specialized care systems shall:

.311 be permitted to retain such systems; and

.312 provide the Department with a description of their family home specialized care payment practices as required by Section 11-425.15.

.32 Modification or Adoption of a System

.321 Beginning July 1, 1984 and subject to departmental approval, counties shall be permitted to modify an existing system or adopt a new system if the county demonstrates that General Fund costs for AFDC-FC payments will not increase as a result of the new or modified system.

.322 Modification means any change which affects:

- (a) the population to be served;
- (b) the type of eligible facilities utilized;
- (c) the amount paid; or
- (d) the method of determining the amount paid.

.323 Any county wishing to modify or adopt a specialized care system shall submit a proposal to the Department which describes the county's current specialized care system, if applicable, and the county's proposed system.

- (a) The proposal shall include the following:
 - (1) characteristics and number of the current specialized care population and the proposed population, including types of behavior and/or health problems for which a specialized care rate is currently paid and/or for which a specialized care rate would be paid under the proposed system;

11-401 **FAMILY HOME RATES (Continued)** **11-401**

- (2) types and number of facilities presently caring for this population, and types and number of facilities the county is proposing to use;
- (3) cost of the current specialized care population and estimated cost of care for the proposed system;
- (4) projected caseload shifts from:
 - (A) number of children in family homes receiving the basic rate to number of children in family homes receiving a specialized care rate; and
 - (B) number of children in group homes to number of children transferred from group homes to family homes receiving specialized care rates.
- (5) The effect of the county's proposed system on children already receiving a specialized care rate for their placements;
- (6) the county's process for approval of the specialized care for individual children under the current and the proposed systems;
- (7) proposed implementation plan and date; and
- (8) a comparison of net state General Fund expenditures for AFDC- FC payments before and after the proposed modification or adoption of the system.

.33 Conditional Review and Approval

- .331 Upon receipt of a county proposal for modification or adoption of its system, the Department shall review the following:
 - (a) the proposal submitted by the county;
 - (b) comparable data on the Child Welfare Services/Case Management System (CWS/CMS); and
 - (c) any other information which will assist the Department to evaluate the county's proposal.

11-401 **FAMILY HOME RATES (Continued)** **11-401**

.332 After review of all pertinent information, the Department shall notify the county in writing that its plan has either been granted conditional approval or rejected.

- (a) If the plan is rejected, the Department shall notify the county in writing of the reasons for rejection.

.34 Final Review and Approval

.341 Within one year from the implementation date of a county proposal, the Department shall review the available data for that county as follows:

- (a) change in number and percent of children placed in family homes and group homes;
- (b) change in number and percent of children receiving specialized care;
- (c) change in the ratio between group home and family home population and cost, exclusive of the specialized care population and cost;
- (d) change in overall cost of family home and group home care, adjusted for cost-of-living increases granted by the Legislature for relevant fiscal year(s);
- (e) change in overall cost of specialized care;
- (f) change in proportion of children receiving specialized care in relation to total AFDC-FC population;
- (g) any other information requested by the Department which will assist the Department to determine whether the county's specialized care system is meeting its fiscal objectives.

.342 If the county's system has not increased General Fund expenditures for AFDC-FC payments, the Department shall grant final approval.

- (a) This approval shall remain in effect until such time as the Department determines that General Fund expenditures for AFDC-FC payments have increased as a result of implementation of the new or modified system.

11-401 **FAMILY HOME RATES (Continued)** **11-401**

.343 If, as a result of implementation of the new or modified system, the Department determines that General Fund expenditures for AFDC-FC payments have increased, the Department shall rescind approval and notify the county in writing that the county shall have 60 days to revert to the family home payment practices which were in effect in the county when the county requested approval of the new or modified system as specified in Section 11-401.32.

(a) The written notice shall contain a statement of the reason(s) for rescission of the approval.

.4 Out of County Placements

.41 When a child is placed in a family home located in a county different from the county with payment responsibility, the county with payment responsibility shall pay the basic rate of the host county.

.42 When a child is receiving a specialized care rate in accordance with Section 11-401.2 and is placed in a family home located in a county different from the county with payment responsibility, the county with payment responsibility shall:

.421 pay the host county specialized care rate; or

.422 pay its own specialized care rate if the host county has no specialized care system.

.43 When a child who is eligible to receive an Adoption Assistance Program benefit is placed for adoption in a county different from the county with payment responsibility or in another state, the amount of the child's Adoption Assistance Program benefit shall be determined in accordance with Title 22, Section 35333 or 35334.

.5 Repealed by Manual Letter No. OPS-99-01, effective 1/1/99.

NOTE: Authority cited: Sections 10553, 10554, and 16118, Welfare and Institutions Code. Reference: Sections 11461, 11468, 16118(e), 16120, and 16121, Welfare and Institutions Code.

11-402 **GROUP HOME RATE SETTING** **11-402**

- .1 Group Home Rate Determination Process - General Overview
 - .11 The Department shall determine the RCL for each nonprofit group home program utilized for AFDC-FC placements to set a rate using the standardized schedule of rates.
 - .111 For the period of Fiscal Year 1992-93 from January 1, 1993, through June 30, 1993, the Department shall establish a rate for a group home which changes status from for-profit to nonprofit if the following requirements are met:
 - (a) The group home program had a rate established prior to January 1, 1993, as a group home organized and operated as an unincorporated proprietorship, a partnership, or a for-profit corporation;
 - (b) The group home has organized and is operating on a nonprofit basis as of January 1, 1993; and
 - (c) The documentation in Section 11-402.354 has been submitted by January 1, 1993.
 - .12 The RCL shall be determined using points which measure the number of weighted eligible hours per child per month of CCS, Social Work Activities, and Mental Health Treatment Services.
 - .121 For program classification, only those hours in the program components of CCS and Social Work Activities funded through the AFDC-FC program and unrestricted private donations shall be used to calculate program classification points.
 - .122 For the purpose of calculating points for program classification, weighted eligible hours in the program components of CCS and Social Work Activities may include hours paid by the group home with funds received from another public agency using a source other than the AFDC-FC program when the written agreement or contract between the group home and the public agency specifies that the funds will not be used to pay for additional hours, but will be used by the group home to supplement the wage which would otherwise be paid with AFDC-FC funds.
 - .123 The weighted eligible hours of CCS and Social Work activities that a provider may include for the purpose of calculating points for program classification shall be reduced when the provider utilizes funds from a public source other than the AFDC-FC program unless the conditions specified in Section 11-402.122 are met.

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- .124 Program hours shall be allocated based on an empirical allocation methodology which shall account for eligible and ineligible AFDC-FC program hours. The allocation methodology used to determine the total number of hours which are eligible for program classification points shall include, but not be limited to, the following: eligible and ineligible program classification funding sources; or eligible and ineligible service hours in child care and social work; or the number of AFDC-FC eligible children versus ineligible children; or an allocation based on square footage or any other allocation methodology agreed to in advance of the beginning of the fiscal year between the Department and the provider.

- .13 The number of points determine the RCL for each group home program.

- .14 There is a corresponding standard rate for each RCL.

- .15 The standardized schedule of rates for fiscal year 1999/00 (effective July 1, 1999) is specified in Welfare and Institutions Code Sections 11462(f) and 11462(g)(1)(A).

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- .151 Welfare and Institutions Code Sections 11462(f) and 11462(g)(1)(A) provide:

Rate Classification Level	Point Ranges	Standard Rate beginning FY 1999-00
1	under 60	\$1,284
2	60- 89	1,604
3	90-119	1,923
4	120-149	2,243
5	150-179	2,561
6	180-209	2,881
7	210-239	3,201
8	240-269	3,521
9	270-299	3,840
10	300-329	4,160
11	330-359	4,478
12	360-389	4,799
13	390-419	5,121
14	420 & up	5,439

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- .16 The standardized rate for each RCL shall be increased by 2.36% commencing January 1, 2000 for the remainder of fiscal year 1999-00.

11-402 **GROUP HOME RATE SETTING** (Continued) **11-402**

- .17 Beginning with fiscal year 2000-01, the standardized schedule of rates shall be adjusted annually by an amount equal to the CNI, subject to the availability of funds.
- .18 Requirements of rate classification levels (RCLs) of 13 or 14:
 - .181 The group home program shall meet all of the following requirements:
 - (a) Generate sufficient points to be classified at RCL 13 or RCL 14;
 - (b) Agree not to accept any child unless the child is either an assessed/qualified child, as defined in Section 11-400a.(2), or an emergency placement, as defined in Section 11-400e.(2); and
 - (c) Meet the certification requirements of a Certified Group Home Program, as defined in Section 11-400c.(2).
 - .182 The determination that a child is an assessed/qualified child and the approval for placement of an AFDC-FC funded child shall be completed, in writing, by an Interagency Placement Committee (IPC), except as follows:
 - (a) Group home providers may accept seriously emotionally disturbed children who are assessed and placed out-of-home pursuant to an Individualized Education Program (IEP) in lieu of being assessed and approved for placement by the IPC. An IEP developed under Section 7572.5 of the Government Code shall be deemed to have met the IPC requirements for approval for placement if it contains the following:
 - (1) The IEP must indicate that the child has been determined to be seriously emotionally disturbed; and
 - (2) The IEP must indicate the child is in need of the level of care provided by the group home program.
 - (b) For a child whose referral into a group home program classified at RCL 13 or RCL 14 is not from a public agency and no public funds are involved, placement into a group home program classified at RCL 13 or RCL 14 shall not occur unless the child has been assessed. The assessment to determine whether the child is seriously disturbed and in need of the level of care and supervision provided by the group home program shall be completed by a mental health professional.
 - (1) There shall be no requirement for either an assessment by the IPC or for a determination of need.

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (c) A child whose placement is county-only funded shall not be placed in a group home program classified at an RCL 13 or RCL 14 unless the child has been assessed by a mental health professional. The child must be assessed as seriously emotionally disturbed and in need of the level of care and supervision provided by the group home program classified at RCL 13 or RCL 14.

- .183 If an AFDC-FC funded child who is placed does not have written approval from the IPC for placement:
 - (a) The group home provider shall notify within 24 hours of discovery the county placing agency, in writing, and shall request the county to either obtain approval from the IPC or remove the child from the group home program.

 - (b) If the county placing agency fails to either obtain approval for placement of the child from the IPC or remove the child from the group home program within 30 days from the date of the notice from the group home provider, as required in Section 11-402.183(a) the group home provider shall:
 - (1) Notify the county placing agency and the Department, in writing, within 5 days after the expiration of the 30-day approval or removal period, of the county's failure to remove the child from the group home program.
 - (A) The 30-day approval or removal period begins on the date of notification by the group home provider to the county that the child has not been approved for placement.

 - (c) If the county placing agency fails to either obtain approval for placement of the child from the IPC or remove the child from the group home program within 30 days, the county shall be assessed a penalty by the Department:
 - (1) The penalty shall be in the amount of the state and federal financial participation in the AFDC-FC rate paid on behalf of the child.

 - (2) The penalty will commence on the 31st day of placement and continue until the child is removed.

 - (d) If the group home provider fails to notify the county placing agency as required by Section 11-402.183(b)(1), the group home provider shall be assessed a penalty:

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- (B) For the child whose placement is determined not to be appropriate, the county placing agency shall remove the child.
- .185 In such cases that the State Department of Mental Health or a delegated county terminates the mental health treatment program certification as referenced in Section 11-400c.(2), the Department of Mental Health or delegated county should immediately notify the California Department of Social Services (CDSS).
- (a) Notification shall be made to the CDSS' Community Care Licensing Division (CCL); and
- (b) Notification shall be made to the CDSS' Foster Care Rates Bureau.

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- .186 The program certification issued by the State Department of Mental Health or its designee shall be valid for a period of one year unless terminated and shall specify the date the group home program met the certification requirements.
- .187 In such cases that the mental health treatment program certification as referenced in Section 11-400c.(2) is terminated, the group home provider shall within 24 hours:
- (a) Notify the CDSS' Community Care Licensing Division;
- (b) Notify the CDSS' Foster Care Rates Bureau; and
- (c) Notify all placing agencies that have children placed in the program.
- .188 In addition to the requirements specified in Sections 11-402.181 through 11-402.187, a Community Treatment Facility program shall also meet the requirements specified by Sections 11-402.188(a) and (b) below:
- (a) Be currently licensed by CCL as required by Title 22, Division 6, Chapter 1, Sections 80001 through 84188 et seq., California Code of Regulations. Failure to have a current CCL license shall result in the provider's rate being terminated in accordance with Section 11-402.395.
- (b) Have a current CDMH mental health treatment program certification as required by Title 9, Chapter 12, Section 1902 et seq., California Code of Regulations. Failure to have a current CDMH mental health treatment program certification shall result in the provider's rate being terminated in accordance with Section 11-402.395.

11-402 **GROUP HOME RATE SETTING** (Continued) **11-402**

- .19 The IPC shall review the placement of the child as often as necessary, but no less than every six months.
- .191 The IPC may, subsequent to the placement of the child in a group home program classified at RCL 13 or RCL 14, determine that the child is not seriously emotionally disturbed or is not in need of the care and services provided by the group home program. If the IPC determines that the placement into the group home program classified at RCL 13 or RCL 14 is not appropriate or that the child no longer needs, or is not benefitting from, placement in an RCL 13 or RCL 14 program, the IPC shall require the removal of the child and a new disposition. In these situations, the IPC shall notify, in writing, both the county placing agency and the group home provider within ten days of the determination.

11-402 **GROUP HOME RATE SETTING** (Continued) **11-402**

- (a) The county placing agency shall notify the group home provider, in writing, within five days from the date of the notice from the IPC of the county's plan for removal of the child.

 - (b) The county placing agency shall remove the child from the group home program within 30 days from the date of notice from the IPC.

 - (c) If the county placing agency fails to remove the child within 30 days from the date of notice from the IPC, the group home provider shall:
 - (1) Notify the IPC and the Department, in writing, that the county failed to remove the child within 30 days from the date of the notice from the IPC; and

 - (2) The notification shall be within 5 days of the expiration of the 30-day period.

 - (d) If the county placing agency fails to remove the child from the group home program within 30 days from the date of the notice from the IPC, the county shall be assessed a penalty by the Department.
 - (1) The penalty shall be in the amount of the state and federal financial participation in the AFDC-FC rate paid on behalf of the child.

 - (2) The penalty will commence on the 31st day of placement and continue until the child is removed.
- .192 For a child placed in a group home program classified at RCL 13 or RCL 14 that is later placed in another group home program classified at RCL 13 or RCL 14, a new determination by the IPC shall be required.

.2 Program Classification

.21 Eligible Hours for Program Components

.211 Child Care and Supervision (CCS)

11-402 **GROUP HOME RATE SETTING** (Continued)

11-402

- (a) Eligible hours of CCS shall be compensated in accordance with the Department of Industrial Relations rules and regulations (see Industrial Welfare Commission Order No. 5-89, Title 8, California Code of Regulations, Section 11050) and shall be determined by counting paid-awake hours of child care workers (including nurses) and first-line supervisors while performing child care duties. Eligible hours of CCS shall also include the paid-awake hours provided by houseparents (as defined in Section 11-400h.(2) serving children under six while performing houseparent duties in a group home, and Community Treatment Facility licensed nursing staff performing CCS duties in a Community Treatment Facility.
- (1) Each group home program shall be required to provide child care duties or houseparent duties and report eligible CCS hours.
- (2) Hours of vacation, sick leave, training time or other types of leave shall be counted at the time paid. These hours are not subject to the 54-hour limitation.

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (3) No more than 54 hours per week per individual child care worker, Community Treatment Facility licensed nursing staff, houseparent and individual first-line supervisor for any program(s) shall be projected on any Program Classification Report(s), SR 2 (Rev. 12/94) Column 2, line 16.

- (4) More than 54 hours per week per individual child care worker, Community Treatment Facility licensed nursing staff, houseparent and individual first-line supervisor for any program(s) may be reported on any SR 2(s) (Rev. 12/94) Column 2, lines 1 through 12 when:
 - (A) The employee was required to work the additional hours of CCS to prevent children from being in an unhealthy or unsafe situation, and
 - (B) The employee was compensated for the additional hours of CCS in a manner consistent with the Department of Industrial Relations, and
 - (C) The employee was not required to work in excess of 54 hours on a regular basis.

- (5) Hours shall be allocated as required by the August 30th Report, page 5.

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- (A) The August 30th Report, Page 5, ALLOCATION OF HOURS AMONG FUNCTIONS, states:

"ALLOCATION OF HOURS AMONG FUNCTIONS

Some group home staff perform more than one function. For the program classification purposes, the group home provider will be required to allocate the hours worked by such staff among the various functions they perform.

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For example, the administrator of a group home also spends part of his/her time performing social work activities and supervising child care staff. The provider states that the administrator typically works a 60-hour week, spending 30 hours performing administrative tasks, 15 hours performing Social Work Activities, and 15 hours supervising child care workers. The allocation of the administrator's time is 50% for administration, 25% for social work, and 25% for child care and supervision. The time spent on administration does not fall into one of the three program components and cannot be counted for program classification purposes. Given the 54-hour cap, 13.5 hours (25% of 54 hours) can be counted for program classification purposes as Social Work Activity and 13.5 hours can be counted as Child Care and Supervision. These hours can be weighted to reflect the administrator's experience, education, ongoing training, and professional qualifications."

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- (B) A program shall allocate the hours worked by administrative staff among the following:
 - (i) Administrative functions;
 - (ii) Child care and supervision;
 - (iii) Social work activities;
 - (iv) Mental health treatment; and
 - (v) Other employment.

- (C) All administrator's, as defined in California Code of Regulations, Title 22, Sections 80001(a)(1) and 84064, and facility manager's, as defined in Health and Safety Code Section 1522.4(a), work hours per week shall be allocated to administrative functions subject to the following requirements:

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (i) A program may report hours worked by administrators and facility managers towards program classification so long as the reported hours are allocated in accordance with Sections 11-400e.(1), 11-402.211(a)(5), 11-402.212(a)(4) and documentation is provided to verify the administrative staff person provided hours that are eligible for program classification.

- (ii) If a group home program does not allocate administrator's and facility manager's work hours in accordance with Section 11-402.211(a)(5)(C)(i), the following shall apply:
 - a. For a six-bed program, a minimum of 20 hours per week per administrator and facility manager shall be allocated to the administrative functions related to the operation of a group home program such as ensuring compliance with licensing requirements; and

 - b. For a program greater than six beds, 100 percent of the administrator's and facility manager's time shall be allocated to the administrative functions related to the operation of a group home program such as ensuring compliance with licensing requirements.

- (D) A Community Treatment Facility shall allocate the hours worked by the licensed nursing staff among the following:
 - (i) CCS;

 - (ii) Required CDMH nursing functions in a Community Treatment Facility;

 - (iii) Administrative tasks, including training or other activities;

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Example:

A Community Treatment Facility licensed nursing staff employee works the following hours per task during a 40-hour week:

24 hours/week: Performing CDMH required nursing functions.

12 hours/week: Performing CCS duties.

4 hours/week: Performing administrative or other tasks such as training.

As documented by their timecards/records, this Community Treatment Facility licensed nursing staff employee's percentage of time per task is as follows (i.e.: 24 hours divided by 40 hours = 60%):

60% of their time: Performing CDMH required nursing functions.

30% of their time: Performing CCS duties.

10% of their time: Performing administrative or other tasks such as training.

From this example, the following conclusions can be reached with regard to establishing the RCL for this Community Treatment Facility:

- The 24 hours/week of CDMH required nursing functions are not pointable toward the establishment of an RCL for the Community Treatment Facility.
- The 12 hours/week of CCS duties are pointable toward the establishment of an RCL for the Community Treatment Facility.
- These pointable hours of CCS can be weighted as provided by MPP Sections 11-402.224(b) and (c).
- The four hours/week of administrative or other tasks such as training staff is not pointable toward the establishment of an RCL for the Community Treatment Facility.

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11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (6) Eligible hours do not include hours of care and supervision given solely to children living with their minor parent(s) and receiving an infant supplement payment.

.212 Social Work Activities

- (a) Eligible hours of social work activities shall be compensated in accordance with the Department of Industrial Relations rules and regulations (see Industrial Welfare Commission Order No. 5-89, Title 8, California Code of Regulations, Section 11050) and shall be determined by counting the paid-awake hours of social work activities performed by social workers. For group home programs serving children under six, eligible hours of Social Work activities must be provided by a Social Worker with a minimum educational level of a Masters Degree in a behavioral science and no more than twelve cases in a caseload.

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (1) Hours of vacation, sick leave, or other types of employee leave shall be counted at the time paid. These hours are not subject to the 54-hour limitation.

- (2) No more than 54 hours a week per individual social worker for any program(s) shall be projected on any SR 2(s) (Rev. 12/94) Column 2, line 16.
 - (A) Eligible hours of social work activities performed under the terms of a direct contact contract which are given the additional weighting of 2.0 [see Section 11-402.222(d)] shall be doubled to determine an individual's hours for the 54-hour limit.

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- (B) Example: An LCSW provides five hours of social work activities under the terms of a direct contact contract. The weighted social work hours for this individual prior to application of the additional 2.0 direct contact contract weighting are 12.5. However, after applying the additional 2.0 weighting the total weighted hours increases to 25. In determining the individual's hours for the 54-hour limit, 25 hours shall be countable.

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- (3) More than 54 hours a week per individual social worker for any program(s) may be reported on any SR 2(s) (Rev. 12/94) Column 5, lines 1 through 12 when:
 - (A) The social worker was compensated for the additional hours of social work activities in a manner consistent with the Department of Industrial Standards, and
 - (B) The social worker was not required to work in excess of 54 hours on a regular basis.

- (4) Hours shall be allocated as required by the August 30th Report as specified in Section 11-402.211(a)(5).

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (5) A group home employee functioning as an existing social worker shall be considered a social worker and have his/her hours counted as social work activities if:
 - (A) The employee has been identified and claimed as a social worker in the same program under the cost-based rate setting system prior to July 1, 1990, and
 - (B) The employee does not meet the degrees and equivalents as defined in Section 11-400s.(5).

- (6) Family reunification activities and services provided solely to the family that are not in direct relation to the child's case plan shall not be counted as eligible social work activity hours.

.213 Mental Health Treatment Services

- (a) Eligible hours of mental health treatment services shall be determined by counting the paid-awake hours of the mental health professional while providing mental health treatment services.
 - (1) Hours shall be allocated as required by the August 30th Report and as specified in Section 11-402.211(a)(5).
 - (2) Hours that include other staff, such as child care workers, social workers or group home administrators, etc., are counted when the child is also included.
 - (3) The mental health professional's time is counted, not the child's time.

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- (A) A mental health professional in a one-hour group session with four children is counted as one hour of mental health treatment time.

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11-402 **GROUP HOME RATE SETTING** (Continued) **11-402**

- (4) One hour shall be counted for the mental health professional's evaluation of each psychometric test administered by the mental health professional.

.22 Weightings for Program Component Hours

.221 Child Care Supervision (CCS) Weightings

- (a) Each child care worker, houseparent and first-line supervisor shall have a base factor of 1.0 for each eligible hour.
- (b) Additional weighting shall be given to each eligible CCS hour on the basis of the experience and/or education of individual staff or the provision of on-going training by the provider for child care workers, houseparents and first-line supervisors. The maximum additional weighting for any staff is 3.00.
 - (1) Child care and supervision hours shall not be eligible for double weighting.
- (c) Residential Child Care Experience
 - (1) Each child care worker, houseparent and first-line supervisor shall receive additional weighting for previous paid-awake experience in residential child care specified in Section 11-400r.(6) as follows.
 - (A) Twenty-four (24) through 47 months of full-time equivalent (FTE) experience shall qualify for additional weighting of 0.15.
 - (B) Forty-eight (48) months or more of full-time equivalent (FTE) experience shall qualify for additional weighting of 0.25.
- (d) Formal Education

Each child care worker, houseparent and first-line supervisor shall receive additional weighting for each eligible hour of CCS based on his/her formal education as follows:

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11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (1) Sixty (60) semester units or its equivalent as listed below shall receive an additional weighting of 0.05.
 - (A) An Associate of Arts or Science Degree that requires less than 60 units for completion, or
 - (B) A certificate in a subject directly related to child care that requires less than 60 semester hours but more than 20 semester hours in courses that deal with child related subjects.
 - (C) A certificate in a subject directly related to drug and alcohol programs from an accredited course of study that requires less than 60 semester hours when:
 - (i) The individual is employed by a group home program with the criteria described in Section 11-402.411(a)(6), and
 - (ii) The course of study gave the individual the choice of either track, i.e., the Associate of Arts Degree or the certification program.
 - (iii) Certificates include but are not limited to the following: alcohol and/or drug counseling, dependency specialist, or abuse studies.
- (2) A Bachelor of Arts or Science Degree in a major that is not related to the behavioral sciences shall receive an additional weighting of 0.10.
- (3) A Bachelor of Arts or Sciences Degree in one of the behavioral sciences specified in Section 11-400b.(4) or other equivalent disciplines listed in Section 11-402.221(d)(3)(A), (B), or (C) relevant to the provision of services to foster care children to be served by the group home program shall receive an additional weighting of 0.25.
 - (A) A certificate from the California Association of Alcohol and Drug Abuse Counselors as a Certified Alcohol Counselor, Certified Drug Counselor or Certified Alcohol and Drug Counselor based on an accredited course of study plus the required supervised experience when the program statement specifies the population of children to be served by the program requires this professional level.

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (B) A certificate directly related to drug and alcohol programs from an accredited course of study that requires 60 semester hours or more but less than four years may receive the additional weighting when:
 - (i) The individual is employed by a group home program, which accepts chemically addicted children as described in Section 11-402.411(a)(6), and
 - (ii) The course of study gave the individual the choice of either track, a Bachelor's Degree, or the certificate program.

- (C) A vocational training certificate or credential or documentation stating the individual is a trade journeyman and instructs vocational skills to children in a vocational program as described in Section 11-402.411(a)(6)(A).

- (4) A Master's Degree in a behavioral science specified in Section 11-400b.(4) or other equivalent discipline listed in Section 11-402.221(d)(4)(A) shall receive an additional weighting of 0.40.
 - (A) The individual teaches vocational skills to children in placement, and the provider:
 - (i) Has documentation showing the individual is a licensed contractor, or
 - (ii) Has documentation showing the individual is a journeyman in more than one vocational trade.

- (e) On-Going Training
 - (1) Each eligible hour of CCS shall receive an additional weighting of 0.10 when an average of 40 or more hours of on-going training per person (full-time equivalent [FTE]) per year is provided. See definition of on-going training at Section 11-400o.(2).
 - (2) The number of hours of on-going training required by a group home program to qualify for the additional weighting shall be computed by:

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (A) Determining the number of FTE CCS staff by: dividing the total number of eligible CCS hours by the number of full-time hours in the same time period (i.e., 40 hours per week or 173 hours per month) and

- (B) Multiplying the number of FTE CCS staff by 40.

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- (C) Example: The ABC group home has five child care workers who work from 15 to 54 hours per week and one full-time first-line supervisor. The combined number of hours they are expected to work in the next 12-month period is 12,636. Divide the hours worked by 2080 (annualized full-time equivalent based on a 40-hour work week) = 6.075 FTE. Multiply the 6.075 FTE by 40 hours per employee = 243 hours of training the provider must provide for all eligible CCS hours to be weighted by the additional 0.10.

- (D) An example of eligible allocated hours counted toward on-going training is: Helen is the cook in the ABC group home program, but for two hours each afternoon she has responsibility for supervising a group of children. She meets the CCL requirements for a child care worker. The hours of training she receives, relevant to her child care duties, are countable for the training time furnished by the provider toward the additional CCS weighting of 0.10 for all CCS hours.

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- (3) The following types of training shall qualify as on-going training for weighting purposes.
 - (A) All training required by Community Care Licensing (CCL) for child care workers as specified in Title 22, Division 6, Sections 84065(h)(1) and 80065(e)(2).

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- (i) Section 84065(h)(1) states in part: "...child care staff (shall be required) to receive...a minimum of 20 clock hours of continuing education during the first 18 months of employment and during each three years thereafter."
- (ii) Section 80065(e)(2) states: "Adults who supervise while clients are using a pool or other body of water from which rescue requires the rescuer's ability to swim, shall have a valid water safety certificate."

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- (B) The training shall be directly related to the individual's child care worker duties, the group home program, or the needs of children in care.
- (C) For houseparents in group home programs serving children under six all of the training required in Section 11-400o.(2)(A).
- (4) Audio or video tape training shall be counted provided:
 - (A) It is used within the structure of a group training setting.
 - (B) The subject is introduced in person by a qualified individual, and
 - (C) Audience interaction with the qualified individual is available.
- (5) Audio or video tape training shall not qualify when the provider supplies the training package and sends it home with individual employees to view on their own time.
- (6) The on-going training hours for a group home program shall be allocated among all staff.

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (7) For those group home programs classified at RCL 13 or RCL 14 to receive an additional weighting of 0.10 for each eligible hour of Childcare and Supervision (CCS), there shall be two options. In addition to qualifying by providing an average of 40 or more hours of ongoing training per childcare employee, the requirement for receiving the additional weighting shall be met if the childcare and first line childcare supervisory staff is trained in the management of assaultive behavior, and all the following conditions are met:
 - (A) The training must be at least 14 hours in length;
 - (B) The training must be conducted by a professional organization or someone trained and currently certificated by a professional organization as a qualified instructor, and approved by the Department;
 - (C) The entire childcare and CCS staff must complete the training and remain certified and the certifications must be current; and
 - (D) Documentation necessary to verify training as described in Section 11-400t.(1) and documentation that the requirements of Section 11-402.221(e)(7) have been met shall be maintained. In addition, if a provider chooses to claim additional points for training and selects this option, in lieu of submitting a training plan the provider shall submit the name of the professional organization providing the training, when it will be scheduled and the names of childcare staff the provider has scheduled to attend.

- (8) For provisional rate audits, the training weighting, if claimed, shall automatically be added to the weightings of all child care workers employed during the audit period.

.222 Social Work Activities Weightings

- (a) Weightings shall be given to each eligible hour of social work activity based on the professional level of each social worker as specified in the August 30th Report, page 3.

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The August 30th Report states in part:

"(1)	Licensed Clinical Social Worker (LCSW)	2.5
(2)	Licensed Marriage, Family and Child Counselor (LMFCC)	2.5
(3)	Master's of Social Work (MSW) (60 units)	2.0
(4)	Master's of Science in Counseling (MSC) (60 units)	2.0
(5)	Master's (30 units) in a discipline which would enable the individual to sit for the LMFCC or LCSW exam.	1.75
(6)	Bachelor of Social Work (BSW) with at least two years of full-time equivalent experience.	1.5"

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- (b) In addition to the above weightings, each eligible hour of social work activity performed by a group home employee who meets the requirements of Section 11-402.212(a)(5) shall be eligible for the weighting of 1.5.
- (c) All individuals, whether employee or under contract, receive the same weighting for their professional level.
- (d) Each weighted eligible hour of social work activities provided under the terms of a direct contact contract shall be multiplied by 2.0 subject to the following restrictions:
 - (1) The contract only reimburses for those hours spent in direct contact with the child(ren) being served and does not reimburse for ancillary social work activities, such as the development of needs and services plans or discharge plans;

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (2) A maximum of 20 hours per week per social worker, of the contracted direct contact social work activities shall be multiplied by 2.0.

- (3) The person providing the social work activities is not an employee of the group home provider and meets the requirements of an independent contractor as specified in Section 11-400d.(6).
 - (A) The relationship between the group home provider and the individual providing social work activities shall be evaluated by several factors, including but not limited to:
 - (i) The group home has no control over the manner and means by which the individual providing the social work activities performs his/her services.
 - (ii) The payment for social work activities performed is based on completion of the specifics in the contract.
 - (iii) The group home provider and the individual providing the social work activities do not view the work relationship as one of employee/employer.

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- (iv) Example: The weighting for an LCSW providing contracted social work activities for direct contact with the children is computed as one hour of service x 2.5 LCSW x 2.0 "direct contact" = 5.0.

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.223 Mental Health Treatment Services Weightings

- (a) Weighting shall be given to each eligible hour of direct contact mental health treatment services provided by a mental health treatment services professional based on the professional level of the individual as specified in the August 30th Report, page 4.

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The August 30th Report, states in part:

"(1)	Psychiatrist	5.0
(2)	Psychologist	5.0
(3)	Licensed Clinical Social Worker (LCSW)	2.5
(4)	Licensed Marriage, Family and Child Counselor (LMFCC)	2.5"

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- (b) In addition to the above weightings, each eligible hour of mental health treatment services provided by a licensed mental health professional whose license status is unknown and whose reimbursement is from any source other than AFDC-FC, shall be eligible for the weighting of 2.5.

- (c) Each eligible hour of mental health treatment services provided by anyone other than a licensed mental health professional as described in Section 11-400m.(3) shall not receive an additional weighting, but shall have a base factor of 1.0 for each eligible hour.

11-402 **GROUP HOME RATE SETTING** (Continued) **11-402**

.224 Community Treatment Facility Weightings for CCS and Training

- (a) Each licensed nursing staff in a Community Treatment Facility shall receive a base factor of 1.0 for each eligible hour of CCS they provide.

- (b) In accordance with their individual professional level, each licensed nursing staff in a Community Treatment Facility shall receive the following additional weightings for each eligible hour of CCS they provide:
 - (1) A licensed registered nurse with a Masters Degree in psychiatric nursing or related field with experience in administration as determined by DMH, Title 9, Chapter 12, Article 5, Section 1921, California Code of Regulations. 2.4

 - or

 - A licensed registered nurse with two years experience in psychiatric nursing. 2.4

 - or

 - A licensed registered nurse with two years experience in nursing administration or supervision and one year experience in psychiatric nursing. 2.4

 - (2) A licensed registered nurse. 1.0

 - (3) A licensed vocational nurse. 0.5

 - (4) A licensed psychiatric technician with no less than two years of full-time experience in a program serving persons 0.5

- (c) Each eligible hour of CCS worked by licensed nursing staff of a Community Treatment Facility may receive additional training weighting as provided by MPP Section 11-402. 221(e)(3).

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- (d) Except for nurses in Community Treatment Facility as specified in Sections 11-402.224(a), (b), and (c), every Community Treatment Facility childcare worker and/or first-line supervisor in compliance with CCL's experience and education requirements specified in Title 22, Division 6, Chapter 1, Sections 84165(d)(1) and/or 84165(d)(2), California Code of Regulations, or otherwise deemed to be a childcare worker by CCLD, shall receive a base factor of 1.0 for each eligible hour of CCS they provide.

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Title 22, Division 6, Chapter 1, Sections 84165(d)(1) and 84165(d)(2), California Code of Regulations state:

"The licensee shall ensure that all child care staff meet one of the following minimum qualifications prior to employment:

- "(1) Have two years of full-time residential child care experience and an associate of arts or science degree from an accredited or approved college or university, with a major or emphasis in behavioral science. Nine of those units must be in courses relating to children with behavioral problems which may be the result of abuse, neglect, or emotional trauma. The courses may include, but are not limited to, curriculums in corrections, psychology, social work, or social welfare.
- "(2) Have two years of full-time work experience in a program serving persons with mental disabilities and be currently a licensed psychiatric technician by the Board of Vocational Nurse and Psychaitric Examiners."

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- (e) A Community Treatment Facility childcare worker and/or first-line supervisor who meets the requirements of Section 11-402.224(d) shall also receive additional weighting for each eligible hour of CCS they provide in accordance with their level of full-time residential childcare experience, education, and training as follows:

(1)	Full-time Residential Childcare Experience	Additional Weighting
	(A) 0-23 months	0.15
	(B) 24-47 months	0.30
	(C) 48+ months	0.45

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	(2)	Level of Education	Additional Weighting
	(A)	0-59 units	0.00
	(B)	An Associate of Arts Degree with a major or emphasis in Behavioral Science	0.25
	(C)	A Bachelor of Arts Degree with a major other than Behavioral Science	0.35
	(D)	A Bachelor of Arts Degree with a major in Behavioral Science	0.45
	(E)	A Master of Arts Degree	0.55
	(3)	Training	Additional Weighting
	(A)	Shall be applied only upon compliance with the provisions of Section 11-402.221(e) et seq.	0.60
	(B)	CTF providers shall be required to provide 40 hours of on-going training which meet the requirements in Section 11-402.221 to all child care staff employed by the program.	
	(C)	There shall be no additional weighting applied for compliance with the CTF personnel training requirements specified in Title 22, Division 6, Chapter 5, Section 84165(f), California Code of Regulations.	

.23 Point Computation

.231 Each eligible hour, as determined in Section 11-402.21, shall be multiplied by the weighting(s) attributed to each individual as determined in Section 11-402.22.

.232 The weighted hours for each program component shall be totaled separately.

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

.233 The separate program component's weighted hours shall be divided by the greater of 90 percent of the licensed capacity of the group home program or 5.4 to determine each of the program component's point scores except as provided below:

- (a) When the licensed capacity includes an unspecified mixture of children and minor parents and their infants in placement, divide the number of weighted hours by 90 percent of the total number of minor parents and other nonparent minors excluding child(ren) living with his/her minor parent in placement. This applies only to such programs where the licensed capacity includes the children receiving an infant supplement.

- (b) Effective July 1, 2002, a Community Treatment Facility provider may request a waiver to the 90 percent occupancy standard by submitting, as a component of the annual rate application process, a waiver request that meets all the requirements specified by Section 11-402.233(c) and (d).

- (c) The waiver request shall:
 - (1) Be in writing.

 - (2) Include a copy of the program statement. The program statement must state that the provider has entered into an agreement with the regional/county entity(ies) to reserve or leave bed(s) vacant.

 - (3) Include a copy of the contract the provider has entered into with the regional/county entity(ies) to reserve or leave bed(s) vacant. The contract must comply with the following requirements:
 - (A) Include a specific statement that the provider has entered into an agreement with the regional/county entity(ies) to reserve or leave bed(s) vacant and specify the alternative occupancy standard which shall not be less than 80 percent or greater than 90 percent of the provider's licensed capacity.

 - (B) Identify the party(ies) responsible for paying for the bed(s) the Community Treatment Facility provider has agreed to reserve or leave vacant.

 - (C) Include a specific statement that the provider shall comply with CCL's Community Treatment Facility staff/child ratio of one childcare person awake and on duty for each five children, or fraction thereof, from 7 a.m. to 10 p.m. as specified in Title 22, Division 6, Chapter 5, Section 84165.5, California Code of Regulations.

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (d) The Department shall deny any waiver request for less than 80 percent or more than 90 percent of licensed capacity.
- (e) For Community Treatment Facilities that have been granted a waiver under Section 11-402.233(b), points shall be computed using the occupancy factor specified in the waiver.

11-402 **GROUP HOME RATE SETTING** (Continued) **11-402**

.234 Providers shall report the actual number of mental health treatment services points per child, per month, for each program on an SR 2 (Rev. 12/94).

- (a) The mental health point score shall be determined as follows:
 - (1) The actual number of eligible mental health treatment services hours provided shall be reported for each month.
 - (2) The appropriate weightings shall be applied to the eligible hours and reported for each month.
 - (3) Except for a CTF program, the number of weighted hours shall be divided by 90 percent of licensed capacity to determine the number of points and reported for each month. A Community Treatment Facility program shall receive 30 points for all mental health treatment services provided.
 - (4) The total number of mental health treatment services points for the report period shall be reported.
 - (5) The average number of mental health treatment services points for the report period shall be reported.
- (b) The mental health treatment services points for children enrolled in a full-time mental health day treatment program shall be the ratio of the number of children in day treatment to the group home program's total licensed capacity. These mental health treatment services points for that month shall be reported without documenting hours, license, or professional level of the mental health professional. See Section 11-402.239(c).
- (c) The Department shall limit the mental health treatment services points to be counted in any one month to 60.
- (d) The Department shall limit the average points for mental health treatment services to 30 per month.

.235 The point scores from each of the three program components shall be totaled to determine the program points.

.236 The RCL shall be determined by comparing the program's points to the table of standardized schedule of rates in Section 11-402. 151.

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- .237 The projected points shall be the average for the level of care and services to be provided over the 12-month period.

- .238 The reported points shall be the actual number of points in each month which represent the level of care and services provided over the 12-month reporting period.

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- .239 An example of a group home program point computation:
 - (a) CCS point computation
 - (1) The XYZ group home program is licensed for six children and has four full-time equivalent child care workers. The provider has a training plan of more than 40 hours of training for the child care workers and first-line supervisors (0.10 additional weighting for each eligible CCS hour). Each child care worker and first-line supervisor has 1.35 total weightings. Two examples are:
 - (A) Irma has five years of residential child care experience (additional weighting of 0.25) and 15 semester units of college (no additional weighting) for 1.35 total weighting (1.0, base factor + 0.10, on-going training + 0.25, experience).
 - (B) Irene has one year of child care experience (no additional weighting) and a Bachelor's Degree in Sociology (0.25 additional weighting) for 1.35 total weighting (1.0, base factor + 0.10, on-going training + 0.25, education).
 - (2) Total CCS hours are 866.6 (50 average hours per week X 4 individuals X 4.333). The total weighted CCS hours per month are 1,169.91 (866.6 X 1.35); divided by 5.4 = 216.65.
 - (b) Social work point computation:
 - (1) The same group home program currently employs a Licensed Clinical Social Worker (LCSW) for 20 hours per week or 86.67 hours per month (20 X 4.333).

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The weighted social work hours per month for this social worker are 217.5 (87 X 2.5).

- (2) Another LCSW provided direct contact social work activities based on a contract for 80 hours per month.

The weighted social work hours per month for this social worker are 400 (80 hours X 2.5 professional level weighting X 2.0 "direct contact" contract additional weighting).

- (3) Total social work weighted points are 617.5 (217.5 + 400), divided by 5.4 for 114.35 points attributed to social work.

- (c) Mental health point computation:

- (1) The group home program averages six children in placement per month:

- (A) Two children in a mental health day treatment program;
- (B) Three others seen by a psychologist in a group therapy session at the group home for one hour a week; and
- (C) One other seen in private sessions in a clinic two hours a week by a psychiatrist.

- (2) The weighted mental health hours are:

- (A) For mental health day treatment: two children = 2/6 of the maximum mental health points (30) for a total of 10.
- (B) For the psychologist: Four hours X 5.0 professional weighting = 20 weighted hours per month.
- (C) For the psychiatrist: Eight hours per month X 5.0 professional weighting = 40 weighted hours.

- (3) Total mental health points are: 20 (psychologist) + 40 (psychiatrist) = 60 divided by 5.4 = 11.11 + 10 (day care) = 21.11.

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- (d) Total point computation:
 - (1) Add the points for CCS (216.65), social work activities (114.35) and mental health treatment services (21.11) for a total of 352.11.
 - (2) The XYZ program total points are 352 which is in Rate Classification Level 11.

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.3 Group Home Annual Rate Application Process

- .31 Each provider shall submit to the Department a completed rate application as specified in Sections 11-402.35 through 11-402.59, as appropriate, for each program each fiscal year in order to receive a rate for that program. The rate application shall contain a statement that the signatory understands that the information contained in the document is correct to the best of their knowledge and that submission of false or misleading information may be prosecuted as a crime.
- .32 The due date for annual rate applications shall be May 1.
 - .321 An application not postmarked by the due date shall be considered late.
 - .322 Providers shall be allowed to request a determination of good cause for submitting a late application as specified in Section 11-402.37.
 - .323 Providers who do not request a determination of good cause for submitting a late application shall be subject to the penalty provisions specified in Section 11-402.38.
- .33 A rate application shall be considered complete when all required forms have been completed with the necessary information and supporting documentation, as required in Section 11-402.35 needed to determine the RCL, have been submitted to the Department.
 - .331 Providers shall be allowed to request a determination of good cause for submitting an incomplete application as specified in Section 11-402.37.
- .34 The effective date of the rate for timely and complete rate applications shall be July 1.

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

.35 An annual rate application with no program changes shall include:

.351 A complete Group Home Program Rate Application, SR 1;

.352 A complete Program Classification Report, (SR 2); and a complete Group Home Program Days of Care Schedule, (SR 5).

.353 A copy of:

(a) The provisional license issued by CCL in accordance with Title 22, California Code of Regulations, Division 6, for each facility, and the permanent license when received, if not submitted with a previous rate application; and

(b) Effective with the implementation of the group home administrator certification program, the group home administrator certificate indicating completion of that program as required in Health and Safety Code Section 1522.41.

.354 The following if not submitted with a previous rate application:

(a) A copy of the organization's tax exempt status letter from either the Internal Revenue Service (IRS) or the California Franchise Tax Board designating the provider as tax exempt; and, if applicable,

(b) An endorsed copy of the group home organization's articles of incorporation, filed with the California Secretary of State, demonstrating the organization:

(1) Operates in the public interest for scientific, education, service or charitable purposes;

(2) Is not organized for profit making purposes; and

(3) Uses its net proceeds to maintain, improve or expand its operations.

.355 A declaration signed by the group home's board of directors that the organization will operate during the fiscal year in the public interest for scientific, education, service or charitable purposes; is not organized for profit making purposes; and uses its net proceeds to maintain, improve or expand its operations.

(a) The group home provider shall immediately notify the Department if the group home ceases to operate on a nonprofit basis.

11-402 **GROUP HOME RATE SETTING** (Continued) **11-402**

- .356 The group home training plan projected for a fiscal year or for providers with programs classified at RCL 13 or 14 who opt for the management of assaultive behavior training, the information required in Section 11-402.221(e)(7);

- .357 A certification by the provider that all information contained in the program statement previously submitted remains current with no changes; and

- .358 In addition to the items in Sections 11-402.351 through .357, a group home program classified at RCL 13 or RCL 14 shall submit:
 - (a) A written agreement, that the program shall accept for placement only assessed/qualified children or emergency placements, as provided in Section 11-402.181(b). The agreement shall include the following:
 - (1) An original signature of the same individual whose signature appears on the SR 1; and
 - (2) The date signed.
 - (b) A statement, accompanied by appropriate documentation, that the requirements of Section 11-402.181(c) regarding the program certification have been met.

- .359 An approval letter from the State Attorney General's Charitable Trust Section. Beginning Fiscal Year 1998/99, this letter shall be required as verification of review and approval of shelter costs which include self-dealing transactions, as defined in Nonprofit Corporation Law, Title 1, Division 2, Section 5233, California Corporations Code.
 - (a) To request a review by the Attorney General's Charitable Trust Section, a provider shall submit a written request by certified mail, return receipt requested, to the Attorney General's Charitable Trust Section for review and approval of the transaction as specified by Title 11, Division 1, Chapter 15, Section 999.1(a), California Code of Regulations.
 - (b) Include the approval letter received from the Attorney General's Charitable Trust Section as a component of the rate application package submitted to the Department. If more than sixty (60) days has passed since the submission of the request for approval, and no approval letter has been issued by the Attorney General, then a rate, not to exceed 120 days, shall be set pending receipt of the approval.

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- (c) Section 999.1(a), California Code of Regulations states in part:

“Giving Notice to and Submitting Requests to Attorney General: When Notice or Request is Deemed ‘Filed with Attorney General.’ For purposes of giving notice to the Attorney General or submitting requests for approval or other action to the Attorney General pursuant to any of the subsections contained in sections 999.2 through 999.4 of these Regulations, all notices and requests shall be submitted in writing at the office listed below...

“Attorney General, Charitable Trusts Section
50 Fremont Street, Suite 300
San Francisco, CA 94105-2239

“...Said written notices or requests shall be deemed to be filed with the Attorney General when the notices or requests are received at the office of the Attorney General with the information required by sections 999.2(e), 999.3(e) and 999.4 of these regulation.”

- (d) All applicants needing this review by the Attorney General are urged to submit no later than January 1, 1998 and then by January 1 of the year in which they renew their lease.

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| .36 (Reserved)

| .361 Repealed by Manual Letter No. OPS-03-01, effective 2/13/03.

| .362 Repealed by Manual Letter No. OPS-03-01, effective 2/13/03.

| .363 Repealed by Manual Letter No. OPS-03-01, effective 2/13/03.

| .364 Repealed by Manual Letter No. OPS-03-01, effective 2/13/03.

11-402 **GROUP HOME RATE SETTING** (Continued) **11-402**

.37 The Department's good cause procedures shall be as follows:

.371 Providers unable to submit a timely or complete rate application by the due date shall be allowed to submit in writing, a request for a determination of good cause as defined in Section 11-400g.(1) which shall be postmarked within five calendar days of the application due date.

(a) The request shall contain the following:

- (1) A clear statement that this is a request for determination of good cause.
- (2) The specific reason(s) for submitting an incomplete or untimely application.
- (3) The provider's name, address and phone number.
- (4) The name, address and phone number of the person to be notified regarding the determination of good cause.
- (5) The name, location and program number of the affected program(s).

(b) Repealed by Manual Letter No. OPS-03-01, effective 2/13/03.

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

.372 Within 10 calendar days of the postmarked date of the request for a determination of good cause, the Department shall make a determination of good cause and shall notify the provider in writing of the determination.

(a) When the Department determines there has been good cause for a late or incomplete filing of an application the Department shall notify the provider that a complete application is due within 30 days of the postmark of the notification.

(1) For complete applications submitted in accordance with Subsection (a), the effective date of the rate shall be July 1.

(2) Applications which are incomplete or are not submitted within the 30-day period in Subsection (a) shall be subject to the penalties in Section 11-402.38.

(b) When the Department determines there is no good cause for a late or incomplete filing of an application, the Department shall notify the provider in writing that a complete application must be submitted prior to the first of the next calendar month to avoid additional late penalties.

(1) The rate shall be set in accordance with the appropriate late or incomplete application penalties specified in Section 11-402.38.

(c) Repealed by Manual Letter No. OPS-03-01, effective 2/13/03.

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11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

.38 The Department's penalty procedures for late or incomplete applications shall be as follows:

.381 For a late application:

(a) Submitted after the due date and before June 1, the rate shall be effective August 1 unless:

(1) The new rate is less than the old rate, the effective date shall be retroactive to July 1.

(b) Submitted on or after June 1 but before July 1, the rate shall be effective September 1 unless:

(1) The new rate is less than the old rate, the effective date shall be effective, retroactive to July 1.

(c) Not submitted by July 1, the group home program shall be subject to the rate termination process as specified in Section .393.

.382 For an incomplete application which is later completed:

(a) After the due date but before June 1, the effective date of the rate shall be the same as for a late application in Sections .381(a) and (a)(1).

(b) On or after June 1 but before July 1, the effective date of the rate shall be the same as for a late application in Sections .381(b) and (b)(1).

.383 For an incomplete application that remains incomplete after July 1:

(a) The rate shall be set based on the limited information available.

(1) The effective date of the rate shall be August 1 unless the rate as determined is lower than the current rate, in which case, the date of the rate shall be retroactive to July 1.

(b) If the rate cannot be set based on the limited information, the Department shall proceed with the rate termination process as specified in .393.

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (c) Notwithstanding Section 11-402.383(a) and (b), any program that refuses to comply with the requirement to submit a complete rate application in accordance with Sections 11-402.35 and 11-402.36 shall have its rate terminated as specified in Section 11-402.393.

.39 The Department's rate termination processes shall be as follows:

.391 When a provider's license(s) for any or all of its facilities are revoked by CCL, (and the revocation is not stayed pending completion of probation) surrendered, expire or otherwise lapse, the Department shall provide notice to the provider of the rate termination date for the facility(ies). The notice shall:

- (a) Be in writing,
- (b) Inform the provider that the termination date shall be the effective date the licenses are revoked, surrendered, expire or lapse, and
- (c) Include the provider's appeal rights as specified in Welfare and Institutions Code Sections 11468 through 11468.6.
- (d) A copy of the notice shall be sent to the host county, the primary placing county and any other counties which may be affected by the rate termination and which can be identified by the Department.

.392 When a provider's provisional rate will be terminated due to a determination by the Department that the provider is operating at a level more than three levels below the RCL projected by the provider and the provider does not appeal the determination, the Department shall provide notice to the provider of the rate termination date. The notice shall:

- (a) Be in writing,
- (b) Inform the provider that the rate will terminate 45 days after the date of issuance of the program audit report of the provisional rate unless the provider appeals within 30 days of the date of issuance of the program audit report, and
- (c) Inform the provider that if the provider appeals the Department's determination, the provider's rate will be reduced pending the appeal decision; and
- (d) Include the provider's appeal rights as specified in Welfare and Institutions Code Section 11462(e)(1)(E).

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- (i) Welfare and Institutions Code Section 11462(e)(1)(E) provides:

A group home provider may request a hearing of the department's RCL determination under subparagraph (A) no later than 30 days after the date the department issues its RCL determination. The department's RCL determination shall be final if the group home provider does not request a hearing within the prescribed time. Within 60 days of receipt of the request for hearing, the department shall conduct a hearing on the RCL determination. The standard of proof shall be the preponderance of the evidence and the burden of proof shall be on the department. The hearing officer shall issue the proposed decision within 45 days of the close of the evidentiary record. The director shall adopt, reject, or modify the proposed decision, or refer the matter back to the hearing officer for additional evidence or findings within 100 days of issuance of the proposed decision. If the director takes no action on the proposed decision within the prescribed time, the proposed decision shall take effect by operation of law.

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- (e) A copy of the notice shall be sent to the host county, the primary placing county and any other counties which may be affected by the rate termination and which can be identified by the Department.
- .393 When a provider's rate will be terminated for any reason other than those listed in Section 11-402.391 or 11-402.392, including failure to submit a financial audit report as required by Section 11-405.2, the Department shall provide notice to the provider of the rate termination date. The notice shall:
- (a) Be in writing,
 - (b) Allow 60 days from the date of mailing of the notice prior to termination, and
 - (c) Include the provider's appeal rights as specified in Welfare and Institutions Code Sections 11468 through 11468.6.
 - (d) A copy of the notice shall be sent to the host county, the primary placing county and any other counties which may be affected by the rate termination and which can be identified by the Department.

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

.394 Effective Dates of Termination

- (a) For rate terminations pursuant to Section 11-402.391, the Department shall terminate the rate for the facility(ies) within the program on the effective date that the license is revoked, surrendered, expires or otherwise lapses.
- (b) For rate terminations pursuant to Section 11-402.392, the Department shall terminate the rate for that program 45 days after the date of issuance of the program audit report of the provisional rate. Where a provider has appealed the decision of the Department pursuant to Section 11-430.19, the Department shall terminate the rate for that program 30 days after the director's decision [see Section 11-430.194(f)].
- (c) For terminations pursuant to Section 11-402.393 above, the Department shall terminate the rate for that program on the first of the month following sixty days after the postmarked date of the termination notice.

.395 When a Community Treatment Facility provider fails to maintain a current license issued by CCL as specified by Section 11-402.188(a), or a current CDMH mental health treatment certification as specified by Section 11-402.188(b), the Department shall provide notice to the provider of the rate termination date. The notice shall:

- (a) Be in writing.
- (b) Inform the provider that the termination date shall be the effective date the license and/or certification was revoked, surrendered, expired, or otherwise lapsed.
- (c) Include the provider's appeal rights as specified in Welfare and Institutions Code Sections 11468 through 11468.6.
- (d) Be sent to the host county, the primary placing county, the regional/county entity(ies) the provider has entered into an agreement with to reserve or leave bed(s) vacant, and any other counties which may be affected by the rate termination and which can be identified by the Department.

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

.4 Deviations from Annual Rate Setting

.41 New Program

.411 An initial rate application from an existing provider for a new program shall include all required forms and information listed in Sections 11-402.351 through 11-402.359, and the Group Home Program Cost Report (SR 3) with projected cost data with the following additional requirements:

- (a) A new and complete program statement shall be submitted with each initial rate application. The program statement shall include the following until such time as a standardized program statement is implemented pursuant to Welfare and Institutions Code Section 11467(c);
 - (1) The goals and purpose of the program,
 - (2) The characteristics of children served,
 - (3) Organizational chart and administrative information including names, addresses and titles of all members of the Board of Directors, all corporate officers, and all partners as appropriate,
 - (4) A description of the type and level of social services and mental health treatment services offered,
 - (5) A job duty statement for each classification utilized by the group home, and
 - (6) A description of special program services.
 - (A) If applicable, the vocational training program offered within the program.
 - (B) A program which has vocational training for children in placement is one which is designed to impart to the children in placement, the skills necessary for a vocation or trade.

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (C) A vocational training program shall qualify if the program:
 - (i) Teaches a skill(s) which benefits the child;
 - (ii) Provides instruction which includes hands- on experience and specified quantifiable training goals;
 - (iii) Consumes a percentage of the children's day at regularly scheduled hours;
 - (iv) Sustains costs for qualified staff, costs for equipment, materials and the space required for the training;
 - (v) Is not funded by the Department of Education for the vocational training provided;
 - (vi) Does not provide educational credit to the children in placement;
 - (vii) Is an integral part of the group home program and is not the result of coincidental factors such as hiring of a child care worker(s) or first-line supervisor(s) who happen to have vocational skills; and
 - (viii) Is not transitory and does not depend upon the continued employment of child care worker(s) and first-line supervisor(s).

- (7) An existing provider operating a group home program in the facility(ies) in which he/she intends to provide a new program shall:
 - (A) Obtain verification from the placement agency that an assessment as described in Section 31-420.241 has been completed on each child to ensure that the level of care and services of the new program meets the needs of the child.

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(B) Section 31-420.241 states:

".241 Placements in group homes shall be subject to the following additional requirements:

"(a) The following conditions shall exist and shall be documented in the case plan:

"(1) Placement is necessary to meet the treatment needs of the child.

"(2) The group home has a treatment program that meets such treatment needs."

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- (b) Providers who are discontinuing any group home program(s) in favor of a new program shall submit the Group Home Program Days of Care Schedule (SR).
- (c) The placement agency recommendation from the host or the primary placing counties as appropriate and as specified in Section 11-425.12.
- (d) A copy of the provisional license issued by CCL in accordance with Title 22, California Code of Regulations, Division 6, and the permanent license when received.
- (e) Effective with the implementation of the group home administrator certification program, the group home administrator certificate indicating completion of that program as required in Health and Safety Code Section 1522.41.

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- .412 The effective date of a new program provisional rate shall be the later of:
 - (a) Date of first placement, or
 - (b) Date the Department received a complete rate application as specified in Section 11-402.411, or
 - (c) Date of the provisional license.

- .413 The Department shall establish the provisional rate based on the projected RCL for a group home program using data submitted by the provider in the initial rate application specified in Sections 11-402.351-.36.

- .414 The Department may request additional information to complete the initial rate application process in accordance with Sections 11-402.524(b)(1) through (3).

- .415 Applications for new programs which do not meet the requirements of Section .411 shall be subject to Section 11-402.43, Program Changes.

- .416 The effective date of a new program's rate, whether it will maintain or decrease the provisional rate, shall be the first of the month following the date of issuance of the Department's program audit report.

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.42 New Provider

.421 A new provider shall be as defined in Section 11-400n(4).

- (a) For foster care group home rate setting purposes, a new provider shall not be any of the following:
 - (1) The addition of a new program by an existing provider.
 - (2) Any change specified in Section 11-402.43, Program Changes.
 - (3) A change or reorganization in the provider's incorporation and/or a reorganization of his/her administration.
 - (4) A provider who fails to submit an annual rate application for an on-going program.
- (b) Applications for new providers which do not meet the requirements of this section shall be subject to Section 11-402.43, Program Changes.

.422 An initial rate application from a new provider shall include all required forms and information listed in Sections 11-402.351 through 11-402.359, as appropriate, with the following additional requirements:

- (a) A complete program statement shall be submitted which shall include all the appropriate documentation and information as listed in Section 11-402.411(a).
- (b) The Group Home Program Cost Report (SR 3) and Group Home Program Days of Care Schedule (SR 5) (Rev. 10/94) shall be completed identifying projected data.
- (c) Placement agency recommendation from the host or the primary placing counties as appropriate and as specified in Section 11-425.12.
- (d) A copy of the provisional license issued by CCL in accordance with Title 22, California Code of Regulations, (CCR) Division 6, and the permanent license when received.

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11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (e) Effective with the implementation of the group home administrator certification program, the group home administrator certificate indicating completion of that program as required in Health and Safety Code Section 1522.41.

- .423 Initial rate application documents shall be submitted to the Department prior to the first placement.

- .424 The effective date of the provisional rate for a new provider shall be the later of:
 - (a) Date of first placement, or
 - (b) Date the Department receives a complete rate application as specified in Section 11-402.422, or
 - (c) Date of the provisional license.

- .425 The effective date of the rate for a new provider, whether it will maintain or decrease the provisional rate, shall be the first of the month following the date of issuance of the Department's program audit report.

- .426 The Department shall establish the provisional rate based on the projected RCL for a group home program using data submitted by the provider in the initial rate application specified in Sections 11-402. 351-.359.

- .427 The Department may request additional information to complete the initial rate application process in accordance with Sections 11-402.524(b)(1) through (3).

- .43 Program Changes
 - .431 A program change shall be as defined in Section 11-400p.(7).
 - (a) For purposes of rate setting, a program change shall include a change to:
 - (1) The number of beds for the program, except as follows:
 - (A) The first increase of five or fewer beds in the lifetime of a program with no change to the program's RCL based on the number of points computed in accordance with Section 11-402.23.

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (i) Calculate the RCL for the program based on the proposed expansion to verify that the RCL after the expansion is the same as the RCL approved by the Department for the program; and
 - (ii) Contact the Department to inform of capacity change and point determination.
- (2) Conditions or limitations described on the license which necessitates submission of a new license application as required by Title 22, Division 6, Section 80034(a).

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A licensee shall file a new application as required by Title 22, Division 6, Section 80018 whenever there is a change in conditions or limitations described on the current license, or other changes including, but not limited to, the following:

- (1) Any change of licensee, including, but not limited to, the following when the licensee is a corporation.
 - (A) Sale or transfer of the majority of stock.
 - (B) Separating from a parent company.
 - (C) Merger with another company.

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- (b) A group home provider shall report any proposed program change to the Department, in compliance with the requirements for program change application specified in Section 11-402.432.
 - (1) The program shall continue to receive the existing rate.
- (c) The Department shall:
 - (1) Set a provisional rate that increases an RCL based on the projected RCL using data submitted by the provider in the program change application specified in Section 11-402.432.

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- (2) For purposes of (c)(1) the Department may request additional information to complete the program change application process in accordance with Sections 11-402.524(b)(1) through (3).

 - (d) Failure to report a program change, the result of which is a decreased rate, as described in Section .435, shall result in the assignment of an overpayment and the adjustment of the current rate as appropriate following a program audit as specified in Sections 11-402.5 and .6.
- .432 An application for an RCL change or a program change shall include:
- (a) A complete Group Home Program Rate Application, (SR 1, Rev. 12/94).
 - (b) A complete Program Classification Report, (SR 2, Rev. 12/94).
 - (c) An amended program statement reflecting the change and containing the elements specified in Sections 11-402.411(a)(1) through (6).
 - (d) Providers making program changes affecting more than one program, that is, discontinuing one program in favor of another as described in Section 11-402.435(c)(1) or otherwise discontinuing a program, shall submit the Group Home Program Days of Care Schedule (SR 5).
 - (e) A copy of the provisional license issued by CCL in accordance with Title 22, Division 6, Chapter 5, California Code of Regulations and the permanent license when received.
 - (f) Repealed by Manual Letter No. OPS-03-01, effective 2/13/03.
- .433 Additional Requirements for Program Changes
- (a) A program change application projecting an increase of an RCL level to a group home program shall be accompanied by the placement agency recommendation, as specified in Section 11-425.12 and any other requirements specified in Welfare and Institutions Code Section 11462(k).

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- (b) A program change application to change a program to RCL 13 or RCL 14 shall include a recommendation, as specified in Section 11-425.12, from either the host or the primary placing county and any other requirements specified in Welfare and Institutions Code Section 11462.01.
 - (c) For fiscal year 1198-99 and any other subsequent years for which this statutory restriction applies, a program change application which increases the licensed capacity of a program with a higher RCL as a result of decreases in another program which is operated by the same provider and has a lower RCL shall be accompanied by the placement agency recommendation, as specified in Section 11-425.12 and any other requirements specified in Welfare and Institutions Code Section 11462(k)(3)(A).
 - (d) A group home program which has received a provisional rate may not apply for a program change which will result in an increase in its RCL prior to two years from the effective date of the rate for the provider unless a recommendation is received from the host county, the primary placing county, or a regional consortium of counties as specified in Section 11-425.12 and any other requirements specified by Welfare and Institutions Code Section 11462(e)(1)(A).
- .434 A program change application shall be submitted prior to the effective date of the change but no later than 30 days after the change.
- .435 The effective date of the rate for program changes, by the type of change, shall be:
- (a) For the RCL which is not changing:
 - (1) For an increase in licensed capacity greater than five in the same or a new facility, the effective date shall be the later of:
 - (A) Date of first placement; or
 - (B) Date of group home license approval.
 - (2) For a decrease in licensed capacity, the effective date shall be the date of the decrease.
 - (b) For the RCL which is changing:
 - (1) For a decrease in RCL, the effective date shall be the date implementing operation of the program at the lesser RCL.

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- (2) For an increase in RCL, the effective date of the provisional rate shall be the later of the provider's proposed effective date on the Group Home Program Rate Application, SR 1 (Rev. 12/98) submitted for the program change or 30 days after the postmark on the program change application. For an increase in RCL, the effective date of the rate, whether it will maintain or decrease the provisional rate, shall be the first of the month following the date of the issuance of the Department's program audit report.

- (c) For changes affecting more than one program operated by one or different providers, the effective date of the provisional rate shall be the later of the provider's proposed effective date on the SR 1 (Rev. 12/98) form(s) or 30 days after the postmark on the program change application(s). The effective date of the rate, whether it will maintain or decrease the provisional rate, shall be the first of the month following the date of the issuance of the Department's program audit report.

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Examples of these changes are:

- (1) Discontinuing one group home program in favor of another.
- (2) Combining of two or more providers who propose to continue operating a group home program(s) but to change the administrative or corporate structure which was characterized to the Department at the time the rates for the most recent fiscal year were established.
- (3) Assuming operation of a group home program which was formerly operated by another provider.

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.436 The rate following a program change by the type of changes shall be:

- (a) For the RCL which is not changing:
 - (1) For an increase in licensed capacity, except as specified in .431(a)(1)(A), the rate shall be the lesser of:
 - (A) The existing rate prior to the program change; or

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- (B) The standard rate for its RCL.
- (2) For any decrease in licensed capacity, the rate shall be the existing rate.
- (3) For a change in the type of placement or staffing pattern, the rate shall be the existing rate.
- (b) For the RCL which is changing:
 - (1) For a decrease in RCL expected to affect the program for more than 90 days, the rate shall be the lesser of:
 - (A) The existing rate, or
 - (B) The standard rate for the new RCL.
 - (2) For an increase in the RCL, the provisional rate shall be the greater of:
 - (A) The existing rate, or
 - (B) The standard rate for the new RCL.
- (c) For changes affecting more than one group home program, as described in Section .435(c), the provisional rate shall be determined by the Department based on the RCL for the program based on the data in the program change application submitted in compliance with Sections 11-402.431 and .433.
 - (1) The provisional rate shall be the standard rate for the RCL resulting from the program change.
- (d) Any program change to a group home program classified at RCL 13 or RCL 14 that impacts the program's RCL and/or substantially impacts the level of care and services offered by the program shall necessitate:
 - (1) A new determination by the IPC for each child in placement that the child is in need of the level of care and services provided by the group home program, and
 - (2) A new mental health treatment program certification as referenced in Section 11-400c.(2) for the program as modified by the program change.

.437 Repealed by Manual Letter No. OPS-99-01, effective 1/1/99.

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- .44 Programs Classified at RCL 12 or Below Which Fail to Maintain the RCL
 - .441 A group home provider who self-reports information in a rate application as defined in Section 11-400r.(1) that results in a failure to maintain its RCL shall be subject to the provisions of Section 11-402.443. For programs classified at RCL 13 or RCL 14 refer to Section 11-402.46.
 - .442 Providers with programs classified at RCL 1 through RCL 12 which fail to maintain the projected RCL shall submit the information required by Section 11-402.432 unless:
 - (a) The RCL is expected to return to the RCL approved by the Department for the current fiscal year by the end of 90 days, and
 - (b) The average fiscal year RCL will not be affected by the temporary decrease.
 - .443 The Department shall verify the self-reported information submitted in accordance with Section 11-402.441 by a group home provider that the program has failed to maintain the RCL as defined in Section 11-400f.(1) and set a new rate based on the new information provided.
 - .444 The effective date of the new rate shall be the date at which the program failed to maintain the previously approved RCL.
 - .445 Programs for which the actual RCL is lower than the RCL upon which the rate was established shall be subject to the provisions in Section 11-402.55, Corrective Action, and Section 11-402.6, Overpayments.
 - .446 When the Department's determination of a rate based on the Department's program audit of the provisional rate is more than three levels lower than the RCL initially projected by the group home provider, the Department shall terminate the provider's rate 45 days after the date of issuance of the program audit report unless the provider timely requests a hearing on the Department's RCL determination (see Section 11-430.19 for appeal procedures).
 - (a) The Department shall deny any request for a new or increased RCL from a provider whose RCL is terminated under this section for two years from the effective date of the RCL termination; or for a shorter period of time if the provider submits the county placement agency recommendation, as specified in Section 11-425.12, has corrected any deficiencies identified in the Findings of Audit Report which resulted in the termination of their RCL, and has implemented internal controls necessary to avoid future audit deficiencies.

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.45 Program Reinstatement

.451 A program reinstatement is a process to re-establish a program that has been terminated as specified in Sections 11-402.39, 11-402.524, 11-402.525, 11-402.526, 11-402.527, 11-402.667, 11-402.668, 11-402.669, and 11-405.217 through .219. A program shall be reinstated when the Department determines that all appropriate requirements specified in Sections 11-402.3, 11-402.667, and 11-405.2 have been met. For programs classified at RCL 13 and RCL 14, all requirements as specified in Section 11-402.181 must be met.

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- .452 The effective date of the rate is the date of the Department's written notification of reinstatement to the provider.

- .453 The rate shall be set, based on the RCL for the fiscal year, at the lesser of:
 - (a) The existing rate prior to termination, or
 - (b) The standard rate of the RCL in which the program is reinstated.

- .46 RCL 13 and RCL 14 Programs Reclassification
 - .461 If a group home program classified at RCL 13 or at RCL 14 fails to meet the requirements specified in Section 11-402.181, the Department shall:
 - (a) Reclassify the group home program at the appropriate lower RCL; and
 - (b) Reduce the group home program's rate.
 - .462 The effective date of the new rate shall be the date conditions in Section 11-402.181 occur.
 - .463 Penalties for failure to meet the requirements in Section 11-402.181(b) are specified in Sections 11-402.183(d) and 11-402.531(c).

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- .464 Welfare and Institutions Code Sections 11462.01(d)(1) through (d)(2) are summarized as follows:
 - (a) Any group home program classified at RCL 13 or RCL 14 will be reclassified at the appropriate lower RCL with a commensurate reduction in rate when either of the following occur:
 - (1) The group home program fails to maintain the level of care and services necessary to generate the requisite number of points for RCL 13 or 14.
 - (2) The group home program fails to maintain a certified mental health treatment program as required.

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.5 Program Audits

- .51 The Department shall conduct full or partial program or fiscal audits of any program, as often as necessary, to ensure compliance with all requirements within this section. The Department shall audit the documents submitted with the rate application request and the actual program projected in the rate application and any supporting documentation used to prepare the rate application. The scope of a program audit shall focus on the hours and weightings of workers in each of the three program components and Direct Contact Contracts. Audits shall be conducted at the group home site or other sites as determined appropriate by the Department. The Department shall provide the group home program 30 calendar days' written notice prior to conducting a program or fiscal audit.

- .511 The Department may conduct a program audit earlier than the normal schedule at a provider's request in order to reduce or minimize an overpayment.

- .512 The purpose of program audits shall be to determine if the program's projected RCL was or was not maintained.
 - (a) Program audits for FY 1990-91 shall be performed in accordance with Section 11-402.93.

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- .513 Beginning January 1, 1994, unless otherwise specified in law, a program audit will follow the field work standards contained in the "Field Work Standards for Performance Audits" section of "Government Auditing Standards" (Rev. 1988) by the Comptroller General of the United States, United States General Accounting Office.

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- .514 Noncompliance by the Department with the "Field Work Standards for Performance Audits" section of the "Government Auditing Standards" (Rev. 1988) by the Comptroller General of the United States, United States General Accounting Office, shall not preclude or bar the Department from sustaining or collecting actual overpayments, or otherwise invalidate an audit report.

- .52 Providers shall maintain program records for a minimum of five years and make them easily accessible to any Departmental staff conducting program audits. Program records to be maintained include, but are not limited to the following:

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.521 Personnel records, which may include, but are not limited to:

- (a) Current licenses; diplomas/certificates; copies of official transcripts if major shown on diploma is other than those listed as an equivalent for the appropriate program component; or diploma is from a non-accredited school; dated, original applications for employment and/or resumes; time sheets; salary schedules showing hours and amount paid; employee benefits; contracts; training and development documents; job descriptions (including position title and classification, duties and responsibilities); group home organization charts; payroll register; DE 3DP Quarterly Contributions Return; IRS form #1099-Miscellaneous Income; copies of cancelled checks (front and back) and any other records that document proof of payment; and documented verification or phone verification with supporting documentation of qualified previous employment as a residential child care worker. Employment verification for previous residential child care worker experience shall show name of previous employer, phone number of previous employer, whether employee was full-time or part-time, paid or volunteer, beginning and ending dates of employment, and job description(s) (including position and title and classification, duties and responsibilities).

- (b) For provisional rate audits, unless the provider qualifies for an exception set forth in Section 11-402.521(d), the Department shall not consider any records which are relevant to the determination of the RCL which the provider has not provided to the Department by the date the provider requests a hearing on the Department's RCL determination.

- (c) For provisional rate audits, unless the provider qualifies for an exception set forth in Section 11-402.521(d), the Department shall not consider the following personnel records in determining the program's audited RCL unless the records are made available during the field work portion of the audit:
 - (1) Records of each employee's full name, home address, occupation, and social security number.

 - (2) Time records, including but not limited to records showing when the employee begins and ends each work period, as well as meal periods, split shift intervals, and total daily hours worked.

 - (3) Total wages paid each payroll period, including gross wages and net wages after payroll deductions.

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- (4) Records which must be maintained by licensed group home providers under the provisions of Title 22 of the California Code of Regulations that are relevant to the RCL determination.

- (d) Exceptions to the provisions of Sections 11-402.521(b) and (c) may be granted by the Department if all of the following conditions are met:
 - (1) The records have been lost, stolen, or are otherwise unavailable to the provider.
 - (2) The unavailability of the records is not due to a lack of due diligence by the provider to ensure the security of the records.
 - (3) Reasonable efforts have been undertaken in a timely manner to reconstruct the information contained in the records.
 - (4) Reasonable and timely efforts have been undertaken by the provider to recover the documents and report the loss to proper authorities, including, but not limited to, law enforcement agencies and insurance companies.
 - (5) The provider has submitted to the Department a letter signed by the President of the provider's Board of Directors within 10 days of discovery indicating that records are missing and which documents conditions (1) through (4), and contains a statement that the signatory understands that the information contained in the letter is correct to the best of his knowledge and that submission of false or misleading information may be prosecuted as a crime.

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- .522 Case management records, which may include, but are not limited to:
- (a) Treatment plan; psychological evaluations/reports; medical evaluations/releases; mental health professional billings including Medi-Cal billings; education evaluations/information; correspondence; dictation and documentation of services provided; court orders; quarterly reports/program reports; information required by licensing regulations under Title 22; verification from the placement agency required in Section 11-402.411(a)(7); including copies of the certifications and assessments specified in Section 11-400a.(1) and Sections 11-402.181(b) and .181(c) for children placed in a group home program classified at RCL 13 or RCL 14; copies of the program certification specified in Section 11-400c.(2) and Section 11-402.181(c) for group home programs classified at RCL 13 or RCL 14; all RCL significant information pertaining to a client shall be included in the client's record; and mental health professional's daily logs and notes, including information pertaining to day treatment programs, which verify that services were provided to children in placement.
- .523 Training program records which document all the information in the training log such as:
- (a) The date(s) of training; hours of duration of each training session; certification of completion; name of trainer; qualifications and certification of the trainer's qualifications; documentation showing provider paid any costs for training, including employee wages and benefits; title and a short paragraph about the subject of the training and a list of attendees with their original signatures on a sign-in sheet for training provided onsite by a group home provider or independent third-party verification for training that is provided offsite or by an entity other than the group home provider; and any information as outlined in Sections 11-400t.(1) and (2).
- .524 A group home provider shall provide or allow the Department access to group home program records needed to establish a rate pursuant to a rate application, conduct a fiscal or program audit, evaluate cost data reported by group home providers, or enable the Department to collect an overpayment.
- (a) A group home provider, submitting an annual rate application, requesting a rate that will be effective for the next fiscal year, shall be subject to the requirements of Sections 11-402.31 through .39.

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- (b) An existing group home provider submitting a rate application for a new program or program change or new group home provider submitting a rate application for a new program shall submit a completed rate application in accordance with Section 11-402.4.
 - (1) If the Department determines that a rate application is incomplete, the group home provider shall be allowed to submit additional information to complete the rate application. The due date for the additional information shall be 30 days from the postmark date of the Department's additional request for information.
 - (2) The effective date of the rate for a group home provider who initially submits an incomplete rate application shall be the postmark date or the date the additional information is hand-delivered to the Department but not earlier than the effective date specified in Section 11-402.4.
 - (3) A group home provider who does not submit the additional information requested by the Department shall not be eligible to have a rate established for the group home program for which the rate application was submitted.

- .525 A group home provider shall provide or allow the Department access to group home program records needed to conduct either a fiscal audit in accordance with Sections 11-405.1 and 11-402.8 or a program audit in accordance with Section 11-402.5 or evaluate reported cost data from group home providers.
 - (a) The Department shall provide written notice to a group home provider prior to conducting either a fiscal or program audit in accordance with Section 11-402.51.
 - (b) A group home provider who does not provide the Department with access to group home program records for either a fiscal or program audit shall have its rate terminated pursuant to Section 11-402.39.

- .526 A group home provider shall provide or allow the Department immediate access to group home program records or facilities under Section 11466.1(a)(3) of the Welfare and Institutions Code.

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Welfare and Institutions Code Section 11466.1(a)(3) states the following:

"(3) Group home providers shall allow the department immediate access to group home program information or access to a facility if the deputy director of the children and family services division of the department serves the group home provider with notice that, in the opinion of the deputy director, the immediate access to a facility or group home program information is required based on one of the following conditions or circumstances:

- (A) A temporary suspension order has been served on a group home provider.
- (B) Based on reliable evidence, the department has a valid basis for believing that proceedings have been, or will shortly be, instituted against a group home provider in a state or federal court for purposes of determining whether the provider is insolvent or bankrupt under appropriate state or federal law.
- (C) A group home provider is, or will shortly be taking, action that might reasonably hinder or defeat the department's ability to collect overpayments in the future."

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- (a) A group home provider who does not provide immediate access to the Department under Section 11-402.526 shall have its rate terminated.
 - (1) The Department shall provide written notice to the group home provider of the rate termination date.
 - (2) The effective date of the rate termination shall be 30 days after the postmark date of the rate termination notice.
 - (3) A copy of the termination notice shall be sent to the host county, the primary placing county, and any other counties which may be affected by the rate termination.

.527 A group home provider shall provide or allow access to group home program records needed to collect self-reported or sustained overpayments, which shall include but not be limited to, the following:

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- (a) Information pertaining to the ownership status of a group home provider's real and personal property, accounts in financial institutions, and any other assets shall be provided to the Department within 30 days of the postmark date of the Department's request.

- (b) The information which shall be provided to the Department within 30 days includes, but is not limited to, the following:
 - (1) The taxpayer identification number of the nonprofit corporation and the date of birth, social security number, and driver license number for any individual or member of a partnership owing an overpayment.
 - (2) The location and address of any real or personal property owned by the nonprofit corporation.
 - (3) A copy of the property deed for any property owned by a nonprofit corporation, individual, or member in a partnership owing an overpayment.
 - (4) Information concerning fictitious business names utilized by the corporation.

- (c) A completed Group Home Program Days of Care Schedule - SR 5 (Rev. 10/94) shall be submitted on a monthly basis.

- (d) A group home provider who does not provide the Department with the requested information shall have its rate terminated. In such cases, the following requirements shall be met prior to the termination of a group home program rate:
 - (1) The Department shall provide written notice to the group home provider of the rate termination date.
 - (2) The effective date of the rate termination shall be 60 days after the postmark date of the rate termination notice.
 - (3) The Department shall provide a copy of the termination notice to the host county and the primary placing county.

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.53 Conducting Program Audits

.531 Program audits of on-going programs with no program changes during the audit period shall be conducted by reviewing the provider's report of the actual RCL and program information for the audit period.

(a) The actual RCL for each month in the audit period shall be compared to the reported RCL for the same period.

(b) The Department shall:

(1) For group home programs classified at RCL 12 or below, or for programs classified at RCL 13 or 14 when an audit was conducted prior to September 14, 1992, select and review for accuracy no fewer than two months plus the most current completed month of operation, of reported data for each fiscal year of the audit period.

(2) Except as provided in Section 11-402.531(b)(3), recompute the actual eligible hours, weightings, and program points as specified in Sections 11-402.211 through .239 to determine reporting accuracy.

(3) Prior to July 1, 2002, recompute the actual eligible hours, weightings, and program points for a CTF as specified in Section 11-402.211 through .239 to determine reporting accuracy using the actual occupancy but not less than 80 percent or greater than 90 percent of licensed capacity.

(4) Effective July 1, 2002, recompute the actual eligible hours, weightings and program points for a CTF using 90 percent of licensed capacity unless a waiver has been granted in accordance with Section 11-402.233(b). Eligible hours, weightings, and program points for a CTF with a waiver shall be computed using the occupancy factor specified in the waiver.

(5) Recompute the RCL and compare it to the reported RCL for the audit period.

(6) For audits conducted for group home programs classified at RCL 13 and RCL 14, the provisions specified in Welfare and Institutions Code Sections 11462.01(d), (d)(1) and (d)(2) shall also apply.

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Welfare and Institutions Code Sections 11462.01(d), and (d)(1) state the following:

- "(d) Any group home program that has been classified at RCL 13 or RCL 14 pursuant to the requirements of subdivision (a) shall immediately be reclassified at the appropriate lower RCL with a commensurate reduction in rate if either of the following occurs:
 - (1) The group home program fails to maintain the level of care and services necessary to generate the necessary number of points for RCL 13 or RCL 14, as required by paragraph (1) of subdivision (a). The determination of points shall be made consistent with the department's AFDC-FC ratesetting regulations, for other rate classification levels.
 - (2) The group home program fails to maintain a certified mental health treatment program as required by paragraph (3) of subdivision (a)."

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- (7) For provisional rate audits, the audit period shall consist of two full calendar months or sixty consecutive days, whichever is longer.
- (c) The Department shall determine whether or not children in placement in a group home program, classified at RCL 13 or RCL 14, are assessed/qualified children, as defined in Section 11-400a.(1).
 - (1) If the group home program does not have written approval from the IPC for any AFDC-FC funded child placed, the Department shall assess a penalty against the group home provider:
 - (A) The penalty shall be in the amount of the AFDC-FC rate paid on behalf of the child;
 - (B) The penalty shall commence the 31st day of placement and shall continue until the date the provider notifies the county placing agency, in writing, requesting the county to obtain approval from the interagency placement committee or removal of the child from the program.

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- (2) If, during a group home program audit, it is discovered that a child was not certified during the 1991/92 Fiscal Year, the Department shall assess a penalty against the group home provider, as follows:
 - (A) The amount of the penalty shall be the difference between the rate paid and the standard rate for RCL 3 for the 1991/92 Fiscal Year for each month of placement for each child who was not certified during the 1991/92 Fiscal Year.
 - (B) The group home program shall not be reclassified to a lower RCL for failure to have the child certified.
 - (A) If the recomputed RCL is the same as the reported RCL, the reported data shall be considered accurate. See Section 11-402.534.
 - (B) If the recomputed RCL is less than the reported RCL, the reported data for additional months of the audit period shall be reviewed for accuracy as specified in (2) and (3).
 - (i) If after data from all months of the audit period has been reviewed and the recomputed RCL continues to be less than the reported RCL, the recomputed RCL shall be considered accurate and the program shall be assessed an overpayment. See Section 11-402.6.

.532 Provisional rate audits shall be completed with final audit reports issued no later than 13 months after the effective date of the provisional rate.

- (a) The audit process in Section 11-402.53 shall be used except as specified in (b) and (c) below.
- (b) The RCL of a program with a provisional rate shall be determined by verifying the level of care and supervision provided by the group home program during the two full calendar months or 60 consecutive days (whichever is longer) immediately preceding the first day of the program audit.
- (c) The program audit shall not cover the first six months after the effective date of the provisional rate.

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.533 Completion of audits

- (a) A program audit shall be completed and an exit interview shall be conducted within 60 days of the start of the audit.
- (b) Program audits that remain incomplete at the end of 45 days because of the unavailability of data, records, or documents shall be completed using the information available to the Department.

.534 Exit Conference and Notification

- (a) The Department shall conduct an exit conference with the provider at the conclusion of the program audit.
- (b) A draft written summary of preliminary findings shall be provided at the exit conference. The exit conference shall be subject to the provisions of Section 11-430.111.
- (c) Except for provisional rate audits, the audit report shall be mailed to the provider within 45 days after the exit conference.
 - (1) The audit report shall contain specific information concerning the program audit findings; the specified time frames for providers to take corrective action; the procedures for overpayment collection and the right to administrative review.
 - (2) The audit report shall be subject to the provisions of Section 11-430.113.
 - (3) Notification of audit findings shall be mailed to the host and/or primary placing counties 60 days after the postmarked date of the audit report required in (c) above.
 - (4) Notwithstanding Section 11-402.534(c), if additional information is submitted by the group home provider, the date the audit report is due may be extended.
- (d) In the case of provisional rate audits, the audit report will be issued no later than 13 months after the effective date of the provisional rate.

.54 Program Audit Findings

.541 Program audit findings include the following:

- (a) The program audit verifies the projected average RCL was maintained during the audit period.

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- (b) The program audit verifies the program failed to maintain the projected RCL during the audit period.

- (c) The program audit verifies the actual average RCL is higher than the projected average RCL during the audit period.
 - (1) Providers who are operating at a higher RCL than projected:
 - (A) Shall continue to receive the rate for the projected RCL or
 - (B) Shall be permitted to submit a program change application for the higher RCL. See Section 11-402.43.
 - (C) If receiving a provisional rate, shall be permitted to submit a program change application for the higher RCL subject to the restrictions in Section 11-402.433(d).

.55 Corrective Action

- .551 Except for provisional rate audits, the Department shall allow the provider to bring a current program, classified at RCL 1 through 14, into compliance with the projected RCL within 60 days of the notice of audit findings or within 30 days of the notice of a self-reported overpayment when the recomputed RCL as determined by a program audit or review of a rate application of the same program, is less than the projected RCL. See Sections 11-402.534(c) and 11-402.632.
 - (a) After 60 days following the notice of audit findings or 30 days following the notice of a self-reported overpayment the Department shall reduce the RCL and rate to minimize any current overpayment.

- .552 Evidence that corrective action has been implemented shall be supported by adequate documentation which includes, but is not limited to, the following:

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- (a) A written narrative of all changes made to the group home program which demonstrates the program is operating at the current paid RCL as requested by the group home provider or determined by the Department;
- (b) Copies of timesheets/cards, payroll register, college degrees and/or transcripts, professional licenses, and documentation to support child care experience;
- (c) Program Classification Report - SR 2 (Rev. 12/94);
- (d) Child Care and Supervision Component Program Worksheet - SR 2A (Rev. 4/92);
- (e) Social Work Component Program Worksheet - SR 2B (Rev. 3/92); and
- (f) Mental Health Component Program Worksheet - SR 2C (Rev. 3/92).

.56 Audit Adjustment Process

- .561 The Department shall adjust its audit findings of a group home program audit pursuant to Section 11466.2(b)(2) of the Welfare and Institutions Code.

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Welfare and Institutions Code Section 11466.2(b)(2) states the following:

"(2) Beginning in fiscal year 1990-1991, the department shall modify the amount of the overpayment pursuant to paragraph (1) in cases where the level of care and services provided per child in placement equals or exceeds the level associated with the program's RCL. In making this modification, the department shall determine whether services other than child care supervision were provided to children in placement in an amount that is at least proportionate on a per child basis to the amount projected in the group home's rate application. In cases where these services are provided in less than a proportionate amount, staffing for child care supervision in excess of its proportionate share shall not be substituted for non-child care supervision staff hours."

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- .562 Beginning with fiscal year 1990-91, the Department shall adjust its audit report of a group home program audit conducted pursuant to Sections 11-402.5 and 11-402.6 and adjusted in accordance with Section 11-402.561 if all of the following requirements are met:

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- (a) The group home program hours of care and supervision provided per child in placement equal or exceed the level of care and services that are projected for the group home program's RCL;
 - (b) The group home program hours for social work activities and mental health treatment services provided to children in placement shall be provided on a proportional per child basis to the amount originally projected in a group home program's annual rate application request, new program application request, program change application request, corrective action application request, or a program reinstatement application request;
 - (c) The group home program hours provided for child care and supervision in excess of its proportionate share shall not be substituted for staff hours provided in the areas of social work activities or mental health treatment services; and
 - (d) In order to qualify for an audit adjustment, a group home provider shall provide, at a minimum, the level of care and services projected on line 16 of the Program Classification Report (SR 2, Rev. 12/94), per child per month, for children actually in placement, in each of the service components of child care and supervision, social work activities, and mental health treatment services.
 - (e) The group home program shall provide 24-hour care and supervision in accordance with subsection (a) of Section 84000 of Article 1 of Chapter 5 of Division 6 of Title 22 of the California Code of Regulations.
- .563 A group home provider who does not meet the requirements listed in Sections 11-402.561 and 11-402.562 shall not be eligible for an audit adjustment.
- .564 A group home provider who does not meet the requirements listed in Sections 11-402.561 and 11-402.562 shall not be eligible to have an overpayment amount lowered from the overpayment amount originally determined by an audit.
- .565 A group home program that substantially changes its staffing pattern shall notify all placing counties in accordance with Section 11462(e)(4) of the Welfare and Institutions Code.

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Welfare and Institutions Code Section 11462(e)(4) states:

"A group home program that substantially changes its staffing pattern from that reported in the group home program statement shall provide notification of this change to all counties that have placed children currently in care. This notification shall be provided whether or not the RCL for the program may change as a result of the change in staffing pattern."

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.57 Disagreements

.571 Except as provided in subparagraph (b), a provider who disagrees with the findings of a program audit and requests a different rate or disagrees with the findings of a fiscal audit disallowance, may request an administrative review of an audit report with the Department as specified in Section 11-430.12.

(a) The provider's reduced RCL and rate set by the Department shall remain in effect during the administrative review process.

(b) Providers appealing a provisional rate audit which resulted in a rate reduction shall be subject to the administrative review process provided in Section 11-430.19 and shall be eligible to receive only the RCL determined by the Department during the pendency of any appeal.

.6 Overpayments

.61 The Department shall recover all overpayments resulting from a group home provider self-reporting an overpayment or a program or fiscal audit that is sustained in accordance with Section 11466.22(d)(2) of the Welfare and Institutions Code.

.611 The Department shall collect a group home provider overpayment from the licensee or the responsible party for the overpayment in accordance with Section 11466.22(b) of the Welfare and Institutions Code.

.612 The Department shall collect interest on a group home provider overpayment in accordance with Sections 11466.22(d)(3) or (4), Section 11466.22(f), Section 11466.25, and Section 11466.3(b) of the Welfare and Institutions Code.

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- .613 A group home provider who is successful in its appeal of a collected overpayment shall be reimbursed the collected overpayment plus interest in accordance with Section 11466.22(g) of the Welfare and Institutions Code.

- .614 Overpayments (according to Section 11-402.6) shall not be assessed in the following circumstances:
 - (a) The provider is able to demonstrate he/she acted prudently on erroneous information provided by an employee, and within 60 days of the notice of audit results, takes appropriate action to:
 - (1) Correct the error, or
 - (2) Adjust the RCL.

- .62 An overpayment situation shall be created when the actual average RCL falls below the projected average RCL for the same period or AFDC-FC funds are spent in a manner that is inconsistent with Section 11-404. An overpayment shall be caused by, but is not limited to, the following:
 - .621 The provider does not meet the projected average RCL because of erroneous, incomplete or misleading information provided to the Department with the rate application, such as:
 - (a) False documentation for staff education, experience or on-going training.
 - (b) An inaccurate number of staff hours claimed for any of the three program components.

 - .622 A Department administrative error is made notifying a provider of their RCL.

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- .623 Example: A provider submits an application indicating an RCL of five. The Department verifies the projected RCL five. A clerical error is made in the notification letter to the provider indicating the projected RCL is seven. In this situation, the provider is aware or should reasonably be aware that his/her program is only an RCL five. If the provider fails to notify the Department of the discrepancy, an overpayment shall be generated.

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- .624 The provider's annual program application is submitted late and/or incomplete.
- .625 The provider fails to maintain. See Section 11-400f.(1).
- .626 A group home program classified at RCL 13 or RCL 14 is reclassified in accordance with provisions in Section 11-402.46.
- .627 The group home provider owes a penalty assessed by the Department in accordance with Sections 11-402.183(d) or 11-402.531(c).
- .628 AFDC-FC program funds are spent on items not listed in Section 11460(b) of the Welfare and Institutions Code.
- .629 AFDC-FC program funds are not spent on permissible items as specified in Section 11-404.

- .63 Overpayments shall be determined by:
 - .631 The provider reporting information to the Department related to the annual rate application, new program and RCL changes.
 - .632 The group home provider self-reporting an overpayment.
 - (a) A group home provider who self-reports an overpayment may reconcile the previously submitted information with corrected information which shall be subject to the following:
 - (1) A group home provider who modifies a self-reported overpayment shall meet the documentation requirements contained in Sections 11-402.3, 11-402.4, 11-402.5, 11-405.1, and 11-402.8.
 - (2) A group home provider who fails to reconcile in accordance with Section 11-402.632(a)(1) shall be subject to Sections 11-402.3, 11-402.5, and 11-402.6.
 - (3) A group home provider shall have 30 days from the postmark date of the letter notifying the provider of an overpayment to reconcile self-reported information that identifies the overpayment.
 - (b) The information submitted by a group home provider which identifies a self-reported overpayment shall be subject to the audit adjustment process contained in Section 11-402.56.

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- .633 The Department verifying through a fiscal audit that a group home provider expended AFDC-FC program funds on items not listed in Section 11460(b) of the Welfare and Institutions Code (see handbook example at Section 11-402.821) or Section 11-402.827 or on items listed in Section 11-402.826.

- .634 The Department verifying an actual RCL lower than projected RCL during the rate application process or a program audit; or

- .635 The Department verifying during the rate application process or a program audit, that a group home program classified at RCL 13 or RCL 14 did not meet all the requirements specified in Sections 11-402.181.

- .636 The Department determining through a management decision, that a non-profit corporation misused or fraudulently expended AFCD-FC program funds. If an overpayment exists as determined by a program audit and the Department has determined that a non-profit corporation misused or fraudulently expended funds in accordance with Section 11-405.23, then only the greater of the overpayment amounts is subject to recovery.

- .64 Overpayment Processing:
 - .641 The Department shall provide written notification to the provider and affected counties of an overpayment according to Section 11-402.534(c).

 - .642 The beginning date of an overpayment shall be the earlier of:
 - (a) July 1 of the affected fiscal year for an on-going program, or
 - (b) The date of first placement at the incorrect RCL for new programs, program changes, or program reinstatements; or
 - (c) For a group home program classified at RCL 13 or RCL 14, the date of occurrence, as specified in Section 11-402.46 or the penalty period as specified in Sections 11-402.183(d) and 11-402.531(c).

 - .643 The amount of overpayment shall be computed by:
 - (a) Averaging the actual number of points per month for the total audit period.

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- (b) Subtracting the average in (a) from the lowest point level in the point range of the projected RCL for the audit period to determine the number of points below the projected average RCL. The number of points below the projected average RCL shall be used to determine the overpayment factor as follows:

Number of Points below projected average RCL	Overpayment Factor
(1) 1 - 5	= \$100
(2) 6 - 10	= \$200
(3) 11 - 30	= 100 percent of the difference between the rates in the projected and actual RCLs. The difference shall be determined by subtracting the dollar amount corresponding to the rate floor of the audited RCL for the audit period from the actual paid rate.

- (c) Multiplying the average group home occupancy of children who receive AFDC-FC during the audit period by the number of months in the audit period times the overpayment factor in (b).
- (d) The result is the total overpayment owed.
- (e) If the actual audited average RCL is more than one RCL below the projected average RCL, the overpayment is computed by adding the difference in the rates between the RCL(s), as computed in accordance with Section 11-402.643(b)(3), plus the overpayment factor for the partial RCL.
- (f) During the period a program received a frozen rate, any overpayments shall be assessed as specified in Section 11-402.943.
- (g) A fiscal audit overpayment amount shall be the amount determined under Section 11-402.633.

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.644 Example: The actual average RCL is one RCL below the projected average RCL. A provider has a six-bed facility with an average of five actual occupancy. Projected RCL for FY(s) 90-91 and 91-92 is RCL 6, point range 180-209. The following are the actual monthly points generated by the provider:

Months:	J	F	M	A	M	J	J	A	S	O	N	D
	190	170	170	190	170	120	120	190	180	180	180	180

(a) $2040 \text{ pts./12 mos.} = 170$ total monthly average points for the audit year. The overpayment is: $10 \text{ pts.} = \$200 \times 5$ actual average occupancy $\times 12 \text{ mos.} = \$12,000$.

Example B: The actual average RCL is more than one RCL below the projected average RCL. A group home provider has a six-bed facility with an average of five actual occupancy. Projected RCL for FY(s) 90-91 and 91-92 is RCL 6, point range 180-209. The following are the actual monthly points generated by the group home provider:

Months:	J	F	M	A	M	J	J	A	S	O	N	D
	145	157	133	151	141	141	151	145	133	157	145	141

$1740 \text{ points/12 months} = 145$ (RCL 4) total monthly average points for the audit year. The overpayment is: $35 \text{ points} = \$352$ total overpayment factor $\times 5$ actual average occupancy $\times 12 \text{ months} = \$21,120$.

Projected RCL Points (180) minus Audited Points (145) equals Points Below RCL (35)

Total RCL Point difference	35
Number of points between each RCL	-30
Remaining number of points below RCL	5

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Determination of Overpayment Factor:

Paid RCL (6) =	\$2,258
Less one full RCL (5)	-2,006
100 percent difference	\$252
Plus remaining overpayment factor [11-402.643(a)]	+100
Total overpayment factor	\$352

Overpayment calculation: \$352 total overpayment factor X 5 actual average occupancy X 12 months = \$21,120

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- .65 A program which experiences a second overpayment during the program's lifetime shall be assessed the full rate difference between the two RCLs X average actual occupancy X the number of months in the audit period.
- .66 Overpayment Collection
- .661 The Department shall collect group home provider overpayments in the following order of priority:
- (a) A lump sum repayment (see Section 11-402.662).
 - (1) A 12-month repayment agreement (see Section 11-402.662(a)).
 - (2) A balancing process (see Section 11-402.662(b)).
 - (b) A repayment agreement (see Section 11-402.663).
 - (c) A mandatory repayment schedule (see Section 11-402.664).
 - (1) A rate request denial (see Section 11-402.667).
 - (2) Rate termination (see Section 11-402.668).
- .662 The Department shall allow a group home provider who owes either a self-reported or sustained overpayment to repay the overpayment amount in a lump sum payment.
- (a) Notwithstanding Section 11-402.662, a group home provider may choose to repay an overpayment through a 12-month repayment agreement.

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- (1) A 12-month repayment agreement shall meet the following requirements:
 - (A) A 12-month repayment agreement shall be entered into within 30 days from the date an overpayment is sustained or 30 days from the postmark date of a letter notifying a group home provider of a self-reported overpayment that is not reconciled in accordance with Section 11-402.632(a);
 - (B) For overpayments of \$100,000 or less that are repaid within six months from the date of the executed agreement, interest shall not be assessed on the overpayment;
 - (C) For overpayments exceeding \$100,000 that are repaid within 12 months from the date of the executed agreement, interest shall not be assessed on the overpayment.

- (2) Failure to enter into a repayment agreement in accordance with the requirements listed under Section 11-402.663 or enter into a 12-month repayment agreement and repay an overpayment within the time frames established in Section 11-402.662(a)(1) shall subject a group home provider to a mandatory repayment schedule in accordance with Section 11-402.664.

- (b) The Department shall use a balancing process whenever an amount is owed to a group home provider by crediting the amount owed towards repayment of a sustained overpayment amount in accordance with Section 11-400b.(1).
 - (1) Balancing shall not affect the current approved rate.

- .663 The Department shall allow a group home provider who owes either a self-reported or sustained overpayment to repay the overpayment amount through a repayment agreement, as defined in Section 11-400r.(5). The repayment agreement shall be entered into within 30 days from the date of a sustained overpayment or 30 days from the postmark date of a letter notifying a group home provider of a self-reported overpayment and shall contain all of the following terms:
 - (a) The overpayment amount plus interest in accordance with Section 11-400r.(5) shall be repaid within 9 years from the date the repayment agreement is effective:

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- (1) The overpayment amount shall become due and payable in accordance with Section 11-400o.(3).

- (2) Interest on the overpayment amount shall become due in accordance with Section 11466.25 of the Welfare and Institutions Code.

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Welfare and Institutions Code Section 11466.25 states the following:

"(a) Interest begins to accrue on a group home provider overpayment on the date of the issuance of the final audit report."

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- (b) The repayment agreement shall include the amount of the overpayment plus interest for the audit period during which the specific program incurred the overpayment.

- (c) The minimum monthly repayment amount to be used for a repayment period not to exceed 9 years for the overpayment amount including interest shall be 3 percent of the program's monthly income. The interest shall be based on the following:
 - (1) Simple interest based on Surplus Money Investment Fund for the first seven years.

 - (2) Simple interest based on the prime rate plus three percent for the eighth and ninth years.

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- (d) Payments shall be made payable to the California Department of Social Services, or a group home provider may choose to repay the overpayment including interest in accordance with Section 11-402.664.
- (e) Monthly payments shall be sent by certified mail, domestic receipt requested, to the following address:

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
744 P Street, M.S. 14-68
Sacramento, California 95814
ATTN: Cashier

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11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (f) The repayment agreement, at a minimum, shall specify the number of months of the agreement, the amount of the monthly payment, and the date the payment is due.
 - (1) The overpayment plus interest shall be repaid no later than nine years from the date the repayment agreement is effective.
 - (2) A group home provider may choose one of the following options to ensure that the requirement in Section 11-402.662(f)(1) is met.
 - (A) A lump sum repayment for any remaining overpayment amount plus remaining interest at the end of the 9-year repayment period.
 - (B) A monthly repayment amount that is higher than the minimum amount required in Section 11466.22(d)(3) of the Welfare and Institutions Code that will ensure that the overpayment amount plus interest is repaid within 9 years.

- (g) The Director may renegotiate a repayment agreement if adhering to the repayment agreement results in severe harm to children in placement and all of the following conditions exist:
 - (1) A group home provider requests that the Department renegotiate the repayment agreement because it is unable to meet its obligations under the agreement.
 - (2) A group home provider shall provide to the Department written documentation from an independent financial or accounting agency that certifies the following:
 - (A) The group home provider is unable to meet its obligation to make monthly payments to repay the overpayment plus interest in order to comply with Section 11-402.663 and also maintain the level of care and services associated with its RCL; and
 - (B) The group home provider has evaluated existing program operations and has implemented reductions, wherever possible, to current operating expenses, contracts, leases, and salary levels.

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (3) A group home provider shall obtain and forward a declaration to the Department, signed by the Director of the host or primary county, that the following conditions exist:
 - (A) There is no other placement resource that meets the needs of the current children in placement; and
 - (B) The transfer from the current program to another program will result in the disruption of successful placements of the current children.

- .664 The Department shall apply a mandatory repayment schedule against a group home provider who owes either a self-reported or sustained overpayment if the group home provider does not enter into a repayment agreement in accordance with Section 11-402.663 or the group home provider has three outstanding payments on a repayment agreement before an overpayment is repaid. The mandatory repayment schedule shall be subject to the following requirements:
 - (a) The overpayment amount plus interest in accordance with Section 11-400m.(1) shall be repaid within 7 years from the date the mandatory repayment schedule takes effect.
 - (1) The overpayment amount shall become due and payable in accordance with Section 11-400o.(3).
 - (2) Interest on the overpayment amount shall become due and payable in accordance with Section 11466.25 of the Welfare and Institutions Code.
 - (3) The monthly repayment amount referenced in Section 11466.22(d)(4) of the Welfare and Institutions Code shall be raised to an amount that will ensure that the overpayment plus interest shall be repaid within 7 years of the effective date of the mandatory repayment schedule.
 - (b) The mandatory repayment schedule shall recover the overpayment amount plus interest for the audit period during which the specific program incurred the overpayment.
 - (c) The minimum monthly repayment amount for the overpayment amount including interest shall be 5 percent of the program's monthly income. The interest shall be based on the following:

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- (1) Simple interest based on the Surplus Money Investment Fund.

- (d) The Department shall collect overpayments under the mandatory repayment schedule by offsetting against current group home provider rate reimbursement payments under the AFDC-FC program in accordance with MPP Section 11-402.66.

- (e) The Department shall issue, to a provider and the counties, a rate letter that indicates the amount of the offset which will be applied to the monthly overpayment amount including interest and the amount of the actual rate reimbursement to the group home provider during the period the mandatory repayment schedule will be in effect.

- (f) The Department shall provide an annual report regarding the status of departmental collection activities to all counties and group home providers subject to the following:
 - (1) Repayment Agreement; and
 - (2) Mandatory Repayment Schedule.

- .665 A group home provider subject to a mandatory repayment schedule shall be subject to the following requirements:
 - (a) In addition to the monthly payment reduction amount subject to Section 11-402.664, fifty percent of any California Necessities Index (CNI) increases and any adjustments to the Standardized Schedule of Rates in the AFDC-FC program shall be withheld and applied towards a group home provider overpayment until a mandatory repayment schedule recovers any outstanding overpayments.

 - (b) Any group home provider subject to a mandatory repayment schedule in accordance with Section 11-402.664, shall be ineligible to receive a program change that results in an RCL increase until the mandatory repayment schedule recovers the overpayment or the host or primary placing county requests a waiver from the Department.
 - (1) The waiver request shall be in writing.

 - (2) The increased rate reimbursement resulting from the RCL increase shall be subject to the requirements in Section 11-402.664.

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.666 The Department may file a certificate against the real or personal property of a group home provider in accordance with Section 11466.33 of the Welfare and Institutions Code.

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Welfare and Institutions Code Section 11466.33 states the following:

"(a) If any amount is due and payable to the department as a result of sustained overpayment to a group home provider for care and services in the AFDC-FC program, the department may file, in the office of any county clerk of any county in which the group home provider has real or personal property, a certificate if any of the following conditions are met:

(1) No informal hearing is requested and if a provider has not submitted a voluntary repayment agreement along with the first payment, and 60 days have elapsed from the notice of audit results.

(2) No formal appeal is requested and if a provider has not submitted a voluntary repayment agreement along with the first payment, and 60 days have elapsed from the notice of the informal hearing decision.

(3) A provider has not submitted a voluntary repayment agreement along with the first payment, and 30 days have elapsed after an adverse appeal decision by a hearing officer that sustains an overpayment.

(b) The certificate provided for pursuant to subdivision (a) shall contain:

(1) The amount due, owing, and unpaid, plus simple interest on the amount owing and unpaid beginning on the date the certificate is filed.

(2) A statement that the department has complied with this section prior to the filing of the certificate.

(3) A request that a lien be recorded against the group home provider in the amount set forth in the certificate.

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(c) The county clerk immediately upon the filing of the certificate shall record the lien for the State of California against the group home provider in the amount set forth in the certificate. The lien may be filed in the chain of title of the property.

(d) The department shall pay the cost of the first lien, and group home providers shall be responsible for any subsequent liens on a sustained overpayment.

(e) For the first certificate filed by the department pursuant to this section, the county shall waive all filing fees."

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(a) The Department may establish a judgment lien in accordance with Section 11466.34 of the Welfare and Institutions Code.

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Welfare and Institutions Code Section 11466.34 states the following:

"(a)(1) At any time within 10 years of the recording of a lien pursuant to Section 11466.33, the department may bring an action, in a superior court in the county in which the lien is filed, seeking a judgment to establish the lien as a judgment lien.

(2) If a judgment is obtained pursuant to paragraph (1), the county recorder shall record the lien as a judgment lien.

(b) An abstract of judgment obtained pursuant to subsection (a) or a copy thereof may be recorded with the county recorder of any county. From the time of recording, the judgment shall constitute a lien upon all real or personal property of the group home provider in that county owned by the group home provider at the time, or that the group home provider may afterwards, but before the lien expires, acquire. The judgment lien shall continue for 10 years from the time of recording of the abstract of judgment obtained pursuant to subsection (a), unless sooner released or otherwise discharged.

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(c) The judgment lien may, within 10 years from the date of recording of the abstract of judgment or within 10 years from the date of the last extension of the lien in the manner provided in this section, be extended by recording a new abstract in the office of the county recorder of any county. From the date of that recording, the lien shall be extended for 10 years, unless sooner released or otherwise discharged."

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(b) The Department may release a lien on a group home provider's property in accordance with Section 11466.34(d) of the Welfare and Institutions Code.

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Welfare and Institutions Code Section 11466.34(d) states the following:

"(d) The department may release any lien imposed pursuant to this chapter, at the provider's cost, in which case any judgment pertaining to that lien is for all purposes null and void, if all the following conditions are met:

- (1) No temporary suspension order or license revocation actions by the department's community care licensing division is pending against a provider.
- (2) A provider has made at least three timely payments on a repayment agreement.
- (3) The provider submits to the department corroborative evidence that it is unable to obtain a loan from an institutional lender unless the lien is released."

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11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (1) Prior to the Department releasing a lien under this subsection, the group home provider shall forward to the Department a check made payable to the California Department of Social Services for the appropriate county filing fee, if applicable, through certified mail, domestic receipt requested, to the following address:

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
744 P Street, M.S. 14-68
Sacramento, California 95814
ATTN: Cashier

- (2) The corroborative documentation in accordance with Section 11-402.666(b) shall be in writing.

.667 Any group home provider who has its rate terminated and has any outstanding self-reported or sustained overpayments shall be ineligible to receive a rate for any group home program until all overpayments are repaid.

- (a) Annual rate applications shall not be approved for any group home provider under either of the following circumstances:

- (1) A group home provider owing either a self-reported or sustained overpayment and incurring a second overpayment shall not be eligible to receive a rate until the overpayments are repaid.
- (2) Any group home provider incurring a self-reported or sustained overpayment that constitutes more than 60 percent of the group home provider's annual rate reimbursements shall not be eligible to receive a rate until the overpayment is repaid.

- (b) Notwithstanding Section 11-402.667(a), a group home provider with an approved repayment agreement shall be eligible for a rate for either an existing or future group home program.

.668 The Department shall terminate a group home program's rate for a self-reported or sustained overpayment in accordance with Section 11466.36(a) of the Welfare and Institutions Code.

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Welfare and Institutions Code Section 11466.36(a) states the following:

"(a) The department may terminate a group home rate if any of the following conditions are met:

(1) The director determines that, based upon the findings of a hearing officer, a rate application or information submitted by a provider was fraudulently submitted to the department.

(2) A provider with an outstanding sustained overpayment incurs a second sustained overpayment, and is unable to repay the sustained overpayments.

(3) A provider has a sustained overpayment that represents 100 percent of a provider's annual rate reimbursement."

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.669 A group home provider that has a rate terminated under Section 11-402.668 shall have the rate terminated in accordance with Sections 11-402.33(a), (b), and (d) and 11-402.394.

.7 Renumbered to Subsections 11-405.1 through .141 by Manual Letter No. OPS-99-01, effective 1/1/99.

.8 Cost Reporting

.81 A provider shall report the actual allowable and reasonable costs for each program to the Department on Forms SR 3 and SR 4 based on the provider's fiscal year in accordance with Section 11-405.214.

.811 If the provider has established a new program within the provider's previous fiscal year and has less than 12 months of data, the provider shall submit cost data for the first month the rate is effective to the end of the provider's fiscal year.

.812 Repealed by Manual Letter No. OPS-03-01, effective 2/13/03.

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.82 Allowable Costs

Reported costs shall be actual allowable and reasonable as defined in federal statutes and regulations including 45 CFR, Part 74 and 45 CFR, Part 1356 in addition to other costs listed in Sections 11-402.822 and .823.

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.821 Actual allowable and reasonable costs as defined in 45 CFR, parts 74 and 1356 state in part:

"(a) The reasonable cost of, and the cost of providing the following:

- (1) Food.
- (2) Clothing.
- (3) Shelter.
- (4) Daily supervision.
- (5) School supplies.
- (6) Personal incidentals.
- (7) Travel to the child's home for visitation.
- (8) Liability insurance which covers the child.

(b) The reasonable cost of administration and operation necessary to provide the items described in (a) above."

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.822 The reasonable social work activities offered by providers.

.823 Reasonable, actual principal and interest on original acquisition mortgages.

(a) If the original acquisition mortgages are refinanced, the lesser of the following shall be allowed.

- (1) The amount of interest associated with the original acquisition loan amounts, or

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(2) The amount of interest associated with the remaining principals.

.824 The reasonable, lease or rental costs for real property.

(a) Beginning Fiscal Year 1998/99, an approval letter from the State Attorney General's Charitable Trust Section shall be required as verification of review and approval of shelter costs which include self-dealing transactions, as defined in Nonprofit Corporation Law, Title 1, Division 2, Section 5233, California Corporations Code.

(1) To request a review by the Attorney General's Charitable Trust Section, a provider shall submit a written request by certified mail, return receipt requested, to the Attorney General's Charitable Trust Section for review and approval of the transaction as specified by Title 11, Division 1, Chapter 15, Section 999.1(a), California Code of Regulations.

(2) The approval letter received from the Attorney General's Charitable Trust Section shall be included as a component of the rate application package submitted to the Department. If more than sixty (60) days has passed since the submission of the request for approval, and no approval letter has been issued by the Attorney General, then a provisional rate, not to exceed 120 days, shall be set pending receipt of the approval.

(3) These records shall be maintained for a period of not less than five (5) years.

.825 The reasonable cost incurred for vehicle and equipment leases as if owned by the provider as described in Section 11-402.828(b).

(a) Beginning July 1, 1997 vehicle and equipment costs shall not include the costs for leaseback transactions.

.826 Costs that are not allowable shall include, but not be limited to, the following:

(a) Overhead and supervision costs associated with unallowable activities.

(b) Litigation expenses associated with suits filed against an agency of the county, state, or federal governments.

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (c) Retainer fees for consultants, physicians, lawyers, and accountants.
 - (d) Psychiatric and psychological consultations associated with unallowable Title IV-E activities.
 - (e) The cost of medical diagnosis, hospital expenses, and physician services.
 - (f) The cost of formal educational activities.
 - (g) Vocational training which substitutes for formal education.
 - (h) Recreation costs except where it substitutes for otherwise necessary daily supervision.
 - (i) The cost of more than one appraisal per year per facility; the cost of an appraisal performed by an appraiser deemed by the Department not to be a qualified, professional appraiser meeting the standard specified in Section 11-402.828(a)(1)(A)(ii); and the cost of appraisals performed under a less-than-arms-length agreement or by a person or persons employed by, under contract with for purposes other than performing appraisals, or having a material interest in any group home which receives AFDC-FC funds.
 - (j) Any cost for a child living with his/her minor parent.
 - (k) Beginning July 1, 1997 any costs for vehicle and equipment leaseback transactions.
- .827 Cost Components. The nine cost group definitions are as follows:
- (a) CCS. All costs related to the hours of CCS reported in the Program Classification Report [SR 2 (Rev. 12/94)] are to be reported. These include functions of day-to-day care of the child that would be considered ordinary parental duties and supervision of the caregiver. Do not include social work activities. Include payroll, payroll taxes and employee benefits. Include contract costs if a child care worker is under contract.
 - (b) Social Work Activity. All costs related to the direct social work services described in Sections 11-400s(3) and 11-402.212, including but not limited to, payroll, payroll taxes, employee benefits, and contract costs, if a social worker is under contract.

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (c) Food. All costs related to food planning, preparation and service, kitchen supplies, and food stuffs for children in placement including, but not limited to, food worker payroll, payroll taxes, employee benefits, food expense and kitchen supplies.
- (d) Shelter. Shelter costs include, but are not limited to, the original mortgage principal and interest for owned real property; use allowance on buildings for which no original mortgage principal or interest is claimed for owned real property; reasonable lease or rental costs of real property; use allowance for capital improvements; taxes; building insurance; and appraisals for owned, leased, or rented real property.
- (e) Buildings and Equipment. Building and equipment cost include, but are not limited to, building and equipment payroll; payroll taxes and employee benefits; building maintenance; contracts; supplies; equipment leases; equipment depreciation expense; expendable equipment; and miscellaneous building and equipment expenses.
- (f) Utilities. Utilities costs include, but are not limited to, the cost of electricity, natural gas, water, garbage, and sewer.
- (g) Vehicles & Travel. Vehicle and travel costs include vehicle leases, depreciation, operating costs and transportation of the child.
- (h) Child-Related. Child-related costs include, but are not limited to, clothing, personal and incidental expenses for the child, school supplies, planned activities, and other child-related costs. County paid clothing allowances shall offset these costs by the amount actually paid.
- (i) Administration. The costs necessary for the on-going administration and support functions of the organization include, but are not limited to, administration payroll; contracts; telephone and telegraph; postage and freight; office supplies; administrative travel; conferences; meetings; in-service training; memberships; subscriptions; dues, printing and publications; bonding; general insurance; organizational costs; advertising; recruiting; and miscellaneous.

.828 For purposes of reporting AFDC-FC costs, the determination of what is reasonable shall be based upon the standards listed below and the actions a prudent person would take in similar circumstances.

- (a) Shelter costs shall be considered reasonable in relation to the fair market value limit as described below:

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (1) Reimbursement of shelter costs shall not exceed 12 percent of the fair market value of owned, leased, or rented buildings, that are used for group home programs and activities exclusive of idle capacity and capacity used for nongroup home programs and activities.
 - (A) Fair market value shall be determined by either of the following methods as chosen by the provider:
 - (i) The market value shown on the last tax bill for the cost reporting period, or
 - (ii) The market value determined by an independent appraisal. The appraisal must be performed by a qualified, professional appraiser who, at a minimum, meets standards for Class III appraisers as specified in Title 10, California Administrative Code, Subchapter 2, and shall not be deemed independent if performed under a less-than-arms-length agreement or by a person or persons employed by, under contract with for purposes other than performing appraisals, or having a material interest in any group home which received AFDC-FC funds. The Department shall have the authority to determine that any appraisal does not meet the standard specified herein.

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (B) Shelter costs for the purpose of the limit specified in Section 11-402.828(a) shall include, but not be limited to, the following:
 - (i) Original mortgage principal and interest, for owned property;
 - (ii) Use allowance on buildings for which no original mortgage principal or interest is claimed, for owned property;
 - (iii) Reasonable lease or rental costs for leased or rented real property;
 - (iv) Use allowance for capital improvements, for both owned and leased or rented property;
 - (v) Taxes, for both owned and leased or rented property; and
 - (vi) Insurance, for both owned and leased or rented property; and
 - (vii) The costs of independent appraisals, for both owned and leased or rented property.

- (b) Annual vehicle costs shall be deemed reasonable subject to the following conditions:
 - (1) Total annual vehicle costs may not exceed the standard rate allowed by the Internal Revenue Service for business use in effect at the time the vehicle costs are incurred.
 - (2) Except as provided in Section 11-402.828(b)(1), the total annual costs for vehicles may include the reasonable costs of purchasing or leasing and operating group home vehicles, including such costs as: depreciation, insurance, fuel, maintenance and repairs, license fees, taxes, and reimbursements to employees for business use of their personal vehicles.

11-402 **GROUP HOME RATE SETTING** (Continued)

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- (c) All executive compensation shall be reported for each executive officer. The reasonableness standards and criteria for executive compensation are contained in Internal Revenue Code Section 4958. This rule shall apply to all individuals of the non-profit corporation deemed by the Internal Revenue Service to be anyone in a position to exercise substantial influence over a non-profit corporation's affairs. This rule may apply to the individual's immediate family as well as to family-controlled entities. Compensation provided in accordance with Internal Revenue Code Section 4958 shall be deemed to be reasonable for the purposes of reporting AFDC-FC costs.

11-402 **GROUP HOME RATE SETTING** (Continued) **11-402**

- .83 Charitable Donations and Governmental Payments
 - .831 Unrestricted charitable donations from nongovernmental sources shall not be used to offset reported costs.
 - .832 Payments for allowable costs shall offset reported costs.
 - .833 Costs for staff whose hours are not counted for program classification purposes, because they are reimbursed from government sources other than AFDC-FC, shall not be reported as allowable costs.
 - .834 Donor restricted donations from private sources specified to fund an allowable cost shall offset allowable costs.
 - .835 Actual payments for clothing allowances shall offset allowable costs for clothing.
- .84 Accounting Requirements
 - .841 (Reserved)
 - .842 Accounting records shall be maintained in accordance with generally accepted accounting principles.
 - .843 All accounting records shall be retained for a minimum period of five years from the date of the final claim for that annual period or until all audit issues have been resolved.

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- (a) Examples include, but are not limited to, accounting records and journals, ledgers and supporting documentation, invoices, receipts, checks and/or vouchers.

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11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

.844 Depreciation/Use Allowance

- (a) The straight-line method of calculating depreciation shall be used for equipment with a useful life of more than two years valued at \$500 or more based on the initial acquisition cost.
 - (1) Useful life shall be:
 - (A) A minimum of three years for automobiles.

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- (i) Examples include passenger vehicles and general purpose trucks with unloaded weight less than 13,000 lbs.

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- (B) A minimum of five years for all other depreciable equipment.

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- (i) Examples include office equipment, computer equipment, buses, commercial vans, and heavy general purpose trucks with unloaded weight of 13,000 lbs. or more.

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- (b) Providers shall be permitted to convert their existing depreciation methods to schedules which are consistent with the method specified in Section 11-402.844(a).
 - (1) The total depreciation charges throughout the useful life of the equipment shall not exceed the original cost of acquisition.
- (c) Use allowance shall be applied to the acquisition cost of building, for which no original mortgage principal and interest is paid, and to improvements.

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (1) Use allowance shall be computed at an annual rate of two percent.

- (d) Charges for use allowances or depreciation shall be supported by adequate property records, including acquisition date and cost, the depreciation period and the amount charged each cost period.

- (e) Physical inventories shall be taken and documented at least once every two years for depreciable equipment.

- .845 Gains or losses on the sale, retirement or other disposition of vehicles and other equipment shall be included as credits or charges in the year in which they occur.

- .846 Cost Allocation
 - (a) Allowable AFDC-FC overhead costs as specified in Welfare and Institutions Code Section 11460(b)(1) shall be allocated to each AFDC-FC program.
 - (1) Allocation bases may include, but not be limited to, the following:
 - (A) Direct child care hours.
 - (B) Number of children in each program.
 - (C) Square footage; or
 - (D) If applicable, the percentage of AFDC-FC revenue.
 - (2) The allocation methodology shall be documented and is subject to audit as specified in Section 11-405.2.

- .85 (Reserved)

.9 Phase-in Following Implementation

The standardized schedule of rates as specified in Section 11-402.15 shall be phased in over two state fiscal years (FY) starting with July 1, 1990 and ending June 30, 1992.

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11-402 **GROUP HOME RATE SETTING** (Continued) **11-402**

- .91 For implementation purposes, a rate floor shall be established.
 - .911 The rate floor for FY 1990/91 shall be 85 percent of the standard rate for each RCL.
 - .912 The rate floor for FY 1991/92 shall be 92.5 percent of the standard rate for each RCL.
 - .913 The rate for the new group home program of a new or existing provider shall be established at the rate floor for the program's projected RCL.

- .92 Rates effective July 1, 1990 shall be determined as follows:
 - .921 For programs operating on June 30, 1990 with an actual cost-based rate:
 - (a) Providers shall submit a complete rate application, reporting level of care and services provided between July 1 and December 31, 1989 or between July 1, 1989 and March 31, 1990. The resulting RCL shall be the program's RCL based on the retrospective level of care.
 - (b) Providers that implemented a program change during the above stated reporting period that impacts a minimum of four reporting months shall be permitted to report only the months reflective of the program change.
 - (c) Providers shall also project, as part of the complete rate application, the RCL that each program will provide during the 1990-91 fiscal year.
 - (1) Providers shall not project an RCL for a program that is higher than the retrospective RCL reported for that program as specified in (a) or (b) above.
 - (2) Providers shall be permitted to project for a program an RCL that is lower than the retrospective RCL reported for existing programs as specified in (a) or (b) above.
 - (d) The Department shall review the rate application, determine the RCL level, and authorize the rate when the conditions specified in Section 11-402.2 have been met.
 - (1) For programs that have a projected RCL at the same level as the RCL reported as specified in (a) or (b) above, the rate shall be the higher of:

11-402 **GROUP HOME RATE SETTING (Continued)** **11-402**

- (A) The 1989/90 rate plus CNI up to the standard rate, or
 - (B) The rate floor, or
 - (C) The 1989/90 rate if above the standard rate.
- (2) For programs that have a projected RCL that is lower than the RCL reported as specified in (a) and (b) above, the rate shall be the lesser of:
- (A) The standard rate for the projected RCL, or
 - (B) The greater of:
 - (i) The 1989/90 rate plus CNI, or
 - (ii) The rate floor for the projected RCL.
- (e) A provider shall show evidence of their intention to complete the training requirements in fiscal year on-going 1990/91 for a program if the program chooses to claim the weighting for on-going training by submitting both of the following:
- (1) A copy of a training log for training provided between July 1, 1989 and December 31, 1989.
 - (A) The required training log need not include the names of the trainees.
 - (2) A proposed training plan for training to be provided between January 1, 1990 and June 30, 1990.
 - (A) The proposed training plan in (2) above is not required to be preapproved.
- (f) Programs continuing to receive the actual 1989/90 cost-based rate shall be frozen at that rate until the standard rate for the RCL plus COLAs is equal to or greater than the frozen 1989/90 cost-based rate.
- (g) The effective date for timely applications shall be July 1, 1990.
- (h) Good cause and penalties shall be applied as specified in Section 11-402.37 and .38.

11-402 **GROUP HOME RATE SETTING** (Continued) **11-402**

- .922 Programs which do not have an actual cost-based rate in effect June 30, 1990 shall have their 1990/91 fiscal year rate established as follows:
- (a) The provider must submit a complete rate application projecting level of care and services for the 1990/91 fiscal year as specified in Sections 11-402.411 and .411(a).
 - (b) The Department shall determine the RCL and authorize the rate when all required application conditions are met. The rate shall be the lesser of:
 - (1) The existing rate plus applicable CNI up to the standard rate but no less than the rate floor, or
 - (2) The standard rate.
 - (c) The effective date for timely applications shall be July 1, 1990.
 - (d) Good cause and penalties will apply as set forth in Section 11-402.37 and .38.
- .923 The Department shall not increase the RCL level for any group home program during fiscal year 1990/91. A provider wishing to increase a program's RCL must submit a complete application according to Section 11-402.3 in the annual 1991/92 application process.
- .93 Audits of group home programs for fiscal year 1990/91 for which an RCL is determined by retrospective program classification data shall be based on each of the months reported.
- .931 For providers in fiscal year 1990/91, submitting on retrospective basis, the reporting period is:
- (a) Either July 1, 1989 through December 31, 1989, or July 1, 1989 through March 31, 1990.
 - (b) The Department shall review the SR 2 (Rev. 3/90) showing retrospective program classification data to:
 - (1) Verify if projected points were maintained,
 - (2) Determine the RCL for each month,
 - (3) Average the audited points, and
 - (4) Determine if audited points affect RCL and/or rate.

11-402 **GROUP HOME RATE SETTING** (Continued) **11-402**

- .94 Overpayments During the Implementation Period
- .941 Providers that fail to maintain the RCL upon which the 1990/91 fiscal year rate was established shall be assessed an overpayment as specified in Section 11-402.6.
- .942 Providers who are found to have operated at a lower RCL than projected but who received a frozen rate during the implementation period which was higher than the standard for their actual RCL shall be assessed for possible determination of an overpayment. The Department shall:
- (a) Recompute the RCL based upon the actual conditions in effect at the time in question.
 - (b) Establish the new rate for the appropriate months based on the new RCL.
 - (c) Compare the actual rate paid during the affected time period to the recomputed rate to determine if an overpayment exists.
- .943 The Department shall compute an overpayment for a program which, was an on-going program with a cost-based rate before July 1, 1990; had a projected RCL which resulted in a rate higher than the cost-based rate plus CNI effective July 1, 1990; had a recomputed RCL lower than the projected RCL; and the level of care and services prior to and after July 1, 1990 remained the same, as follows:
- (a) Subtract the cost-based rate plus CNI from the actual rate paid during the affected time period.
 - (b) Multiply the average group home occupancy of children who receive AFDC-FC during the audit period by the number of months in the audit period times the result in (a).
- .944 During implementation the overpayment amount shall not exceed the difference between the rate actually paid and the rate that would have been paid if the provider had correctly reported his/her RCL.

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NOTE: Authority cited: Sections 10553, 10553(e), 10554, 11460(b), 11462, 11462(j), 11462.06, 11466.1, 11466.2, and 11466.21, Welfare and Institutions Code and Chapter 1294, Statutes of 1989, Section 23. Reference: Sections 1502(a)(1), 1502.4(b), and 1530.8, Health and Safety Code; Section 3353, California Labor Code; Sections 366, 4096.5, 4096.5(a), (c), (c)(1), and (2), and (d), 10852, 11226, 11228, 11230, 11231, 11232, 11233, 11235, 11236, 11400(h), 11402.5(a), 11460, 11460(b)(1), 11462, 11462(a)(1), (a)(2) and (a)(3), 11462(d), 11462(e)(3), 11462(g)(14), 11462(i)(1)(B), 11462.01(a), (a)(1), (2), and (3), 11462.01(b), 11462.01(d), (d)(1) and (2), 11462.01(e), 11462.01(f)(1), (2), and (3), 11462.01(g)(1), (2), (3), and (4), 11462.01(h), 11462.01(i)(1), (2), and (3), 11462.01(j), 11462.03, 11466.1, 11466.2, 11466.3, 11466.4, 11466.22, 11466.25, 11466.31, 11466.32, 11466.33, 11466.34, 11466.35, 11466.36, 11467, 11467.1 (Assembly Bill 1197, Chapter 1088, Statutes of 1993), 11468 through 11468.6, 16522(a) and (b), 16501.1(d), and 18350, Welfare and Institutions Code; Sections 1502(a)(1) and (a)(8), Health and Safety Code; Assembly Bill 1575, Chapter 728, Statutes of 1997; Public Laws 98-502 and 104-156; The Classification of Group Home Programs Under the Standardized Schedule of Rate System Report, August 30, 1989; Title 8, California Code of Regulations, Section 11050, Title 11, California Code of Regulations, Section 999.1(a); and Title 1, Division 2, Section 5233, California Corporations Code; and federal Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; *Government Auditing Standards* of the Comptroller General of the United States (Yellow Book); Department of Health and Human Services, Administration for Children and Families letters dated April 19, 2001, February 22, 2002 and May 7, 2002; and the Internal Revenue Code Section 4958.

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11-403 FOSTER FAMILY AGENCY RATES **11-403**

(a) Rate Determination Process

(1) The Department shall set rates for each foster family agency utilized by counties which place AFDC-FC children.

(A) The rate for a foster family agency program which provides treatment services for children who have treatment needs shall be set in accordance with Sections 11-403(a)(2) and 11-403(b)-(k).

1. As used in (A) above, "treatment needs" means that the placement agency, as defined in Section 11-400p.(3), has determined that the child has services needs which:

(i) Cannot be provided in an available family home;

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(See family home definition specified in Section 11-400f.(3).)

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(ii) Would require group home placement if the child was not referred to a foster family agency; and

(iii) Can be met by the program offered by the foster family agency to which the child is being referred.

2. The payment to foster parents of a foster family agency shall be at least as great as the Department's schedule of foster family agency basic rates plus the amount added by the Department in recognition of the specialized nature of the children placed in such homes.

(B) The rate for a foster family agency program which does not provide treatment services shall be the foster family agency basic rates as specified in Section 11-403(d)(1)(A)(i).

1. A specialized care rate as defined in Section 11-400s.(7) may be paid for a child placed in certified family home of a foster family agency as described in (B) above when the following conditions are met:

(i) the placing agency has determined that the child has care needs greater than those of a normal foster child; and

11-403 **FOSTER FAMILY AGENCY RATES (Continued)** **11-403**

- (ii) the placing county has a specialized care system as specified in Section 11-401.3.

(See Section 11-401.4 for out of county placement requirements for specialized care.)

- (2) One rate shall be set for each program for which a rate request is received from a given foster family agency.
 - (A) Each foster family agency shall identify and describe each of the programs it offers.
 - (B) The Department shall have the authority to verify the legitimacy and accuracy of the descriptions of each program offered.
 - (C) Where a foster family agency submits a rate request for more than one program and the Department determines that no significant difference exists between the programs, a separate rate or set of age-based rates shall not be set.

(b) Rate Ceilings

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- (1) Welfare and Institutions Code Section 11463 provides that no county shall be reimbursed for any percentage increases in payments, made on behalf of AFDC-FC funded children who are placed with foster family agencies, which exceed the percentage cost-of-living increase provided in any fiscal year beginning on or after January 1, 1990, as specified in subdivision (c) of Section 11461.

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(c) Allowable Costs

- (1) Reported costs shall be actual allowable and reasonable as defined in federal statutes and regulations including 45 CFR Part 74, 45 CFR Part 1356, and Section 11-402.8.
 - (A) Allowable costs shall include:
 - 1. Payment to the foster parents for those items specified in Sections 11-401.11 and .12.

11-403 FOSTER FAMILY AGENCY RATES (Continued) 11-403

2. Reasonable social work activities provided by the foster family agency as defined in Section 11-400s.(4).
3. The reasonable cost of activities of recruiting and training certified family home foster parents and administration of the provision of items or services described in 1. and 2. above.
4. Executive Compensation

All executive compensation shall be reported for each executive officer. The reasonableness standards and criteria for executive compensation are contained in Internal Revenue Code Section 4958. This rule shall apply to all individuals of the non-profit corporation deemed by the Internal Revenue Service (IRS) to be anyone in a position to exercise substantial influence over a non-profit corporation's affairs. This rule may apply to the individual's immediate family as well as to family-controlled entities. Compensation provided in accordance with Internal Revenue Code Section 4958 shall be deemed to be reasonable for the purposes of reporting AFDC-FC costs.

(d) Rate Calculation

(1) The rate shall consist of the sum of the following amounts per month per child:

(A) The foster family agency basic rate as specified in Section 11-403(d)(1)(A)1., plus an increment of \$190;

1. The following FFA Basic Rates are effective July 1, 1999.

Age	0-4	5-8	9-11	12-14	15-19
FFA Basic Rate	375	407	434	482	525

(B) The lesser of the actual allowable amount for social work services for the immediately preceding calendar year of \$271;

(C) An amount equal to two-thirds of the sum of (A) and (B) above for recruitment, training, and administration. Effective January 1, 2000, two-thirds shall equal .667.

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(D) EXAMPLE: The total rate for a 12-year-old child for FY 99-00 would be computed as follows:

Basic rate \$482

Increment for child 190

Social work services 271

\$943

Take two-thirds (.666) times the subtotal:

$$.666 \times 943 = 628$$

The recruitment, training, and administration amount would be \$628; the total rate would be \$1,571 (\$943 + \$628).

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(e) Rate Adjustments for Existing Foster Family Agency Rates

- (1) When, based on rate calculation provisions specified in Section 11-403(d), the newly calculated rate is lower than the existing rate, no increase in state participation in the existing rate shall occur until any cost-of-living increases provided in accordance with Welfare and Institutions Code Section 11463 eliminate the difference between the existing rate and the newly calculated rate.
- (2) When, based on rate calculation provisions specified in Section 11-403(d), the newly calculated rate is higher than the existing rate, any cost-of-living increases provided in accordance with Welfare and Institutions Code Section 11463 shall be applied until the difference between the existing rate and the newly calculated rate is eliminated.

(f) Rate Request Process

(1) Rate Request Submission

- (A) Each foster family agency shall submit to the Department a complete rate request for each program being provided in order to receive a rate for that program.

11-403 FOSTER FAMILY AGENCY RATES (Continued) 11-403

- (B) A rate request shall be considered complete when all required forms, program statement, and other supporting documentation have been completed and submitted to the Department.
 - 1. If all the required forms necessary to the actual setting of rates have been submitted, but additional documentation is needed, the rate request shall be considered complete if the foster family agency submits the remaining documentation within 30 days after notification by the Department.
- (C) For Fiscal Year 1985/86, a complete rate request shall be due August 1, 1985.
 - 1. A late rate request shall not be accepted from an existing foster family agency after November 1, 1985.
 - 2. Foster family agencies which do not submit a rate request by November 1, 1985 shall not have a rate set for the new fiscal year and shall not receive AFDC-FC funds after February 1, 1986.
- (D) A complete rate request is due April 1.
 - 1. Foster family agencies which do not submit a complete rate request by July 1 shall not have a rate set for the new fiscal year and shall not receive AFDC-FC funds after September 1, except as provided for in Section 11-403(f)(3).

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- (E) Penalties for submission of late rate requests are specified in Section 11-403(f)(2)(B).

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- (F) Exceptions to these due dates shall be as specified in Section 11-403(g).

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(2) Effective Date of Rates

- (A) July 1 shall be the effective date for the rates when the rate request is submitted on time or late with good cause.
- (B) Effective dates of rates for foster family agencies which submit a late rate request without good cause shall be established as follows:
 - 1. If the rate request is submitted from one day to one month late, the effective date will be August 1.
 - 2. If the rate request is submitted from one month and one day to two months late, the effective date will be September 1.
 - 3. If the rate request is submitted two months and one day late or later, but before July 1, the effective date will be October 1.
 - 4. Where the new rate is lower than the old rate, the lower rate shall be set retroactively to July 1 and adjusted pursuant to Section 11-403 on overpayments.
- (C) Exceptions to the effective dates of rates shall be as specified in Section 11-403(g).

(3) Rate Reestablishment

- (A) A rate reestablishment is a process to reestablish a foster family agency program rate for the remainder of the fiscal year that could not be established in accordance with Section 11-403(f)(1) or was terminated for failure to submit a financial audit report as specified in Section 11-405.219. A program rate shall be reestablished when the Department determines that all applicable rate request requirements have been met.
 - 1. The effective date of the rate for a complete rate request submitted after July 1 shall be no earlier than September 1 or the date of the Department's written notification of reestablishment of the rate to the foster family agency, whichever is later.
 - 2. The rate shall be set, based on the lesser of:
 - (i) the provider's rate for the prior fiscal year, or
 - (ii) the Foster Family Agency Schedule of Rates for the current fiscal year.

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- 3. A foster family agency rate that is terminated pursuant to Section 11-405.219, shall not be reestablished until the non-profit corporation submits a financial audit report in accordance with Section 11-405.21.
 - (i) Once the Department has determined that the provider has satisfactorily met the financial audit requirements as specified in Section 11-405.2, the effective date for the reestablishment of the rate shall be when the Department provides written notification to the foster family agency.

(g) Deviations from the Rate Setting Process

(1) New Foster Family Agency Providers

(A) A new foster family agency provider shall be one who:

- 1. Has not operated a foster family agency or group home program for AFDC-FC funded children in the fiscal year preceding that for which the rate is being set; or
- 2. Has operated a foster family agency in the fiscal year preceding that for which the rate is being set but did not accept AFDC-FC funded children during that fiscal year; and
- 3. Has not merely added a new program; increased the level of services provided; changed incorporation; reorganized; or changed name, location, ownership, or license.

11-403 FOSTER FAMILY AGENCY RATES (Continued) 11-403

- (B) The rate for new foster family agency providers shall be determined in accordance with Section 11-403(a)(1).
 - (C) In order to establish a rate, new foster family agency providers shall submit to the Department a complete rate request in accordance with Section 11-403(f)(1)(B).
 - (D) Repealed by Manual Letter No. OPS-03-01, effective 2/13/03.
- (2) New Foster Family Agency Programs
- (A) A new foster family agency program shall be one which:
 - 1. Serves an entirely different population at an entirely different level of service than that currently served by the foster family agency's existing program(s); and
 - 2. Is either based in different certified family home(s) than the current program(s) operated by the foster family agency, or the current program(s) operated by the foster family agency is replaced by an entirely new program.
 - (B) Rates for new programs shall be set in accordance with Section 11-403(a)(1).
 - (C) Foster family agencies requesting a new program rate shall obtain and submit to the Department verification from the host county that:
 - 1. The provisions of Section 11-403(g)(2)(A) are met; and
 - 2. The need for the new program(s) is justified.
 - (D) Repealed by Manual Letter No. OPS-03-01, effective 2/13/03.
- (3) Program Expansions
- (A) All other changes which do not meet the requirements of 11-403(g)(1)(A) and 11-403(g)(2)(A) above shall be designated program expansions.
 - 1. Costs associated with these changes shall be incorporated into the rate request for the following year's rate-setting process.

11-403 FOSTER FAMILY AGENCY RATES (Continued) 11-403

(h) Administrative Review Procedure

- (1) The administrative review procedure for foster family agencies shall be as specified in Section 11-430.

(i) State Audit Requirements

- (1) Audit requirements for foster family agencies shall be as specified in Section 11-405.1.

(j) Overpayments

- (1) Overpayment requirements for foster family agencies shall be as specified in Section 11-402.6. An overpayment shall be caused by, but is not limited to, the expenditure of AFDC-FC program funds on items not permissible as specified in Section 11-404.

(k) Accounting Requirements

- (1) Accounting requirements for foster family agencies shall be as specified in Section 11-402.84.

(l) Good Cause for Late Foster Family Agency Rate Request

- (1) A provider who is unable to submit a complete rate request by the due date shall be allowed to submit a written request for a 30-day extension based on good cause as defined in Section 11-400g.(1). The good cause request shall be postmarked within five calendar days of the rate request due date and shall contain the following:

- (A) A clear statement that the request is for a determination of good cause;
- (B) The specific reason(s) for submitting an untimely rate request;
- (C) The provider's name, address and telephone number;
- (D) The name, address and telephone number of the person to be notified regarding the determination of good cause; and
- (E) The name, location and program number of the affected program(s).

11-403 FOSTER FAMILY AGENCY RATES (Continued) 11-403

- (2) Within ten calendar days of the postmarked date of a provider's request for a 30-day good cause extension, the Department shall either approve or deny the request and shall notify the provider in writing of the determination.
 - (A) An approved request shall allow the provider to submit a complete rate request within 30 days of the postmarked date of the Department's notification letter. A complete rate request submitted within the 30-day time period shall have a rate effective date of July 1.
 - (B) A complete rate request that is not submitted within the 30-day time period shall have a rate effective date established in accordance with the appropriate penalty contained in Section 11-403(f)(2)(B).
 - (C) A denied request shall require the provider to submit a complete rate request prior to the first of the next calendar month to avoid imposition of additional late penalties. The effective date of the rate shall be set in accordance with the appropriate penalty contained in Section 11-403(f)(2)(B).

NOTE: Authority cited: Sections 10553, 10554, 11460(b), 11463, and 11466.21, Welfare and Institutions Code. Reference: Sections 11468, 11463, 11466.21, 11466.22, 11466.24, and 11468.2, Welfare and Institutions Code; Public Laws 98-502 and 104-156; Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; *Government Auditing Standards* of the Comptroller General of the United States (Yellow Book); Department of Health and Human Services, Administration for Children and Families letters dated April 19, 2001, February 22, 2002 and May 7, 2002; and Internal Revenue Code Section 4958.

11-404 USE OF FEDERAL AND STATE FOSTER CARE FUNDS **11-404**

- .1 Federal and State AFDC-FC program funds shall be used to meet the cost of providing care and supervision and its associated administrative costs, consistent with the paid rate, for AFDC-FC eligible children as specified in Sections 11-402.82 and 11-403(c).
- .2 Once the care and supervision needs of the children commensurate with the paid rate have been rendered, any unexpended AFDC-FC funds at the end of the program's fiscal year, may be retained by the non-profit corporation operating the group home and/or FFA program, regardless of the fiscal year for which they were received. When expended, these funds shall be used to provide activities that serve or benefit California foster care children, which include, but are not limited to, the following:
 - .21 AFDC-FC allowable costs of other group home and/or FFA programs operated by a non-profit corporation, as specified in Sections 11-402.82 or 11-403(c).
 - .22 Any child-related direct services which shall include, but are not limited to orthodontia, glasses, therapeutic services, recreation therapy, and after-care services, only to the extent that those services are not fully funded from any other governmental funding source and only to the extent that those activities benefit California foster care children.
 - .23 The costs of starting new programs or expanding existing programs, and the operational costs of existing programs provided that the majority of the population to be served by the program shall be California foster care children.
 - .24 The costs of providing pre and/or post emancipation services for California foster care children up to 21 years of age, as identified in either the case plan, individual needs and services plan, or the Transitional Independent Living Plan.
- .3 For the purposes of this section, the term "foster care children" shall include any foster care child or youth who is or has been placed in out-of-home care by a California child welfare services or probation placement agency, including children who are placed out-of-state pursuant to the Interstate Compact on the Placement of Children.

NOTE: Authority Cited: Section 11460, Welfare and Institutions Code. Reference: Section 11460, Welfare and Institutions Code and CFR 45 Part 74.

11-405 FISCAL AND FINANCIAL AUDITS 11-405

.1 Fiscal Audits

- .11 Group home and foster family agency fiscal audits shall be performed by the Department, its agents, or an audit agency of the federal government.
- .111 The scope of the audits shall include, but not be limited to, compliance with all applicable federal and state laws, regulations, and instructions based on those laws and regulations in effect during the audit period.
- .112 Group home programs and foster family agencies shall maintain, at a minimum, the following documentation, as applicable, to support AFDC-FC program expenditures for a period of not less than five years:
- (a) Copies of all contracts and leases, time sheets/time studies, cancelled checks, payroll register/salary schedule, payroll taxes, DE 3DP Quarterly Contributions Return, IRS Form #1099-Miscellaneous Income, and cash receipts.
 - (b) Children's case files, and daily logs and notes of staff performing social work and mental health activities which verify that activities/services were provided to children in placement.

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- .113 Beginning January 1, 1994, unless otherwise specified in law, a fiscal audit will follow the field audit standards contained in the "Field Work Standards for Financial Audits" section of "Government Auditing Standards" (Rev. 1988) by the Comptroller General of the United States, United States General Accounting Office.

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- .114 Noncompliance with the "Field Work Standards for Financial Audits" section of "Government Auditing Standards" (Rev. 1988) by the Comptroller General of the United States, United States General Accounting Office, shall not preclude or bar the Department from sustaining or collecting actual overpayments, or otherwise invalidate an audit report.
- .12 Group home programs shall maintain all cost data related to the following categories for a period of not less than five years.
- .121 CCS.

11-405 **FISCAL AND FINANCIAL AUDITS (Continued)** **11-405**

- .122 Social Work Activities.
- .123 Food.
- .124 Shelter.
- .125 Buildings and equipment.
- .126 Utilities.
- .127 Vehicles and travel.
- .128 Child related.
- .129 Administration.

- .13 The Group Home Program Cost Report (SR 3), Group Home Program Payroll and Fringe Benefit Report (SR 4), and Total Program Cost Display (FCR 12FFA) are used to report the following payroll and fringe benefit data:
 - .131 Payroll.
 - .132 FICA.
 - .133 Unemployment coverage.
 - .134 Medical insurance expense.
 - .135 Retirement.
 - .136 Other payroll and fringe benefit costs.
 - .137 Contractor costs.

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11-405 **FISCAL AND FINANCIAL AUDITS (Continued)** **11-405**

.14 A provider shall be responsible for making available all requested records and documents as referenced in Sections 11-405.12 and .13 during fiscal audits.

.141 A provider's refusal to cooperate with the Department by not providing the requested records, documents, or allowing immediate access to the requested documents, records or facilities shall result in rate termination as specified in Sections 11-402.524, 11-402.525, and 11-402.526.

.2 Financial Audits

As a condition to receive an AFDC-FC rate, a non-profit corporation that operates a group home program and/or a foster family agency program that provides treatment services shall submit a financial audit report to the Department.

.21 Audit Report Requirements

To be accepted by the Department, a financial audit report shall meet the following requirements:

.211 The audit shall be conducted by a certified public accountant or a state-licensed public accountant.

.212 The accountant conducting the audit shall not have a direct or indirect relationship with the corporation which affects or could affect the accountant's independence, objectivity, or integrity, as defined in Rules 101 and 102 of the American Institute of Certified Public Accountants (AICPA) Code of Professional Conduct and the interpretations and ethics rulings under these rules.

.213 The audit shall be conducted according to the *Government Auditing Standards* issued by the Comptroller General of the United States [Generally Accepted Government Auditing Standards (GAGAS)] and financial accounting standards applicable to entities organized and operated on a non-profit basis.

(a) Beginning April 1, 2003, for those non-profit corporations that expend \$300,000 or more in combined federal funds for all of its programs and activities during the non-profit corporation's fiscal year, the audit must be conducted annually according to the standards contained in federal Office and Management Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. The non-profit corporation's financial audit report, including copies of any management letters issued by the independent auditor as a result of the audit, shall be submitted to the Department annually within the earlier of 30 days after receipt of the independent auditor's report or nine months after the end of the non-profit corporation's most recent fiscal year.

11-405 **FISCAL AND FINANCIAL AUDITS (Continued)** **11-405**

- (1) For purposes of this section, federal Foster Care funds shall be deemed expended when received by the non-profit corporation.
 - (2) Corporations shall submit to the Department one copy of the complete OMB Circular A-133 report and audited cost data as specified in Section 11-405.214.
 - (3) Notwithstanding Section 11-405.213(a), a non-profit corporation which operates a group home program and/or a foster family agency program that provides treatment services whose fiscal year began prior to April 1, 2003 shall submit a financial audit report for the non-profit corporation's most recent fiscal year in accordance with *Government Auditing Standards* or OMB Circular A-133 standards, within the time frame specified in Section 11-405.213(b).
- (b) For a non-profit corporation that expends less than \$300,000 in combined federal funds for all of its programs and activities during the non-profit corporation's fiscal year, the audit must be conducted according to *Government Auditing Standards* as specified in Section 11-405.213. The non-profit corporation's financial audit report, including copies of any management letters issued by the independent auditor as a result of the audit, shall be submitted to the Department at least once every three years on a schedule determined by the Department within the earlier of 30 days after receipt of the independent auditor's report or six months after the end of the non-profit corporation's most recent fiscal year.
- (1) For each and every year in which a financial audit report is not required, the non-profit corporation shall submit to the Department cost data reported on the applicable Group Home Program Cost Report, SR 3, (12/02) Group Home Program Payroll and Fringe Benefit Report, SR 4, (12/02) and the Total Program Cost Display, FCR 12FFA, (12/02) which may be unaudited or audited. The cost data to be reported for a year in which a financial audit report is required shall be audited and submitted in accordance with Section 11-405.214.

11-405 **FISCAL AND FINANCIAL AUDITS (Continued)** **11-405**

- (A) The reported cost data shall be consistent with the entity's most recent fiscal year and shall be submitted within six months of the non-profit corporation's fiscal year ending date.
 - (B) Completed cost data reports and other documentation to support AFDC-FC program expenditures shall be maintained for at least five years.
- (2) The Department may require the non-profit corporation which is under corrective actions as specified in a management decision letter or which has been found by the Department to have committed misuse or fraud to submit a financial audit report more frequently than once every three years on a schedule determined by the Department.
- (A) The Department shall provide prior written notice to a non-profit corporation when it is requiring submission of a financial audit report more frequently than once every three years.
 - (B) The written notice shall set forth the basis for the requirement to submit a financial audit more frequently than once every three years, the date the additional financial audit report is due to the Department, and other conditions for submitting the financial audit report.
 - (C) Any financial audit report required under this paragraph shall comply with the standards set forth in Section 11-405.21.
 - (D) A non-profit corporation who does not submit an acceptable audit report by the date specified in the Department's notice shall be subject to rate termination under Section 11-402.393.
 - (E) Financial audits required under this paragraph shall not be eligible for cost reimbursement under Section 11-405.22.
- (3) For each and every year in which a financial audit report is not required, the non-profit corporation shall provide a written certification stating that the combined federal funds received from all sources for the most recent fiscal year was less than \$300,000. The Federal Revenue Certification, SR 9, (05/03), shall be used to provide this certification. The completed SR 9 certification form shall be signed and dated by the executive director or authorized board officer and shall be submitted to the Department within six months of the non-profit corporation's fiscal year ending date.

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11-405 FISCAL AND FINANCIAL AUDITS (Continued) 11-405

(4) When a non-profit corporation that is on a triennial financial audit reporting schedule receives total federal revenue in excess of \$300,000 during a fiscal year for which a financial audit report is not scheduled, it shall report this federal revenue to the Department within three months from the end of the non-profit corporation's fiscal year. A financial audit shall be conducted and the corresponding report shall be submitted to the Department in accordance with Section 11-405.213(a).

.214 The audit shall include all of the programs and activities of the non-profit corporation which operates a group home and/or a foster family agency which provides treatment services and shall not be limited to those programs and activities funded in whole or in part by AFDC-FC funds. The audit shall also include audit procedures applied to the cost data reported on the SR 3, SR 4, and FCR 12FFA. The data reported by providers in the cost reports shall be consistent with the entity's fiscal year audit period as specified in Section 11-405.215. The audited cost data may be reported together with the audit of all the programs and activities or reported separately and referenced as an attachment.

(a) A non-profit corporation which operates a group home program and/or a foster family agency program that provides treatment services whose fiscal year began prior to April 1, 2003 shall not be required to submit audited cost data. These corporations shall submit unaudited cost data with the financial audit report.

.215 The audit shall cover the corporation's most recent fiscal year, as defined by the corporation, with the following exceptions:

(a) Notwithstanding Section 11-405.21, a non-profit corporation that has been incorporated fewer than 12 calendar months by the end of its first fiscal year in which it received AFDC-FC funds shall not be required to submit a financial audit report. A financial audit shall be conducted on the non-profit corporation's next full fiscal year of operation and the financial audit report shall be submitted to the Department along with the required cost data in accordance with Section 11-405.21.

(b) If the corporation changes its fiscal year as permitted by the Internal Revenue Service, the audit conducted following the change shall cover all of the months since the last audit, even though this may include more than 12 months. If the audit period is greater than 12 months, the most recent 12 months of the audit period shall be presented separately in the audit report

.216 Financial information shall be reported in a format consistent with generally accepted accounting principles as established by the Financial Accounting Standards Board, the *Government Auditing Standards* issued by the Comptroller General of the United States (GAGAS), and with federal OMB Circular A-133 as required in Section 11-405.21.

11-405	FISCAL AND FINANCIAL AUDITS (Continued)	11-405
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.217 A non-profit corporation that is unable to submit a timely audit report by the due date specified in Section 11-405.213 shall be allowed to submit a written request for determination of good cause as defined in Section 11-400g.(1) which shall be postmarked no later than the audit report due date.

- (a) The request shall contain the following:
 - (1) A clear statement specifying the request for determination of good cause for late submission of a financial audit report.
 - (2) The specific reason(s) for late submission of a financial audit report.
 - (3) The earliest date when a financial audit report can be submitted and the reason why it cannot be submitted earlier.
 - (4) The provider's name, address and phone number.
 - (5) The name, address and phone number of the person to be notified regarding the determination of good cause.
 - (6) The name, location and program number of the affected program(s).
- (b) Within 15 calendar days of receipt of the request for a determination of good cause, the Department shall make a determination of good cause and shall notify the non-profit corporation in writing of the determination.
 - (1) When the Department determines that good cause exists for a late submission of the financial audit report, the Department shall notify the non-profit corporation of the revised due date.
 - (2) When the Department determines that good cause does not exist for late submission of the financial audit report, the Department shall notify the non-profit corporation that it may be subject to rate termination for failure to submit a timely financial audit report as specified in Section 11-402.393.

.218 A non-profit corporation that submits an audit report which does not meet the Department's requirements set out in Sections 11-405.211 through .216 will be granted 30 days to correct any deficiencies unless the Department determines that circumstances beyond the control of the provider exist to grant a longer period.

.219 A non-profit corporation that does not submit an acceptable audit report by the end of the period specified in Section 11-405.218 or fails to submit an audit report as specified in Sections 11-405.213(a) and (b) shall be subject to rate termination under Section 11-402.393.

11-405 FISCAL AND FINANCIAL AUDITS (Continued) 11-405

.22 Financial Audit Cost Reimbursement

Corporations which operate foster family agencies providing treatment services which receive less than \$300,000 in combined federal funds in their most recent fiscal year and/or group home programs with a total licensed capacity of 12 or less which receive less than \$300,000 in combined federal funds in their most recent fiscal year may be eligible for reimbursement of the costs of financial audits on a sliding scale basis, as shown in Sections 11-405.223(a) and (b) below. Reimbursement is subject to the availability of funds and may be authorized only once every three years for the financial audit report specified in Section 11-405.213(b).

.221 Corporations which operate eligible programs may apply for financial assistance related to the costs of the financial audit by forwarding to the Department the financial audit report, a completed Financial Audit Report Transmittal, SR 8, (Rev.4/03), the invoice for the cost of procuring the audit, documentary evidence that the invoice was paid, certification that combined federal funds received in the most recent fiscal year was less than \$300,000 and any other relevant documents needed to validate the claim for reimbursement.

.222 The Department shall review and determine that the financial audit report meets the requirements set forth in Sections 11-405.21 prior to approval of reimbursement.

.223 Schedules for Audit Cost Reimbursement

(a) For corporations which operate a group home program or programs with a combined licensed capacity of 12 beds or less and which receive less than \$300,000 in combined federal funds in their most recent fiscal year, the amount of reimbursement shall be based on the program with the lowest licensed capacity as shown below:

	Single GH Programs Capacity/RCL	Amount Reimbursed
Level I	1-6 beds RCL 1-14	\$2,500 or 50% of actual cost (whichever is less)
	7-12 beds RCL 1-10	Same as above
Level II	7-12 beds RCL 11-14	\$1,500 or 50% of actual cost (whichever is less)

11-405 FISCAL AND FINANCIAL AUDITS (Continued) 11-405

- (b) The Department may issue a management decision upon completion of a fiscal audit if deemed necessary and appropriate. Any management decision issued as a result of a fiscal audit shall clearly describe each review finding and the action expected of the corporation to repay disallowed costs, make financial adjustments, or take other action.

- (c) The Department may recover those costs identified in a financial audit or fiscal audit as misuse or fraud involving AFDC-FC funds. The Department's decision on recoupment shall be based on a review of the audit findings, any responses from a non-profit corporation's management to the findings, including any actions taken to recover misused or fraudulently expended funds, and findings from any additional audits conducted by the Department or its designee. The Department shall provide written notice to the non-profit corporation of its determination in a management decision. The Department's determination of misuse or fraud and its decision on recoupment shall be final if the provider does not request a hearing within the prescribed time stated in Section 11-405.232.

.232 Hearing

The non-profit corporation may request a hearing of the Department's determination of misuse or fraud and its decision on recoupment no later than 30 days after the date the Department issues the management decision. The request for hearing shall identify each audit finding in dispute, and set forth the non-profit corporation's contentions for each disputed audit finding. The request for hearing shall include all supporting documentation that is relevant to the disputed audit findings. Within 60 days of the request for hearing, the Department shall conduct a hearing on the determination, in accordance with the hearing procedures set forth in Sections 11-430.5 through .69. The standard of proof shall be the preponderance of the evidence and the burden of proof shall be on the Department. The hearing officer shall issue the proposed decision within 45 days of the close of the evidentiary report. The director shall adopt, reject or modify the proposed decision, or refer the matter back to the hearing officer for additional evidence or findings within 100 days of the issuance of the proposed decision. If the director takes no action on the proposed decision within the prescribed time, the proposed decision shall take effect by operation of law.

11-405 **FISCAL AND FINANCIAL AUDITS (Continued)** **11-405**

.233 Repayment Terms

The Department shall establish repayment terms in accordance with Section 11-402.66.

.234 Rate Termination

(a) Pursuant to Section 11-402.393, the Department may terminate the rate of a non-profit corporation that is found to have committed misuse or fraud including, but not limited to the following circumstances:

- (1) Multiple occurrences of misuse, or
- (2) Failure to pay on amounts determined by the Department to be misuse or fraud, or
- (3) An officer or director of a non-profit corporation is convicted of fraud, embezzlement, deception, theft and/or material misrepresentation regarding the corporation's operation of its group home or foster family agency program.

(b) Pursuant to Section 11-402.393, the Department may terminate the rate of a non-profit corporation that has failed to substantially comply with expected corrective actions as specified in a management decision letter.

.24 Nothing in this section shall preclude counties from conducting site visits or from performing audits to verify compliance with the terms of any contract or agreement between a county placement agency and a group home and/or foster family agency relative to children in care. Such activities shall not duplicate audits conducted in accordance with OMB Circular A-133.

11-406 DEFINITIONS - FORMS

11-406

The following forms are incorporated by reference:

- (a) (Reserved)
- (b) (Reserved)
- (c) (Reserved)
- (d) (Reserved)
- (e) (Reserved)
- (f) (1) Financial Audit Report Transmittal, SR 8, (Rev. 4/03) – This form is used by a non-profit corporation to transmit the financial audit report to the Department. In addition, the form must be used by a non-profit corporation which submits a claim for the costs of a financial audit. The completed and signed form would provide the necessary certification that total federal revenue received from all sources for the corporation's most recent fiscal year was less than \$300,000.
- (2) Federal Revenue Certification, SR 9, (05/03) – This form is used by a non-profit corporation to certify that combined federal funds received from all sources for the corporation's most recent fiscal year was less than \$300,000.
- (g) (1) Group Home Program Cost Report (SR 3, Rev. 12/02) – This form is used by a non-profit corporation to report cost information of a specific group home program.
- (2) Group Home Program Days of Care Schedule (SR 5, Rev. 10/99) – This form is used by a non-profit corporation to report historical or projected monthly data on the occupancy and licensed capacity of a specific group home program.
- (3) Group Home Program Payroll and Fringe Benefit Report (SR 4, Rev. 12/02) – This form is used by a non-profit corporation to capture historical or projected monthly data on payroll and fringe benefit costs for a specific group home program.
- (4) Group Home Program Rate Application (SR 1, Rev. 1/00) – This is the form used by a non-profit corporation to apply for a group home program rate.
- (h) (Reserved)
- (i) (Reserved)
- (j) (Reserved)

11-406	DEFINITIONS – FORMS (Continued)	11-406
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- (k) (Reserved)
- (l) (Reserved)
- (m) (Reserved)
- (n) (Reserved)
- (o) (Reserved)
- (p) (1) Program Classification Report (SR 2, Rev. 6/99) – This form is used by a non-profit corporation to capture historical and projected monthly data, which is used to establish a rate classification level (RCL) for a specific group home program.
- (q) (Reserved)
- (r) (Reserved)
- (s) (Reserved)
- (t) (1) Total Program Cost Display (FCR 12FFA, Rev. 12/02) – This form is used by a non-profit Foster Family Agency corporations to collect cost information for a specific program.
- (u) (Reserved)
- (v) (Reserved)
- (w) (Reserved)
- (x) (Reserved)
- (y) (Reserved)
- (z) (Reserved)

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions. Reference: Sections 11466.21 and 15658, Welfare and Institutions Code.

11-410 **TRANSITIONAL HOUSING PLACEMENT PROGRAM RATES** **11-410**

- .1 For THPP rates, pursuant to Welfare and Institutions Code Section 11403.3(a)(1), and MPP Section 30-900 et. seq., a county whose THPP plan has been approved by the Department prior to June 30, 2001 is approved to receive the base rate approved as of that date. If a county did not have an approved THPP plan as of June 30, 2001, the base rate per participant will be \$2,100 per month. An additional amount may be paid according to the following:
 - .11 The additional amount shall not cause the total rate to exceed 75 percent of the average RCL payment the county pays to group homes for foster youth 16 to 18 years of age.
 - .12 Funding of the additional amount shall be subject to the sharing ratios specified in Welfare and Institutions Code Section 15200.
 - .13 The state portion of the additional amount shall be subject to the availability of the Transitional Housing for Foster Youth Fund.
 - .14 If the Transitional Housing for Foster Youth Fund is depleted, the county shall pay the state share of the additional amount.

- .2 Pursuant to Welfare and Institutions Code Section 11403.3(a)(2), the per tenant monthly rate for THP-Plus shall not exceed 70 percent of the average RCL payment the county pays to group homes for foster youth 16 to 18 years of age, contingent upon the following conditions:
 - .21 Funding shall be subject to the sharing ratios specified in Welfare and Institutions Code Section 15200.
 - .22 The state portion of the rate shall be subject to the availability of the Transitional Housing for Foster Youth Fund.
 - .23 If the Transitional Housing for Foster Youth Fund is depleted, the county shall pay the state share of the rate.

- .3 Special Definitions:
 - .31 "Participant" means, for the purposes of this chapter, a foster/probation youth placed in a THPP unit as specified in Welfare and Institutions Code Section 11403.2(a)(1).

11-410 **TRANSITIONAL HOUSING PLACEMENT PROGRAM RATES** **11-410**
(Continued)

- .32 "Tenant" means, for the purposes of this chapter, a young adult who is a former foster/probation youth and who is participating in Transitional Housing Program (THP)-Plus pursuant to Welfare and Institutions Code Section 11403.2(a)(2).
- .33 "Unit" means, for the purposes of this chapter, the THPP residence where the participant or tenant resides.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11403.3, 15200, and 16522.3, Welfare and Institutions Code.

11-415 **INFANT SUPPLEMENT** **11-415**

- .1 The infant supplement paid shall be a uniform amount to cover the cost of care and supervision of a child in addition to the rate that would otherwise be paid for the minor parent's placement.
 - .11 The amount paid for a child living with a minor parent in a group home placement who receives AFDC-FC shall be \$768 per month per child.
 - .12 The amount paid for a child living with a minor parent in an eligible facility other than a group home who receives AFDC-FC shall be \$354 per month per child.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11465 and 11468, Welfare and Institutions Code.

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11-420 SPECIAL NEED PAYMENTS **11-420**

- .1 Clothing Allowances
 - .11 Counties shall have the authority to make provision for the cost of additional clothing, including an initial supply of clothing and school or other uniform when not included in the rate.
 - .12 State participation in increases for clothing allowances established by the county shall not exceed the percentage cost-of-living increase granted other AFDC recipients in accordance with Welfare and Institutions Code Section 11453.
- .2 Allowance for Funeral Expenses
 - .21 When a foster parent(s) desires a funeral other than as provided by the county, the county shall reimburse the foster parent(s) for the cost of the funeral expenses up to \$5,000 for a child receiving foster care at the time of his/her death to the extent not otherwise reimbursed for costs incurred for such purposes.
 - .211 Direct payment of the claim to the funeral home and burial plot provides shall be made under the following circumstances:
 - (a) upon request by the foster parent(s); or
 - (b) when death of the foster child is due to the foster parent's alleged criminal negligence or other alleged criminal action.
 - .212 The county shall submit claims to the Department for costs incurred and paid within the above limitations.
- .3 Exclusions
 - .31 No amount shall be allowed as special need for the following:
 - .311 Items other than those specified in Sections .1 and .2 above.
 - .312 Any special need item available to the child prospective caretaker without cost.
 - .313 Service-connected expenses (see Section 10-305).

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11212 and 11468, Welfare and Institutions Code.

11-425	RESPONSIBILITIES OF COUNTY WELFARE DEPARTMENTS	11-425
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- .1 The county welfare and probation departments' responsibilities shall include, but not be limited to, the following:
 - .11 Paying the rate(s) determined by the Department on behalf of AFDC-FC eligible children placed with foster parents and providers. (See Sections 11-401, 11-402 and 11-403.)
 - .12 Recommending the establishment of a new program by a new or existing provider, or a program change which is either more than one RCL greater than the original RCL determination or a program change to RCL 13 or 14. (See Sections 11-402.41, .42, and .43). The recommendation is to include:
 - .121 Program is needed in that county.
 - .122 Provider is capable of effectively and efficiently operating the program.
 - .123 Provider is willing and able to accept AFDC-FC children for placement who are determined by the placing agency to need the level of care and services that will be provided by the program.
 - .13 Confirming the existence and legitimacy of more than one program as appropriate. (See Section 11-402.1.)
 - .14 Reviewing children placed by the placement agency in the program which is determined to have points at RCL 13 or 14 and verifying to the Department that all the children have special treatment needs. (See Section 11-402.18)
 - .15 Upon request by the Department, counties shall report the county's understanding of the services offered by the program and the population served.
 - .16 Cooperating with other placement agencies to form a regional consortium to review group home program requests for county recommendation.
 - .17 Participating, if requested by the Department, in the rate review process. (See Section 11-402.56.)
 - .18 Submitting to the Department rate payment information for each fiscal year beginning with fiscal year 1983/84, for family homes, homefinding agencies, and group homes.
 - .19 Providing the Department with reasonable and applicable information and statistics as required.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code and Chapter 1294, Statutes of 1989, Section 23. Reference: Sections 11462(g)(2), 11462(i)(2), and 11462.01(b), Welfare and Institutions Code.

11-430 **AFDC-FOSTER CARE ADMINISTRATIVE REVIEW PROCEDURES** **11-430**

- .1 Administrative Review of Departmental Audits for Group Home Programs and Foster Family Agencies.
 - .11 Exit Conference and Audit Report
 - .111 Prior to the issuance of an audit report by the Department, a group home provider/foster family agency shall be afforded the opportunity to participate in an exit conference. The purpose of the exit conference is to:
 - (a) Inform the group home provider/foster family agency of the preliminary audit findings and to review any specific situations in which the records reviewed by the Department were not found to substantiate the RCL level or rate paid to the group home provider/foster family agency.
 - (b) Allow the group home provider/foster family agency an opportunity to identify and present any specific records relevant to the audit findings but not reviewed by the Department.
 - .112 At the conclusion of the exit conference, the Department shall provide the group home provider/foster family agency with a copy of the preliminary draft audit findings. The Department shall notify the group home provider/foster family agency that the Department will issue an audit report within 45 days after the exit conference and shall inform the group home provider/foster family agency of the administrative review procedure relative to audit findings. Within 15 calendar days of the exit conference, the group home provider/foster family agency shall submit to the Department any records which were identified by the group home provider/foster family agency at the exit conference as relevant to the audit findings but were not available for review by the Department at that time.
 - .113 An audit report issued by the Department shall include the following:
 - (a) A complete listing of audit findings, including all items to which an exception has been taken, the RCL point or other value of each audit finding, and the authority cited for each audit finding.
 - (b) Notice of the group home provider/foster family agency's right to an administrative review of certain audit findings contained in the audit report.

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- .114 Beginning January 1, 1994, unless otherwise specified in law, an audit report for a program audit will follow the reporting standards contained in the "Reporting Standards for Performance Audits" section of "Government Auditing Standards" (Rev. 1988) by the Comptroller General of the United States, United States General Accounting Office.
- .115 Beginning January 1, 1994, unless otherwise specified in law, an audit report for a fiscal audit will follow the reporting standards contained in the "Reporting Standards for Financial Audits" section of "Government Auditing Standards" (Rev. 1988) by the Comptroller General of the United States, United States General Accounting Office.

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- .116 Noncompliance by the Department with the "Reporting Standards for Performance Audits" and "Reporting Standards for Financial Audits" sections of "Government Auditing Standards" (Rev. 1988) by the Comptroller General of the United States, United States General Accounting Office, shall not preclude or bar the Department from sustaining or collecting actual overpayments, or otherwise invalidate an audit report.
- .12 Statement of Disputed Audit Findings
 - .121 A group home provider/foster family agency may request an administrative review of an audit report to examine any disputed audit finding which results in an adjustment to the group home provider/foster family agency's rate for a previous audit period or that reduces the group home provider's overall RCL point total or foster family agency reimbursement for a previous audit period by submitting a written request ("Statement of Disputed Audit Findings") to the Department, as follows:
 - (a) A Statement of Disputed Audit Findings shall be filed with the Department within 60 calendar days of the receipt of the audit report.
 - (b) The Statement of Disputed Audit Findings may be amended by the group home provider/foster family agency at any time during the 60 calendar day period.
 - .122 If a Statement of Disputed Audit Findings is not filed with the Department within the 60 calendar day period, the audit report will be deemed final unless the following requirements are met:
 - (a) A group home provider/foster family agency files a request for a good cause determination under Section 11-402.371 on or before the 50th calendar day period following the receipt of the audit report.

11-430 **AFDC-FOSTER CARE ADMINISTRATIVE REVIEW PROCEDURES** **11-430**
(Continued)

- (b) The Department makes a good cause determination in accordance with Section 11-402.372.

- .123 The Statement of Disputed Audit Findings shall be in writing, signed by the group home provider/foster family agency, and shall state the name, address and telephone number of the group home provider/foster family agency and of the agent, if any agent has been designated, and the date of signing of the Statement. A group home provider/foster family agency shall specify the name and address of the individual authorized on behalf of the group home provider/foster family agency to receive documents from the hearing officer or Administrative Law Judge, including the final decision of the Director, relating to the administrative review.

- .124 The Statement of Disputed Audit Findings shall be specific as to each audit finding in dispute, setting forth the group home provider/foster family agency's contention as to each disputed audit finding, the authority for each contention and the estimated amount or RCL point value for each disputed audit finding. The group home provider/foster family agency or the agent shall submit all supporting documentation relevant to the administrative review which may include the records maintained pursuant to Sections 11-402.521 through 11-402.523, payroll files and any other supporting documentation.

- .125 A Statement of Disputed Audit Findings shall only address specific audit findings contained in the audit report. Other issues, including but not limited to the authority of the Department to set rates, determine RCL points, conduct audits or collect overpayments, shall not be included in the Statement of Disputed Audit Findings for purposes of resolution in the administrative review.

- .126 If an informal hearing officer determines that a Statement of Disputed Audit Findings is not specific as to each audit finding in dispute, or that necessary supporting documentation is not included with the Statement of Disputed Audit Findings, the hearing officer shall notify the group home provider/foster family agency or the agent of the group home provider/foster family agency of the insufficiency. The group home provider/foster family agency or the agent shall be granted 30 calendar days after the date of the mailing of the notice of insufficiency within which to file an amended Statement of Disputed Audit Findings or supply the necessary supporting documentation. If within the time permitted the group home provider/foster family agency or the agent fails to correct the insufficiency by amending or supplementing the Statement of Disputed Audit Findings as specified in the notice of insufficiency, the dispute as to those audit findings shall be denied.

11-430 AFDC-FOSTER CARE ADMINISTRATIVE REVIEW PROCEDURES 11-430
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- .127 A group home provider/foster family agency may appeal a determination by the Department that a Statement of Disputed Audit Findings has not been filed on a timely basis. An "Order to Show Cause" hearing solely on the timeliness issue shall be held before an Administrative Law Judge pursuant to Section 11-430.5. The remedy for a group home provider/foster family agency in an "Order to Show Cause" hearing shall be limited to the filing of a timely Statement of Disputed Audit Findings pursuant to Section 11-430.12.

- .13 Amended Audit Report
 - .131 An amended audit report may be issued by the Department for an audit period for which administrative review is pending if during the administrative review process the group home provider/foster family agency or its agent submits additional supporting documentation or other evidence that was not reviewed by the auditors at the time of the field audit.
 - .132 The informal hearing officer or Administrative Law Judge shall suspend the administrative review for a period not exceeding 120 days while the Department completes an amended audit report and the group home provider/foster family agency identifies any additional disputed audit findings contained in the amended audit report.
 - .133 After completion of an amended audit report by the Department, the group home provider/foster family agency may include any additional disputed audit findings in a pending administrative review by submitting an amended Statement of Disputed Audit Findings and necessary supporting documentation to the informal hearing officer or Administrative Law Judge.
 - .134 The informal hearing officer or Administrative Law Judge may dismiss the administrative review without prejudice to the right to request a subsequent administrative review under this article when he or she deems this course to be appropriate.

- .14 Informal Hearing
 - .141 An informal hearing on the audit findings disputed by the group home provider/foster family agency in the Statement of Disputed Audit Findings shall be scheduled within 30 days of receipt of the Statement of Disputed Audit Findings. An informal hearing officer designated by the Department, but not reporting directly to the Foster Care Branch, shall preside at the informal hearing.

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- .142 Written notice of the time and place of informal hearing will be mailed to each party by the informal hearing officer at least 15 calendar days before the date of the hearing. This period may be shortened with the consent of the parties. Any party may waive notice.
 - .143 Efforts shall be made to resolve the facts and issues in dispute in a fair and equitable manner, subject to the requirements of state and federal law. Disputed audit findings contained in the Statement of Disputed Audit Findings which are not discussed at the informal hearing shall not be deemed waived.
 - .144 The informal hearing shall be electronically recorded unless the parties agree otherwise. The official record of the informal hearing shall include the electronic recording and all documents received for review by the informal hearing officer.
 - .145 Unless otherwise agreed by the parties, the results of the informal hearing shall be served on the parties, within a reasonable time, in the form of a written Report of Findings.
 - .146 The Report of Findings shall be considered final unless the group home provider/foster family agency submits a written Request for Formal Hearing in accordance with Section 11-430.15.
- .15 Request For Formal Hearing
- .151 Either party to an informal hearing may request a formal hearing by filing a Request for Formal Hearing within 30 calendar days of the issuance of the Report of Findings by the informal hearing officer.
 - .152 The Request for Formal Hearing shall be in writing, signed by the group home provider/foster family agency or the authorized agent, or by an authorized representative of the Department, and shall state the name, address and telephone number of the requestor and the date of signing of the request. If a group home provider/foster family agency or its agent is the requestor, it shall specify the name and address of the individual authorized on behalf of the group home provider/foster family agency to receive all documents, including the final decision of the Director, relating to the formal hearing.

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- .153 The Request for Formal Hearing shall specify whether the requesting party is requesting an oral administrative hearing or an administrative hearing based upon the official record developed in accordance with Section 11-430.144 without the taking of oral testimony or oral argument.
- .154 The Request for Formal Hearing shall include a copy of the Statement of Disputed Issues filed pursuant to Section 11-430.12 and the Report of Findings issued by the informal hearing officer. The Request for Formal Hearing shall be specific as to each audit finding which remains in dispute, setting forth the requestor's contention as to each disputed audit finding, the authority for each contention and the estimated amount or RCL point value for each disputed audit finding. The party filing the Request for Formal Hearing shall submit all supporting documentation relevant to the administrative review which may include the records maintained pursuant to Sections 11-402.521 through 11-402.523, payroll files and any other supporting documentation.
- .155 A Request for Formal Hearing shall be submitted, via personal delivery or certified mail, domestic receipt requested, to the office and address specified in the informal hearing officer's Report of Findings or the transmittal letter included with the Report of Findings. At the same time, a copy of the Request for Formal Hearing shall be mailed, via certified mail, domestic receipt requested, to the opposing party.
- .16 Request For Settlement Conference
 - .161 Either party to a formal hearing may request that a settlement conference be held by submitting a request to the Administrative Law Judge. If the Administrative Law Judge determines that a settlement conference is appropriate, it shall be scheduled and held as soon as reasonably possible. The Administrative Law Judge shall provide written notice of the date, time, and place of the settlement conference which shall be mailed to each party at least 10 days before the date of the conference. This period may be shortened with the consent of the parties. Any party may waive notice. Efforts shall be made to resolve the facts and issues in dispute in a fair and equitable manner, subject to the requirements of state and federal law.
 - .162 A formal hearing may be converted into a settlement conference if the parties mutually agree, or if the Administrative Law Judge otherwise deems it appropriate. In such cases, any applicable deadlines for the completion of the administrative review shall be extended as required.
- .17 Response Documents and Administrative Record

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- .171 Within 60 days of receipt of a Request for Formal Hearing, the opposing party may submit a Response. A Response shall be specific as to each audit finding which remains in dispute, setting forth the opposing party's response to the requestor's contention as to each disputed audit finding, the authority for each response and the estimated amount or RCL point value for each disputed audit finding. A Response shall be submitted via personal delivery or certified mail, domestic receipt requested, to the address specified in the informal hearing officer's Report of Findings or the transmittal letter included with the Report of Findings. At the same time, the opposing party shall mail a copy via certified mail, domestic receipt requested, to the requestor or its authorized agent. The Administrative Law Judge may allow at a party's request, or from his/her own motion, additional information or argument from any party. The other party shall be provided a reasonable opportunity, as determined by the Administrative Law Judge, to respond to such additional submission.

- .172 The administrative record shall include the documents specified in Sections 11-430.12, 11-430.15, and 11-430.171, all applicable laws, regulations and procedures, and those matters of which the Administrative Law Judge takes official notice. When an oral formal hearing is conducted, evidence received at that hearing will also be included in the administrative record.

- .173 When a formal hearing is to be conducted based on the record without an oral hearing, the administrative record will be closed and the parties notified when the Administrative Law Judge determines that the record is complete. The Administrative Law Judge shall conclude a formal hearing based upon the written record within 180 days after filing the Request for Formal Hearing.

.18 Conduct A Formal Hearing

- .181 When an oral administrative hearing has been requested or determined by the Administrative Law Judge to be appropriate, the hearing shall be conducted in accordance with Sections 11-430.44 through 11-430.74. The formal administrative hearing shall follow the procedures specified in Sections 11-430.5 through 11-430.74.

.19 Procedures for Provisional Rate Audits

- .191 Provisional rate audits conducted in accordance with Welfare and Institutions Code Section 11462(e)(1) which result in a rate reduction may be appealed only in a formal administrative hearing.

- .192 The exit conference and audit report procedures specified in MPP Section 11-430.11 shall apply to provisional rate audits. Section 11-430.112 does not apply.

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- .193 Provisional rate audit findings may be protested by filing a request for hearing which meets the requirements for a Statement of Disputed Audit Findings described in MPP Section 11-430.12, with the following differences:
- (a) The request for hearing shall be filed no later than 30 days after the date the Department issues its RCL determination. The date of issuance shall be the date the audit report is mailed to the group home provider.
 - (b) The request for hearing and Statement of Disputed Audit Findings shall be submitted via personal delivery or certified mail, return receipt requested, to the office of hearings specified in the audit report. At the same time, a copy of the request for hearing shall be mailed via certified mail, return receipt requested, to the Department.
 - (c) The Department shall not consider any documents relevant to the determination of the audited program's RCL which are not made available by the date the group home provider requests a hearing unless the provider qualifies for an exception set forth in MPP Section 11-402.521(d).
 - (d) If a request for hearing is not filed within the 30-day period provided, the Department's RCL determination shall be final.
 - (e) Section 11-430.126 shall not apply.
- .194 Provisional Rate Audit Hearings
- (a) The Department shall conduct a hearing on the RCL determination within 60 days of receipt of the request for hearing.
 - (b) The standard of proof shall be the preponderance of the evidence. The burden of proof shall be on the Department to support its determination of the audited program's RCL.
 - (c) The administrative record shall include the supporting documentation submitted with the request for hearing, the Department's written response to the appeal, the Department's exhibits, all applicable laws, regulations and procedures, and those matters of which the hearing officer takes judicial notice. When an oral formal hearing is conducted, evidence received at that hearing will also be included in the administrative record.
 - (d) The hearing shall be conducted in accordance with Sections 11-430.5 through 11-430.69.

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- (e) The hearing officer shall issue the proposed decision within 45 days of the close of the evidentiary record.
 - (f) The Director shall adopt, reject, or modify the proposed decision or refer the matter back to the hearing officer for additional evidence or findings within 100 days of the issuance of the proposed decision. If the Director takes no action on the proposed decision within the prescribed time, the proposed decision shall take effect by operation of law.
- .2 Administrative review procedures for foster family agencies rate setting procedures and AFDC-FC rate setting procedures shall include protest proceedings and appeal proceedings.
- .3 Protest Proceedings
- .31 A protest proceeding shall be available for group home providers/foster family agencies which disagree with the set rate and which request a different rate.
 - .32 A written protest shall be filed with the Department within 60 days from the date of the mailing of the notification of a set rate. The written protest shall include the following:
 - .321 The name, telephone number, signature, and date of signing of the protest of the group home provider/foster family agency or of the person representing the group home provider/foster family agency;
 - .322 Name and address of the group home provider/foster family agency and the program number;
 - .323 Reason for the protest; and
 - .324 Full supporting documentation relevant to the resolution of the protest which may include, but is not limited to the following:
 - (a) The records maintained pursuant to Sections 11-402.521 through .523.

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- (1) Personnel records, which include, but are not limited to:
 - (A) Current licenses; diplomas; copies of official transcripts if major shown on diploma is other than those listed as an equivalent for the appropriate program component; or diploma is from a non-accredited school; dated applications for employment and/or resumes; time sheets; salary schedules showing hours and amount paid; employee benefits; contracts; training and development documents; job descriptions (including position title and classification, duties and responsibilities); and group home organization charts.

- (2) Case management records, which include but are not limited to:
 - (A) Treatment plan; psychological evaluations/reports; medical evaluations/releases; mental health professional billings including Medi-Cal billings; education evaluations/information; correspondence; dictation and documentation of services provided; court orders; quarterly reports/program reports; information required by licensing regulations under Title 22; verification from the placement agency required in Section 11-402.411(a)(7); including copies of the certifications and/or assessments specified in Section 11-400a.(2) and Sections 11-402.181(b) and .181(c) for children placed in a group home program classified at RCL 13 or RCL 14; copies of the program certification specified in Section 11-400c.(2) and Section 11-402.181(c) for group home programs classified at RCL 13 or RCL 14; and all RCL significant information pertaining to a client shall be included in the client's record; and mental health professional's daily logs and notes, including information pertaining to day treatment programs, which verify that services were provided to children in placement.

- (3) Training program records which document all the information in the training log such as:

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- (A) The date(s) of training; hours of duration of each training session; certification of completion; name of trainer and certification; documentation showing provider paid any costs for training, including employee wages and benefits; and subject of the training.

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- (b) Payroll Files including, but not limited to, a copy of the salary schedule, a record of employee benefits and time sheets.
- .33 A group home provider may appeal a determination by the Department that a written protest regarding a departmental rate setting procedure has not been filed on a timely basis. An "Order to Show Cause" hearing solely on the timeliness issue shall be held before an Administrative Law Judge pursuant to Section 11-430.5. The remedy for a group home provider in an "Order to Show Cause" hearing shall be limited to the filing of a timely written protest pursuant to Section 11-430.31.
- .34 The Department may request additional documentation or information.
- .341 Group home providers/foster family agencies shall submit additional documentation to the Department within 30 days of each receipt of the request for such documentation.
- .35 The protest and supporting documentation/additional documentation shall be submitted via certified mail, return receipt requested, to the following address:
- California Department of Social Services
Foster Care Rates Bureau
744 P Street, M.S. 19-74
Sacramento, CA 95814
- .36 Within 90 days of the receipt of the final documentation or information from the group home provider/foster family agency, the Department shall issue a decision letter via certified mail, return receipt requested.
- .361 The decision letter shall state the reasons for the Department's decision and shall include a statement of the right to appeal the decision.

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.4 Filing an Appeal and Developing the Record

.41 A group home provider/foster family agency that does not concur with the decision letter set forth in Section 11-430.36 and requests a different rate shall file a written appeal with the Department within 60 days of receipt of the decision letter. The date of mailing of the appeal shall establish the filing date.

.411 A position statement shall be submitted with the appeal and shall include:

- (a) A specific statement of disputed issues.
- (b) The relevant facts of the case.
- (c) The legal authority supporting the position of the group home provider/foster family agency.
- (d) A copy of all supporting documents and exhibits which are to be offered into evidence.

.412 The written appeal shall specify whether the group home provider/foster family agency is requesting an oral administrative hearing, or an administrative hearing based upon the written record developed in accordance with Section 11-430.42 without the taking of oral testimony or oral argument.

.413 The appeal shall be submitted, via certified mail, domestic receipt requested, to the office and address specified in the decision letter. At the same time, a copy shall be mailed, via certified mail, domestic receipt requested, to:

California Department of Social Services
Foster Care Rates Bureau
744 P Street, M.S. 19-74
Sacramento, CA 95814

.414 The request for appeal shall specify whether or not the group home provider/foster family agency desires that an informal conference be held.

- (a) If an informal conference is requested, the reasons for the informal conference shall be included with the request for appeal.
- (b) If the Administrative Law Judge determines that an informal conference is appropriate, it shall be ordered and scheduled as soon as reasonably possible. The Administrative Law Judge shall preside at this informal conference.

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- (c) The Administrative Law Judge shall provide written notice of the date, time, and place of the informal conference which shall be mailed to each party at least 10 days before the date of the informal conference. This period may be shortened with the consent of the parties. Any party may waive notice.
- (d) Efforts shall be made to resolve the facts and issues in dispute in a fair and equitable manner, subject to the requirements of state and federal law.

.42 Developing the Written Record.

- .421 Within 60 days of receipt of an appeal of a rate setting protest decision letter, the Department shall submit its response to the appeal. The response shall include:
 - (a) A specific statement of disputed issues.
 - (b) The relevant facts of the case.
 - (c) The legal authority supporting the Department's position.
 - (d) A copy of all supporting documents and exhibits which are to be submitted into evidence.
- .422 The Department's response shall be submitted by personal delivery or certified mail, domestic receipt requested, to the office and address specified in Section 11-430.413. At the same time, the Department shall mail a copy via certified mail, domestic receipt requested, to the group home provider/foster family agency.
- .423 The group home provider/foster family agency may submit a written rebuttal to the Department's response within 30 days of the receipt of the Department's response. The rebuttal shall be submitted as set forth in Section 11-430.413.
- .424 The Department may submit a written rebuttal to a rebuttal filed by the group home provider/foster family agency within 30 days of the receipt of the rebuttal. The Department's rebuttal shall be filed as set forth in Section 11-430.422.
- .425 The Administrative Law Judge may allow at a party's request, or require on his/her own motion, additional information or argument from any party. The other party shall be provided a reasonable opportunity, as determined by the Administrative Law Judge, to respond to such additional submission.

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- .426 The written record shall include the documents discussed in Sections 11-430.41 through 11-430.425, all applicable laws and regulations, and those matters of which the Administrative Law Judge takes official or judicial notice. (When an oral administrative hearing is conducted, additional record material submitted for that administrative hearing will subsequently be included.)

- .43 When the administrative hearing is to be conducted without an oral administrative hearing, the record shall be closed and the parties notified when the Administrative Law Judge determines that the record is complete. The Administrative Law Judge shall conduct the administrative hearing upon the written record within 180 days after filing the appeal of the rate protest decision letter.

- .44 The following shall occur when an oral administrative hearing has been requested:
 - .441 A written notice of the date, time and place of the oral administrative hearing shall be mailed to each party at least 30 days prior to the date of the oral administrative hearing. This period may be waived by any party or shortened with the consent of all parties. The notice to the group home provider/foster family agency shall be sent by certified mail, return receipt requested.

 - .442 The oral administrative hearing shall be conducted within 180 days after the filing of an appeal by the group home provider or foster family agency.

 - .443 The Administrative Law Judge shall determine the date, time, and location of the oral administrative hearing to be held within Sacramento County, unless a different location is ordered by the Administrative Law Judge based upon the needs of a particular appeal.

- .5 Procedures Applicable to All Formal Administrative Hearings.
 - .51 The Administrative Law Judge on his/her own motion or the motion of any party may:
 - .511 Extend any time period in these appeal regulations for good cause, except the time period set forth in Section 11-430.41 for the filing of an appeal.

 - .512 Consolidate for an administrative hearing or decision any number of issues or appeals when the facts and circumstances are similar and no substantial right of any party is prejudiced.

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- .513 Join other parties, grant continuances, and hold additional administrative hearings, as necessary.
- .514 Hear any issue before any other issue in the proceeding if the decision on that issue could abate further proceedings.
- .515 Question any party or witness.
- .516 Prepare a proposed decision for the Director on any separately heard issue.
 - (a) Postpone hearing any remaining issues until a final decision has been submitted on any separately heard issues.
- .517 Require any party to submit written memoranda pertaining to any or all issues.
- .518 Dismiss the appeal if the group home provider/foster family agency fails to proceed with the administrative hearing process or fails to appear at an oral administrative hearing.
 - (a) A copy of such dismissal shall be mailed to each party with a statement of the group home provider/foster family agency's right to request that the administrative hearing be reopened. Notice to the group home provider/foster family agency shall be sent by certified mail, return receipt requested.
 - (b) The Administrative Law Judge may vacate any dismissal if the group home provider/foster family agency applies in writing, within 10 calendar days after receipt of such dismissal, and shows good cause for failure to proceed or to appear at the administrative hearing. Lack of good cause shall be inferred if a continuance of the administrative hearing is not requested promptly upon discovery of the reason(s) for failure to proceed or appear at the administrative hearing.
 - (c) The parties shall be given written notice of an order granting or denying any application to vacate a dismissal. Notice to the group home provider/foster family agency shall be sent by certified mail, return receipt requested.
- .52 In order to obtain additional evidence, the Administrative Law Judge may:
 - .521 Continue the administrative hearing and hold the record open for any party to produce additional evidence.
 - .522 Close the administrative hearing and hold the record open for the introduction of additional documentary evidence.

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- (a) Material submitted after the close of the administrative hearing shall be provided to each party and to the Administrative Law Judge.
 - (b) The other party shall have the opportunity to respond to additional material submitted by a party.
- .523 If the nature of the additional evidence or the rebuttal warrants, order an additional administrative hearing.
- .524 Reopen the record on his/her own motion.
- .53 An Administrative Law Judge may refuse to allow any person to represent a party in an administrative hearing when the person:
- .531 Engages in unethical, disruptive, or contemptuous conduct.
 - .532 Intentionally fails to comply with the instructions or orders of the Administrative Law Judge or the administrative hearing procedures.
- .54 The administrative hearing need not be conducted according to technical rules relating to evidence and witnesses, except as provided in these regulations.
- .541 Relevant evidence, including hearsay, shall be admitted if it is the sort of evidence upon which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions.
- (a) Hearsay evidence shall be permitted to be used for the purpose of supplementing or explaining other evidence, but shall not be sufficient in itself to support a finding, unless it would be admissible over objection in civil actions.
 - (b) The rules of privilege shall be effective to the same extent that they are now, or hereafter may be, recognized under California law in civil actions.
 - (c) Irrelevant, cumulative or unduly repetitious evidence may be excluded by the Administrative Law Judge.
 - (d) A duplicate is admissible to the same extent as an original unless:
 - (1) A genuine question is raised as to the authenticity of the original or the duplicate.

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- (2) It would be unfair to admit the duplicate in lieu of the original.
- .542 The Administrative Law Judge shall take official notice of those matters which must be judicially noticed by a court under Section 451 of the California Evidence Code, and may take official notice of those matters which may be judicially noticed by a court under Section 452 of the California Evidence Code.
- (a) The parties to the administrative hearing shall be informed of the matters to be noticed, and those matters shall be noted in the record.
- (b) Each party shall be given a reasonable opportunity, upon request, to refute the officially noticed matters.
- .55 Procedures Governing Subpoenas
- .551 Before the administrative hearing has commenced, the agency or the assigned Administrative Law Judge shall issue subpoenas and subpoenas duces tecum at the request of any party for attendance or production of documents at the administrative hearing. Subpoenas and subpoenas duces tecum shall be issued in accordance with Sections 1985, 1985.1, and 1985.2 of the Code of Civil Procedure. After the administrative hearing has commenced, the Administrative Law Judge may issue subpoenas and subpoenas duces tecum.
- .552 The process issued pursuant to Subdivision (a) shall be extended to all parts of the state and shall be served in accordance with Sections 1987 and 1988 of the Code of Civil Procedure. No witness shall be obliged to attend the administrative hearing unless the witness is a resident of the state at the time of service.
- .553 All witnesses appearing pursuant to subpoena, other than the parties or officers or employees of the state or any political subdivision thereof, shall receive fees, and all witnesses appearing pursuant to subpoena, except the parties, shall receive mileage in the same amount and under the same circumstances as prescribed by law for witnesses in civil actions in a superior court (Government Code Section 68093 provides for fees of \$35 per day and mileage at \$.20 cents a mile, round trip.). Witnesses appearing pursuant to subpoena, except the parties, who attend administrative hearings at points so far removed from their residences as to prohibit return thereto from day to day shall be entitled in addition to fees and mileage to a per diem compensation of three dollars (\$3) for expenses of subsistence for each day of actual attendance and for each day necessarily occupied in traveling to and from the administrative hearing. Fees, mileage, and expenses of subsistence shall be paid by the party at whose request the witness is subpoenaed.

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- .6 Additional Procedures Applicable to Oral, Formal Administrative Hearings
 - .61 Within 15 days after receipt of the written notice that the case has been calendared for an oral administrative hearing, each party shall mail or deliver to the other parties and the Administrative Law Judge:
 - .611 The names and addresses of witnesses, including but not limited to, those intended to be called to testify; and
 - .612 A copy of all written documents and exhibits which are to be offered into evidence and which were not previously made a part of the record.
 - (a) An explanation shall be included of why the evidence was not previously provided. Unless good cause is shown, or the other party concurs in the submission, the Administrative Law Judge may exclude such evidence. If the evidence is allowed, the Administrative Law Judge may provide the other party additional time to respond to such evidence.
 - .62 Any party proposing to object to the receipt in evidence of any proposed exhibit shall advise the presenting party of such objection prior to the commencement of the administrative hearing.
 - .621 All parties shall confer with respect to any objections in advance of the administrative hearing and attempt to resolve them.
 - .63 A party appearing at an administrative hearing shall have the necessary evidence and witnesses present and be ready to proceed.
 - .64 Testimony shall be taken on oath, or affirmation, under penalty of perjury.
 - .65 The administrative hearing shall be electronically recorded, or perpetuated by other means capable of reproduction and transcription.
 - .66 Each party shall have the right to:
 - .661 Call and examine parties and witnesses;
 - .662 Introduce documents or exhibits;
 - .663 Question opposing witnesses and parties on any matter relevant to the issues even though the matter was not covered in the direct examination;

11-430 AFDC-FOSTER CARE ADMINISTRATIVE REVIEW PROCEDURES 11-430
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- .664 Impeach any witness regardless of which party first called the witness to testify; and
- .665 Rebut the evidence.
- .666 The group home provider/foster family agency shall not be called to testify during the Department's initial presentation pursuant to Section 11-430.671. A group home provider/foster family agency who thereafter fails to testify in its own behalf, may be called and examined as if under cross examination.
- .67 Subject to the discretion of the Administrative Law Judge, the order of the presentation of evidence shall be as follows:
 - .671 The Department shall present its case first.
 - .672 Once the Department has completed its case, the group home provider/foster family agency shall present its case.
 - .673 The Department shall have the opportunity to rebut the group home provider's/foster family agency's evidence.
 - .674 The group home provider/foster family agency shall have the opportunity to rebut the rebuttal presented by the Department.
- .68 The administrative hearing shall be conducted in the English language.
 - .681 The proponent of any testimony to be offered by a witness who does not speak the English language proficiently shall provide an interpreter, approved by the Administrative Law Judge as proficient in the English language and the language in which the witness will testify.
 - (a) The cost of the interpreter shall be paid by the party providing the interpreter.
 - (b) The interpreter shall swear or affirm that he/she shall translate truthfully, accurately, and completely.
- .69 The Administrative Law Judge shall grant oral and may grant written argument at the request of any party made prior to the close of the administrative hearing.
 - .691 The Administrative Law Judge shall advise the parties of the time and manner in which the written argument is to be filed.

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.7 Decision Process

- .71 A proposed decision in a format that may be adopted as the decision of the Director shall be submitted to the Director within 180 days after the closure of the record.
- .72 Within 120 days after submission of the Administrative Law Judge's proposed decision, the Director shall:
 - .721 Adopt the proposed decision with or without reading or hearing the record.
 - .722 Reject the proposed decision and adopt an alternative decision based upon the documentary and electronically recorded record, with or without taking additional evidence.
 - .723 Refer the matter to the same or a different Administrative Law Judge to take additional evidence.
 - (a) If the case is so assigned, the Administrative Law Judge shall, within 90 days, prepare a proposed decision, based upon the additional evidence and the documentary and electronically recorded record of the prior administrative hearing. The Director may then take one of the actions described in Section 11-430.72 in regard to the new proposed decision. The Director may return a proposed decision only twice on the same appeal.
- .73 The decision shall be final when the decision is mailed to the parties. However, the Director retains jurisdiction to correct clerical errors.
 - .731 Copies of the final adopted decision, or the decision of the Director and the Administrative Law Judge's proposed decision if it was not adopted by the Director, shall be mailed to the parties. Notice to the group home provider/foster family agency shall be sent by certified mail, return receipt requested.
- .74 The group home provider/foster family agency shall be permitted to request a review of the final decision of the Department in accordance with Section 1094.5 of the Code of Civil Procedure, within six months of the issuance of the Director's final decision.

| NOTE: Authority cited: Sections 10553, 10554, 11462, 11462.01, 11466.4, and 11468, Welfare and Institutions Code. Reference: Sections 11462.01(b)(2)(A)(i), 11462.01(b)(3), 11466.4, 11466.6, 11468, 11468.1, 11468.2, 11468.3, 11468.4, 11468.5, and 11468.6, Welfare and Institutions Code; and Sections 11510, 11512, and 11513, Government Code.

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CHAPTER 11-500 PROGRAM STANDARDS - INCOME MAINTENANCE

11-501 INCOME MAINTENANCE RESPONSIBILITIES 11-501

.1 Eligibility and Grant Decisions

Income maintenance staff shall be continuously responsible for making decisions on eligibility and maintaining correctness of grant on all public assistance cases, whether in service status or not. These include: initial determinations and redeterminations of eligibility; determination of subsistence needs; computation of grants, and share of cost (for MN); change actions on grants; movement between categorical programs; eligibility for supplemental food programs.

.2 Recording

The county welfare director shall assure that records are maintained by income maintenance staff which document the basis for eligibility decision and the amount of grant or share of cost (for MN). Such recording need not be in narrative form and should be entered on forms to the extent possible.

.3 County Standards

Where statutes or CDSS regulations authorize counties to adopt specific standards which affect an applicant's/recipient's eligibility or grant amount or welfare-to-work activities, including supportive services, such standards shall be in writing and shall be made available to the public upon request.

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Examples of program requirements for which counties are to develop written standards include but are not limited to the following: (1) definition of what constitutes regular school attendance and good cause criteria, under Sections 40-105.5(a) and (f); (2) extending the 18-month time limit and work exemption based upon caring for a young child, under Sections 42-710.12 and 42-712.47, respectively; (3) diversion program requirements, under Section 81-215.32; (4) child care for other required activities or for children not in the AU, under Sections 47-201.12 and 47-401.45; and (5) continuing case management services and/or supportive services for former recipients, under Section 42-717.1.

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NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, and 10603, Welfare and Institutions Code.

11-503 STAFFING STANDARDS

11-503

The number of eligibility worker and eligibility supervisor positions necessary to assure maintenance of acceptable performance levels in the income maintenance and quality control functions shall be determined by the county, taking into account the availability of clerical and other supportive processes, and shall be submitted in the county plan subject to approval by State Department of Social Services (SDSS) as standards which the county will maintain.

Maintenance of acceptable performance levels shall be measured by taking into consideration the findings of the quality control system, promptness in processing applications and paying aid, currency of reinvestigations, appropriateness of identification and referral of persons for service assessment, and such other factors as SDSS shall establish as appropriate indicators of performance.

- .1 The use of aides is specified in Welfare and Institutions Code Section 10810.

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- .11 Welfare and Institutions Code Section 10810 states:

Subject to the approval to the Department, each county department is authorized to sponsor and conduct programs for the recruitment, training, and utilization of volunteers to assist county department employees in the performance of office duties and to aid in performing services in the counties including but not limited to the following:

- (a) Friendly visiting of the indigent aged;
- (b) Finding homes for foster children;
- (c) Escorting and transporting recipients to clinics and other destinations;
- (d) Aiding in location of improved housing;
- (e) Teaching homemaking skills and aiding in budgeting and care of the household;
- (f) Providing tutoring and other educational aid.

Volunteers shall not duplicate services performed by county department employees.

The county department shall maintain the confidentiality of records of recipients.

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- (d) CDSS and the Department of Health Services are enjoined by court order in the Blanco v. Anderson lawsuit. The court order includes provisions for providing services to clients under Medi-Cal as well as Food Stamp and AFDC programs. The order requires that telephone announcements greeting incoming calls informing the public of the provisions specified in Sections 11-601.313(a), (b), and (c) include information regarding Medi-Cal and emergency medical services.

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- .314 Post notices in prominent locations within the CWD's offices and in the public areas, including the doors, immediately outside the CWD's offices which inform the public of the following:
 - (a) The working days, or the regular eight hours of a working day, when the offices will be closed;
 - (b) The procedures for obtaining and filing applications for Food Stamp and AFDC benefits during these hours of office closure; and
 - (c) The procedures for applying for and receiving expedited Food Stamp, immediate need AFDC, and homeless assistance benefits within the time limits prescribed by federal and state law, during these hours of office closure.

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**CHAPTER 11-700 FRANCHISE TAX BOARD (FTB) AND INTERNAL REVENUE SERVICE (IRS)
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| Renumbered to Chapter 12-700 by Manual Letter No. OPS-90-05, effective 11/26/90.

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Entire Chapter renumbered to Chapter 12-900, Sections 12-901 through 12-908 by Manual Letter No. OPS-90-05, effective 11/26/90.

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DIVISION 15 CORRECTIVE ACTION AND COUNTY QUALITY CONTROL PROGRAMS

CHAPTER 15-100 GENERAL

15-101 GENERAL PURPOSE AND SCOPE **15-101**

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.1 Purpose of the County Performance Sample

The County Performance Sample is used to measure the accuracy of California's welfare expenditures and assist in measuring program performance and recipient self-sufficiency outcomes. It is composed of the federally required quality control sample, and additional county quality control cases to obtain a sample of sufficient size to yield reliable measurements.

.2 Scope of the County Performance Sample

The California Department of Social Services (CDSS) is committed to achieving performance outcomes that improve the AFDC and Food Stamp programs. To measure these outcomes, counties will conduct case reviews of a randomly selected sample subject to the provisions of Section 15-310.5. The performance areas to be reviewed may include, but are not limited to:

.21 Program integrity (e.g., error rates, timeliness and fraud),

.22 Recipient employment,

.23 Time on aid,

.24 Administrative costs,

.25 Intakes, and

.26 Child support

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NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553 and 10554, Welfare and Institutions Code.

15-102	COUNTY PERFORMANCE SAMPLE RESPONSIBILITIES	15-102
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.1 CDSS

- .11 Provides oversight of the County Performance Sample activities to ensure case reviews are completed consistent with current federal and state quality control regulations.
- .12 Provides consultation, support, and training to county staff conducting the County Performance Sample.
- .13 Selects and integrates the County Performance Sample cases.
- .14 Identifies and conducts reviews of a sample of County Performance Sample cases which includes 100% of federal sample cases.
- .15 Maintains the County Performance Sample software.
- .16 Provides quality control program and policy direction, difference case resolutions, and liaison with federal agencies.
- .17 Conducts review of federal AFDC and food stamp negative action cases.

.2 Performance Sample County

- .21 Reviews a County Performance Sample composed of AFDC and Food Stamp active cases consistent with current federal and state quality control regulations.
- .22 Submits County Performance Sample cases within state established time frames as specified in Section 15-310.13.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 15200.4 and 18904, Welfare and Institutions Code.

15-110 **DEFINITIONS** **15-110**

- a. (1) "AFDC Program Payment Error Rate" means the total AFDC-FG/U overpayments and payments to ineligible cases in the review sample divided by total payments to completed cases in the review sample for the review year.

- b. Reserved

- c. (1) "CDSS" means the California Department of Social Services.

- (2) "County Performance Sample" means a sample composed of the federal AFDC and Food Stamp cases and additional county AFDC and Food Stamp cases (formerly called State Sample cases).

- d. Reserved

- e. (1) "Error Rate" means the AFDC Program Payment Error Rate or the Food Stamp Program Payment Error Rate.

- f. (1) "Federal Sample Case" means a case which is selected for review to satisfy a federal mandate to review a specified number of cases each year selected from a statewide universe.

- (2) "Federal Tolerance Level" means the error rate used by federal agencies in determining the application of a federal fiscal sanction.

- (3) "Food Stamp Program Payment Error Rate" means the sum of the overissuances, issuances to ineligible cases and underissuances authorized in the review sample divided by total issuances authorized to completed cases in the review sample for the review year.

- (4) "Funds" means AFDC-FG/U aid payments or Food Stamp issuances authorized by the county.

- g. Reserved

- h. Reserved

- i. (1) "Ineligibles" means cases that received AFDC-FG/U or Food Stamps but were not qualified to receive them.

- j. Reserved

- k. Reserved

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- l. Reserved

- m. Reserved

- n. Reserved

- o. (1) "Overpayment" means the AFDC-FG/U amount paid to cases in excess of the correct amount.
(2) "Overissuance" means the amount of Food Stamps authorized to cases in excess of the correct amount.

- p. (1) "Performance Sample County" means a county in which an individual county payment error rate is established through a state conducted or supervised County Performance Sample.

- q. Reserved

- r. (1) "Review Year" means October through September.

- s. (1) "Small County Sample" means a sample composed of federal and additional county AFDC and Food Stamp cases that are selected from counties not participating in the County Performance Sample and reviewed by CDSS to provide additional information to include in a statewide data base.

- t. Reserved

- u. (1) "Underissuance" means the amount of Food Stamps authorized to cases for less than the correct amount.

- v. Reserved

- w. Reserved

- x. Reserved

- y. Reserved

- z. Reserved

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 15200.4, Welfare and Institutions Code.

15-115 MONITORED COUNTIES 15-115

.1 Sanctions are applicable to only those counties for which error rates are regularly established.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 15200.4, Welfare and Institutions Code.

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CHAPTER 15-200 ORGANIZATION FOR CORRECTIVE ACTION AND QUALITY CONTROL

15-205 ORGANIZATION 15-205

The county welfare department shall take the following measure in conjunction with the corrective action and quality control process specified herein:

- .1 The active participation and commitment of county welfare department top management shall be required throughout the corrective action and quality control process.
- .2 A departmental unit and individual shall be designated by the county welfare department as responsible for each phase of the quality control/corrective action process, and for the total county corrective action and quality control program;
- .3 The county welfare department shall designate an individual as Quality Control Coordinator who shall be responsible for coordination of the program's corrective action and quality control internally and with CDSS;
- .4 The quality control error identification function shall be distinctly separate from the function(s) of eligibility determination and caseload maintenance.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 15200.4, Welfare and Institutions Code.

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**COUNTY QUALITY CONTROL - CORRECTIVE ACTION PROGRAM
THE CORRECTIVE ACTION AND QUALITY CONTROL PROCESS**

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- .5 Phase Five -- Corrective Action Evaluation
- a. The county shall evaluate the effectiveness of implemented corrective actions.
 - b. The method of evaluating corrective actions shall be clearly defined prior to implementation, including cost-benefit follow-up analysis, where applicable.
 - c. The county shall include corrective action evaluation results in reports to the CDSS (see Section 15-410).

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 15200.4, Welfare and Institutions Code.

15-310 QUALITY CONTROL ERROR IDENTIFICATION PROCESS 15-310

- .1 A Performance Sample County shall perform quality control reviews of AFDC and Food Stamp cases each month. Review criteria, and automated procedures shall comply with federal and state requirements.
- .11 Counties constituting the top 90% of the state's annual AFDC expenditures for state fiscal years 1992 and 1993 are the Performance Sample Counties. Each of the 19 Performance Sample Counties, unless excluded by CDSS, is required to review and complete a monthly random sample of case reviews assigned by CDSS. Each participating Performance Sample County shall complete the following:
- (a) Federal active AFDC and Food Stamp cases and,
 - (b) Additional county active AFDC and Food Stamp cases.
- .12 County Performance Sample reviews shall be completed within the standards of quality as prescribed by current federal and state quality control regulations.
- .13 All federal sample and additional county sample case reviews shall be completed and transmitted by county staff to the appropriate CDSS district office by the 80th calendar day following the date sample lists are received by county staff. The 80-day review period begins on the 1st day of the month following the sample month, or the date the sample is received by the county, whichever is later.

15-310 QUALITY CONTROL ERROR IDENTIFICATION PROCESS 15-310
(Continued)

- .131 September sample cases which are subject to shorter processing periods imposed by federal agencies shall be completed and transmitted to the appropriate CDSS district office by the 5th of the month that precedes the month September cases are transmitted to federal agencies.
- .132 Cases selected subsequent to each original monthly sample to satisfy federal sampling requirements shall be completed and transmitted to the appropriate CDSS district office by the 10th of the month those cases are due for transmission to the federal agencies.
- .14 Substantial noncompliance by a Performance Sample County in meeting these standards, as documented by CDSS, shall subject that Performance Sample County to the provisions of Welfare and Institutions Code Section 10605. Examples of substantial noncompliance are the following:
 - (a) chronically missing state established deadlines,
 - (b) chronically not meeting federal and state quality control regulations, or
 - (c) willfully misrepresenting data.
- .2 The results of the County Performance Sample reviews shall be used by CDSS to establish county program payment error rates using the appropriate formula as follows:
 - .21 For AFDC:

For a given review year, the sum of payments to ineligible cases and overpayments to eligible cases equals the total amount of erroneous payments. Divide the total amount of erroneous payments by the total amount of payments to all AFDC cases completed in the review sample. The resulting quotient is the county AFDC Program Payment Error Rate.

15-310 QUALITY CONTROL ERROR IDENTIFICATION PROCESS 15-310
(Continued)

.22 For Food Stamps:

For a given review year, the sum of issuances authorized to ineligible cases, overissuances authorized to eligible cases, and underissuances authorized to eligible cases, equals the total amount of erroneous issuances authorized. Divide the total erroneous issuances authorized by the total amount of issuances authorized to all Food Stamp cases completed in the review sample. The resulting quotient is the county Food Stamp Program Payment Error Rate.

.3 In order to validate the County Performance Sample, CDSS shall select and review a sample of cases completed by county staff. The sample shall include, at a minimum, 100% of the federal sample cases. The sample size and type of additional reviews shall be determined by CDSS. A county's review findings may change based on CDSS review and possible difference findings in County Performance Sample cases.

.31 A Performance Sample County shall have five (5) working days from the date of receipt to dispute each difference finding identified by CDSS in a County Performance Sample case completed by county staff.

.4 Performance Sample Counties shall submit monthly and daily Food Stamp issuance report tapes in an automated format and time frame determined by CDSS for automated Food Stamp sample selection.

.5 Within allocated resources, Performance Sample Counties may be required to perform special data collection activities as part of the County Performance Sample case review.

.6 Counties exempt from the Performance Sample process (see Section 15-310.1) may at the discretion of CDSS have a Small County Performance Sample performed by CDSS to provide additional information to include in a statewide data base.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 15200.4, Welfare and Institutions Code.

**COUNTY QUALITY CONTROL - CORRECTIVE ACTION PROGRAM
CORRECTIVE ACTION AND QUALITY CONTROL REPORTING**

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CHAPTER 15-400 CORRECTIVE ACTION AND QUALITY CONTROL REPORTING

15-410 REPORTING 15-410

- .1 To facilitate effective use of information generated by the corrective action and quality control program, there shall be timely and complete reporting in a format approved by CDSS.
- .2 The counties shall submit Corrective Action Plans semiannually to CDSS. Separate AFDC and Food Stamp Plans or a combined plan covering both programs are due no later than February 1 (to include, but not be limited to, the results of the quality control reviews for the April through September period) and August 1 (to include, but not be limited to, the results of the quality control reviews for the October through March period).
 - .21 The Corrective Action Plans shall contain all phases of the corrective action planning process: measurement of the magnitude of the errors and identification of the error elements involved, selection of problem areas and error trends, analysis of the problems, determination of the causes of the problems, development and selection of corrective action options, and plans for corrective action implementation, monitoring and evaluation, and status of previously implemented corrective action.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 15200.4, Welfare and Institutions Code.

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**COUNTY QUALITY CONTROL - CORRECTIVE ACTION PROGRAM
FEDERAL FISCAL INCENTIVES**

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CHAPTER 15-500 FEDERAL FISCAL INCENTIVES

15-510 DISTRIBUTION OF FEDERAL INCENTIVE PASS-ON 15-510

- .1 A portion of any AFDC-FG/U or Food Stamp Program federal incentives shall be allocated among Performance Sample Counties where the county's program payment error rate is below the federal tolerance level. The allocation shall be based on a methodology comparable to that used by the federal government in calculating the incentive payment.
- .2 The amount of the federal incentive subject to pass-on is equal to the percentage of statewide payments attributable to the Performance Sample Counties multiplied by the amount of the federal incentive.
- .3 Upon receipt of a federal incentive payment, CDSS will issue Performance Sample Counties their share of payment within 60 days.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553 and 10554, Welfare and Institutions Code.

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**COUNTY QUALITY CONTROL - CORRECTIVE ACTION PROGRAM
FISCAL SANCTIONS**

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CHAPTER 15-600 FISCAL SANCTIONS

15-621 FEDERAL SANCTION PASS-ON **15-621**

- .1 A portion of any AFDC or Food Stamp sanction imposed on the state by the federal government is subject to pass-on to those Performance Sample Counties whose program payment error rate exceeded the federal tolerance level (see Section 15-120(f)) during the federal fiscal year for which the sanction was incurred. However, for purposes of this section, a federal sanction pass-on amount shall not include any portion of an imposed federal sanction which results from any differences in state and federal program requirements.
- .2 The federal tolerance level used for pass-on of sanction liability shall be the national tolerance level established by the federal government.
- .3 Federal Sanction Subject to Pass-On

In recognition of the fact that Performance Sample Counties do not account for all statewide AFDC payment or Food Stamp issuance errors, a portion of the federal sanction shall not be passed on to the Performance Sample Counties. The amount of the federal sanction subject to pass-on is equal to the percentage of statewide AFDC payments or Food Stamp issuances authorized that are attributable to the Performance Sample Counties, multiplied by the amount of the federal sanction.

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Example: If the Performance Sample Counties accounted for 90 percent of the statewide AFDC payments of federal funds and the AFDC federal sanction was \$1,000,000, the federal sanction subject to pass-on would be \$900,000 ($\$1,000,000 \times 0.90$).

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.4 Calculation of Federal Sanction Pass-On Amounts

The amount of a federal sanction which shall be passed on to any given county is equal to the lesser of .41 or .42:

- .41 The amount of misspent federal funds above the federal tolerance level in that county. To determine the amount of misspent federal funds, multiply the excess error rate for each applicable county times that county's total federal payments for the review year.

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15-621 FEDERAL SANCTION PASS-ON (Continued) **15-621**

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.411 Example: Assume four counties exceeded a tolerance level of 4.0 percent:

1	2	3	4	5
County	Error Rate	Amount Above Tolerance Level	Federal Funds Expended by County	Misspent Federal Funds Above Tolerance Level
A	6.0%	2.0%	\$1,000,000	\$20,000
B	7.0	3.0	3,000,000	90,000
C	6.0	2.0	4,000,000	80,000
D	8.0	4.0	<u>2,000,000</u>	<u>80,000</u>
			\$10,000,000	\$270,000

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.42 The county's proportionate share of the federal sanction subject to pass-on.

.421 When the federal sanction subject to pass-on is less than the total amount of misspent federal funds above the tolerance level for all Performance Sample Counties with error rates above the federal tolerance level (\$270,000 in example .411), a ratio shall be developed to determine the county share of the federal sanction.

The ratio is equal to the amount of each county's misspent federal funds above the tolerance level if any (see Section 15-621.41), divided by the total amount of misspent federal funds above the tolerance level for all Performance Sample Counties. The ratio for each individual county is then multiplied by the amount of the federal sanction subject to pass-on. The product of this multiplication is the county's proportionate share of the federal sanction.

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.422 Example: Assume the federal sanction subject to pass-on is \$250,000 and four counties have error rates above the 4.0 percent tolerance level.

1	2	3	4	5	6	7
County	Error Rate	Amount Above Tolerance Level	Federal Funds Expended by County	Misspent Federal Funds Above Tolerance Level	Ratio	Proportionate Share
A	6.0%	2.0%	\$1.0M	\$ 20,000	.0741	\$ 18,525
B	7.0	3.0%	3.0	90,000	.3333	83,325
C	6.0	2.0%	4.0	80,000	.2963	74,075
D	8.0	4.0%	2.0	<u>80,000</u>	<u>.2963</u>	<u>74,075</u>
				\$270,000	1.000	\$250,000

The ratios in column 6 were obtained by dividing the individual county amounts in column 5 by the total of column 5. These ratios are then used to allocate the \$250,000 federal sanction subject to pass-on into the proportionate share in column 7.

Because the federal sanction subject to pass-on is less than the total misspent federal funds above the tolerance level for all Performance Sample Counties (see column 5), each county's proportionate share of the federal sanction is less than the amount of that county's misspent federal funds above the federal tolerance level. The amounts contained in column 7 would be the amounts passed on to the counties.

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.423 FEDERAL SANCTION PASS-ON PROCESS

- | | | | |
|----|---|----------------|-------------------------------|
| I. | Does the county's program payment error rate exceed the tolerance level? (15-110(f)(2)) | ----- No ----- | > No federal sanction pass-on |
| | | | |
| | Yes | | |
| | | | |
- | | |
|-----|--|
| II. | Multiply the excess program payment error rate times the amount of federal funds expended by the county (15-621.41) (Column 3 value x Column 4 value = Column 5 value) |
| | |
- | | |
|------|--|
| III. | Total the amounts determined in Step II for all applicable counties. |
| | |
- | | | | |
|-----|--|----------------|---|
| IV. | Is the federal sanction subject to pass-on less than the total amount in Step III (15-621.42)? | ----- No ----- | > The county's federal sanction pass-on is equal to the amount in Step II |
| | | | |
| | Yes | | |
| | | | |
- | | |
|----|---|
| V. | Divide the amount in Step II by the amount in Step III. (15-621.42) (County's column 5 value divided by the total of column 5 = column 6 value) |
| | |
- | | | | |
|-----|--|-------|--|
| VI. | Multiply the value in Step V times the federal sanction subject to pass-on (15-621.42) | ----- | > The county's federal sanction pass-on is equal to amount in Step VI. (Column 6 value x the total federal sanction subject to pass-on |
|-----|--|-------|--|

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.5 Application of Federal Sanction Pass-On

- .51 CDSS shall notify the county in writing if it is determined that a federal sanction pass-on will be imposed.
- .52 The county may appeal the federal sanction pass-on in accordance with Section 15-621.7.
- .53 No sanction shall be applied during the appeal filing period provided in Section 15-621.72 or until the CDSS has made a decision on the county's appeal.
- .54 When the federal AFDC sanction pass-on is imposed, the amount of the sanction shall be applied by reducing the federal share of the county's reimburseable grant costs.
- .55 When a federal Food Stamp sanction pass-on is imposed, the amount of the sanction shall be applied by reducing the federal share of the county's reimbursable Food Stamp administrative costs.

.6 Appeals of the Federal Sanction

When a federal sanction is imposed, the state shall provide all counties the opportunity to provide information that may establish bases for the state's appeal to the federal government. Counties shall have at least 15 days from date of notice to provide this information. Examples of specific county circumstances that may be included as part of the state's appeal include, but are not limited to, the following:

- .61 Disasters which:
 - .611 Require the diversion of a significant number of personnel normally assigned to the processing of AFDC or Food Stamp cases.
 - .612 Destroy or delay access to significant records needed to maintain or update payments.
- .62 Strikes or work actions by welfare staff or other personnel necessary to the processing of the AFDC or Food Stamp cases.

15-621 FEDERAL SANCTION PASS-ON (Continued) 15-621

.7 Appeal of the Federal Sanction Pass-On

If the federal sanction is actually withheld by the federal government, counties that are potentially subject to a pass-on shall be notified in writing by CDSS. A county may appeal a federal sanction pass-on based upon circumstances related to the state-county relationship.

.71 Circumstances that could provide the bases for an appeal, if they caused the county to have an excessive error rate, include, but are not limited to, the following:

.711 The failure of a governmental agency outside the county's control to complete an agreed upon activity.

.712 County actions resulting from erroneous state written policy interpretations.

.713 Mistakes made by state staff in the establishment of the county error rate.

.714 Incorrect application of Sections 15-621.1 through .4.

.715 Situations or actions beyond the county's control.

.72 Each county shall have 60 days from the date of CDSS' notification to provide the appeal information.

.73 A state decision shall be made as to which county-raised issues have merit and should be taken into account in reducing or eliminating potential county liability for the pass-on.

.74 Counties shall be notified of any amounts that have been reduced or eliminated. The appropriate amount shall be passed on pursuant to Sections 15-621.1 through .4 less the amount reduced.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Omnibus Budget Reconciliation Act of 1989 (P.L. 101-239), and Sections 10553, 10554, 15200.4, and 18905, Welfare and Institutions Code.

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**DEPARTMENT COMMUNICATIONS
GENERAL**

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DIVISION 17 DEPARTMENT COMMUNICATIONS**CHAPTER 17-000 DEPARTMENT COMMUNICATIONS - GENERAL****17-001 DEFINITIONS****17-001**

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- .1 "Regulation" means every rule, regulation, order, or standard of general application or the amendment, supplement or revision of any such rule, regulation, order or standard adopted by any state agency to implement, interpret, or make specific the law enforced or administered by it, or to govern its procedure, except one which is related only to the internal management of the state agency. "Regulation" does not mean or include any form prescribed by a state agency or any instructions relating to the use of the form, but this provision is not a limitation upon any requirement that a regulation be adopted pursuant to this part when one is needed to implement the law under which the form is Issued 04/01/89. (Government Code Section 11342 b.)

Regulations are adopted under the general authority of Welfare and Institutions Code Sections 10553 and 10554 to provide for necessary interpretations of state statutes and federal regulations. Proposals for a new regulation or a change may originate with any unit of the Department. Regulation change proposals may be caused by a change in federal regulation, a change in state statute, a court order as a result of a lawsuit, or a program manager's decision that an existing policy needs to be changed.

In the Manual of Policies and Procedures and Title 22, CAC, regulations are printed in standard Gothic-type face (effective October 1, 1981).

- .2 "Handbook" material is informational only; it explains and illustrates regulatory sections by example. It is advisory and interpretive in the sense of illustrating appropriate application of a regulation; it may recommend specific processes or methods of implementation of a regulation. However, in order to provide a single source document for departmental clients (county welfare departments, licensees, etc.), appropriate statutes, regulations of other agencies, and court orders will be incorporated verbatim when the result would be helpful to understanding and full compliance with pertinent mandates in any specific program. In addition, it will include published operational standards by which DSS staff evaluate performance within DSS programs, forms, forms' instructions, and other informational material.

In the Manual of Policies and Procedures and Title 22, CAC, such nonregulatory material is printed in italics (similar to the type style in this division effective October 1, 1981).

HANDBOOK CONTINUES

HANDBOOK CONTINUES

- .3 Manual letters are informational. They are used to transmit new or revised DSS Regulation or "handbook" sections. They describe the material transmitted and explain the reasons for adoption; give the effective date, filing instructions plus any relevant information.

- .4 All-County Letters are informational and serve to provide explanatory materials for regulations, material of general interest, or interim procedural information (e.g., new reporting dates). They may be used to clarify statewide questions, but do not change previously-Issued 04/01/89 regulatory material. They may also be used to trigger required responses by all counties when the basic authority for such is in regulation.

- .5 Information notices or unnumbered letters are used to transmit statewide information of short-term interest, booklets, or other materials (including single advance copies of newly adopted regulations). They serve to explain the purpose in sending the attachment; they may include a brief description or summary.

- .6 Individually addressed business letters are used to provide specific direction on matters requiring compliance by groups of counties (or individual counties) when the basic authority is already in regulation; or to explain policy or regulations to individuals in one or more counties; or to respond to inquiries or requests.

- .7 Selected Reading Series serve to transmit significant speeches, statements, and papers related to the field of social welfare, as well as various social and economic developments which have a vital impact on the welfare function. These are for general distribution to welfare departments, other agencies, and interested persons.

- .8 Training Guides are explanatory materials describing or setting forth recommended training programs for personnel engaged in various operations in county welfare departments. These are distributed primarily to Staff Development personnel.

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.1 Manual letters are transmitted to county welfare departments in amounts corresponding with the number of manuals held. The following codes which identify the various manuals are printed on the mailing label:

- SS Eligibility and Assistance Standards
- O Social Services Standards
- OP Operations Policies and Procedures
- F Fiscal Policies and Procedures
- S Statistical Manual
- SD Staff Development and Training
- SP Specialized Social Services and Related Programs
- FS Food Stamp Policies and Procedures

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Each county welfare department is responsible and accountable for the manuals Issued 04/01/89 to it.

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County welfare departments will designate:

- .1 One person of management level to be responsible for ordering, distributing, accounting for and maintaining manuals and other communications of the DSS.
- .2 Two alternates who are able to evaluate requests for manual materials.

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County welfare departments will be responsible for maintaining manuals and records in the following manner:

- .1 Each manual must be numbered.
- .2 An individual should be designated and assigned responsibility for insertion of revisions and removal of obsolete materials in each section or unit.
- .3 Records need to be maintained to indicate:
 - .31 The total number of each program manual or standard manual of rules and regulations of the DSS Issued 04/01/89 to the county.
 - .32 The sections, units or individuals to which manuals are assigned and the manual numbers.
 - .33 Individuals responsible for manual maintenance.

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- .1 Revised pages should be inserted in the appropriate manual immediately after review by staff, and obsolete pages removed. Review of new or revised regulations may be administered by regular unit meetings or they may be circulated among staff members.
- .2 One set of regulations in each county should include obsolete regulations for auditing, for adjustment in retroactive situations, and for other similar purposes.
- .3 Filing of manual materials.
 - .31 Each manual page is numbered with either an issue number or a revision number. An issue number indicates that the material on the page is newly adopted material appearing for the first time. A revision number indicates that a change has been made to the page. The change could be a change to the regulations themselves or merely a change to the format of the page. Therefore it is possible to have a page with a revision number, but no revision line on the page as revision lines are used only to indicate changes to regulations.
 - .32 The page replaced is removed and the new page inserted in the manual in the appropriate section (e.g., Rev. 1420 replaces Issue 105, or Rev. 1420 replaces Rev. 1105.) Instructions appear on each manual letter in the following manner:

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FILING INSTRUCTIONS

The attached pages are to be entered in your copy of the Manual of Policies and Procedures. The latest prior manual letter containing changes was 299.

<u>Revision No.</u>	<u>Replaces Revision No.</u>
300	Issue 91
301	295
302	Rev. 296 and 297

- .34 One set of regulations in the county shall include obsolete regulations for auditing, for adjustments in retroactive situations, and for other similar purposes.

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- .1 One set of the regulations and handbook materials (including All-County Letters) of the Department of Social Services, the Welfare and Institutions Code, the Health and Safety Code, and other laws relating to any form of public social service must be made available to the public during regular office hours in each central or district county office administering public social services and in each local or regional office of the department. (Welfare and Institutions Code Section 10608.)
- .2 These references shall be placed in the waiting or reception room or in a location available and convenient for public use.
- .3 A sign shall be prominently posted in each waiting/room or reception room in appropriate languages as follows:

"Rules and regulations of the State Department of Social Services are available for your use. Please ask for the materials or manuals you wish to see.
- .4 A signout book should be used to prevent loss of regulations or other materials for public use. The maintenance of the reference materials in a current and usable condition is a condition of compliance with the statute.

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- .1 Orders for manual materials are placed with the DSS Publications Unit.
- .2 Requests for materials must contain the following information.
 - .21 Materials and number requested.
 - .22 Reasons for request of additional manuals or materials.
 - .23 Signature of county person responsible or alternate.
- .3 If a discrepancy is noted in orders received, the county should contact the DSS Publications Unit promptly.

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- .1 Number of Manuals Maintained and Location
 - .11 Sufficient numbers of manuals and sets of regulations as are needed for effective staff reference are to be maintained and located conveniently for this purpose.
 - .111 A complete set of manuals and regulations should be maintained in a central library and in each district office library utilized by the staff.
 - .112 One program manual should be maintained in each unit for program administered and one for each unit supervisor.
 - .113 In addition to the basic program manuals used by the unit or social worker, reference and supportive manuals such as other categorical aids, Research and Statistics, Fiscal, etc., should be available at convenient locations for effective usage by staff.

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**MANAGEMENT AND OFFICE PROCEDURES
CERTIFICATION FOR EMPLOYER WAGE CREDIT**

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DIVISION 23 MANAGEMENT AND OFFICE PROCEDURES

CHAPTER 23-000 CERTIFICATION FOR EMPLOYER WAGE CREDIT

23-001 CERTIFICATION FOR EMPLOYER WAGE CREDIT 23-001

Generally, case records and information on recipients shall be kept confidential. An exception exists when employers request verification of recipient status in order to qualify for a tax credit on wages paid to recipients, as specified below:

The Revenue Act of 1978 (Public Law 95-600) combines the WIN and Welfare Tax Credits and provides for the continuation of these tax credits on a permanent basis. The legislation allows a tax credit to employers equal to a specified portion of wages paid to certain AFDC recipients hired after September 26, 1978.

County welfare departments shall insure that certification is provided to employers, at their request, as to whether the employee hired under these provisions was federally eligible for AFDC on the date he was hired and had continuously received such financial assistance during the 90-day period which immediately preceded the date on which the individual was hired by the designated employer.

Forms furnished to the employer or to the county welfare department by the Employment Development Department should be used for this purpose.

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**MANAGEMENT AND OFFICE PROCEDURES
ASSIGNMENT OF STATE NUMBERS**

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DIVISION 23 MANAGEMENT AND OFFICE PROCEDURES

CHAPTER 23-250 ASSIGNMENT OF STATE NUMBERS

23-251 COUNTY CODES 23-251

The following are the numbers designated for each county as the portion of the state number that identifies the county.

County	County Code No.	County	County Code No.	County	County Code No.
Alameda	01	Marin	21	San Mateo	41
Alpine	02	Mariposa	22	Santa Barbara	42
Amador	03	Mendocino	23	Santa Clara	43
Butte	04	Merced	24	Santa Cruz	44
Calaveras	05	Modoc	25	Shasta	45
Colusa	06	Mono	26	Sierra	46
Contra Costa	07	Monterey	27	Siskiyou	47
Del Norte	08	Napa	28	Solano	48
El Dorado	09	Nevada	29	Sonoma	49
Fresno	10	Orange	30	Stanislaus	50
Glenn	11	Placer	31	Sutter	51
Humboldt	12	Plumas	32	Tehama	52
Imperial	13	Riverside	33	Trinity	53
Inyo	14	Sacramento	34	Tulare	54
Kern	15	San Benito	35	Tuolumne	55
Kings	16	San Bernardino	36	Ventura	56
Lake	17	San Diego	37	Yolo	57
Lassen	18	San Francisco	38	Yuba	58
Los Angeles	19	San Joaquin	39		
Madera	20	San Luis Obispo	40		

23-253 CASE IDENTIFICATION NUMBER 23-253

.1 Case Number Format

The case number format shall be as follows:

Co - Aid - Ser - AU - Per
00 - 00 - 0000000 - 0 - 00

.11 County identification; two digits.

.12 Aid program; two digits or alphanumeric.

23-253	CASE IDENTIFICATION NUMBER (Continued)	23-253
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- .13 Serial; a seven digit sequential number shall remain constant throughout the individual's, family's, or food stamp household's eligibility in the county regardless of the aid program.
- .14 Assistance Unit; one numeric digit. This field may be utilized for internal purposes but must be reported to the State Department of Health Services (SDHS) as part of the fourteen digit case identification number. This number must be the same for each member of the AU.
- .15 Persons number; a two digit number assigned to a specific individual within the case.
- .16 For the Foster Care Information System (FCIS), refer to the FCIS Reporting Instructions Manual Section 26-552.22, Item B.1.

.2 Basic System

The aid identification system provides for a two- digit or alphanumeric identification of the public assistance programs now in operation and offers the opportunity for further expansion as new programs are created, and as combination of programs occur.

Counties shall use two- digit or alphanumeric Public Assistance Program and subprogram codes as specified in Handbook Section 23-275.

23-255	COUNTY SERIAL NUMBERS	23-255
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- .1 Case serial numbers used in the "state number" shall be assigned by the county to applications in numerical sequence beginning with the number following the last number assigned. In no event may the serial number exceed seven digits. If a case serial number was previously assigned to an individual, family, or food stamp household, use the former case serial number except that a new number may be assigned if the case record bearing the former number has been destroyed under the provision of MPP Regulations, Section 23-353.
- .2 Counties changing from an independent series of serial numbers for each program to a single sequential series or changing the numeric assignment of AU and/or person numbers for specific procedures, shall notify SDSS and SDHS prior to establishing an anticipated effective date.

23-275 ASSIGNMENT OF AID CODES

23-275

.1 Objective

This aid code identification system provides for a two- digit or alphanumeric state case number to identify specific programs and subprograms. These codes are necessary to better distinguish, control and report certain kinds of information.

.2 Aid Code Assignment and Definition

The assignment of aid codes to cases as part of the case number is mandatory for all counties. Their use is limited to the specified purpose and precludes use for other reporting purposes.

Any aid code which has not been assigned by the State Department of Social Services (SDSS) or the State Department of Health Services (SDHS) cannot be used for reporting or identification purposes. Counties who choose to assign aid codes, which have not been authorized by SDSS or SDHS, for internal identification of specific individuals, should be aware that:

1. Such codes should not be reported to the SDSS or SDHS; and,
2. Should these aid codes subsequently be authorized by SDSS or SDHS for identification and reporting purposes, the county must be able to immediately discontinue internal use of the code.

As the need develops for the assignment and utilization of additional numbers, changes to this section will be released by SDSS. SDHS will also release changes as they occur via the Medi-Cal Eligibility Manual, Procedures Section, 5C.

The aid codes, programs and definitions are outlined in Section 23-275.4.

.3 Pre-Post Indicator

The one-digit Pre-Post indicator, which permits further categorizing within aid codes, was established for Medi-Cal eligibility reporting purposes as a result of Chapter 1240 of the Statutes of 1974. Current Pre-Post codes are contained in the State Department of Health Services, MEDS User Manual and indicated below.

23-275 ASSIGNMENT OF AID CODES (Continued)

23-275

<u>PRE ELIGIBILITY</u>		<u>POST ELIGIBILITY</u>	
<u>Value</u>	<u>Description</u>	<u>Value</u>	<u>Description</u>
0	Prior Month	A	Continuing Month
1	1st month prior	B	1 month continuing
2	2nd month prior	C	2 months continuing
3	3rd month prior	D	3 months continuing
4	1st and 2nd months prior	E	4 months continuing
5	1st and 3rd months prior		
6	2nd and 3rd months prior		
7	1st, 2nd and 3rd months prior		

Other Pre-Post indicator codes are reserved for future use by the state.

Note: These codes are not part of the case number format, but are used for reporting pre-post information via the Medi-Cal Eligibility Data System (MEDS).

23-275 **ASSIGNMENT OF AID CODES (Continued)** **23-275**

.4 Aid Codes, Programs, Definitions

	<u>Aid Code</u>	<u>Program</u>	<u>Definition</u>
1.			Cash Grant
	*01	RCA	Refugee Cash Assistance (FFP) -- Includes unaccompanied children. Refugees from Cambodia, Laos, Vietnam and all other refugees who are eligible, may receive benefits during their first 12 months in the U.S. Unaccompanied children are not subject to the 12-month limitation provision. (See 45 CFR, Part 400 and Section 50257, Title 22, CAC.)
	03	AAP	Adoption Assistance Program (FFP) -- A program to facilitate the adoption of hard-to-place children who would require permanent foster care placement without such assistance. (See Section 30665, Division 2, Title 22, CAC.)
	04	AAP/AAC	Adoption Assistance Program/Aid for Adoption of Children (non-FFP) -- See Aid Code 03 for definition of AAP. The Aid for Adoption of Children cases are eligible for financial assistance through the Adoption Assistance Program, providing an Aid for the Adoption of Children Agreement was executed prior to October 1, 1982. (See Section 30674, Division 2, Title 22, CAC.)

* FFP is available under the Title XIX program for individuals under 21 years of age. Other federal funds are available through the Refugee Resettlement Program for both children and adults.

23-275 ASSIGNMENT OF AID CODES (Continued)**23-275**

<u>Aid Code</u>	<u>Program</u>	<u>Definition</u>
+05	SED	Seriously Emotionally Disturbed (non-FFP) -- Provides payments for 24-hour out-of-home care on behalf of any seriously emotionally disturbed child who has been placed out-of-home pursuant to an individualized education program. These payments do not constitute an aid payment or aid program. (See Welfare and Institutions Code Sections 18350 through 18356.)
*08	ECA	Entrant Cash Assistance (FFP) --Cuban/Haitian entrants, including unaccompanied children who are eligible, may receive Entrant Cash Assistance benefits during their first eighteen (18) months in the U.S. (For entrants, the 18 months begins with their date of parole.) Unaccompanied children are not subject to the 18-month limitation provision. (See 45 CFR, Part 400 and Section 50257, Title 22, CAC.)
10	AGED	SSI/SSP Aid to the Aged (FFP) -- A cash assistance program administered by the Social Security Administration which pays a grant to needy persons 65 years of age or older.
+12	AGED-SC (Optional)	Aid to the Aged-Special Circumstances -- Special Circumstances payments to aged adult recipients of SSI/SSP and SSP only.
20	BLIND	SSI/SSP Aid to the Blind (FFP) -- A cash assistance program administered by the Social Security Administration which pays a cash grant to needy blind persons of any age.

* FFP is available under the Title XIX program for individuals under 21 years of age. Other federal funds are available through the Refugee Resettlement Program for both children and adults.

+ No Medi-Cal card(s) issued for this aid code.

23-275 ASSIGNMENT OF AID CODES (Continued)**23-275**

<u>Aid Code</u>	<u>Program</u>	<u>Definition</u>
+22	BLIND-SC (Optional)	Aid to the Blind-Special Circumstances -- Special Circumstances payments to blind adult recipients of SSI/SSP and SSP only.
30	AFDC-FG/ Federal	Aid to Families with Dependent Children -Family Group (FFP) -- Aid to families with dependent children in a family group in which the child is deprived because of the absence, incapacity or death of either parent. (See MPP Section 40-103.)
32	AFDC-FG/ Non-Federal	Aid to Families with Dependent Children -non-Family Group (non-FFP) -- Aid to families with dependent children in a family group in which the child is deprived because of the absence, incapacity or death of either parent. (See MPP Section 40-103.)
**33	AFDC-U/Non- Federal	Aid to Families with Dependent Children -Unemployed Parent (non-FFP) -- Aid to families with dependent children in a family group in which the child is deprived because of the unemployment of a parent living in the home. (See MPP Section 40-103.)
35	AFDC-U/ Federal	Aid to Families with Dependent Children -Unemployed Parent (FFP) -- Aid to families with dependent children in a family group in which the child is deprived because of the unemployment of a parent living in the home. (See MPP Section 40-103.)

+ No Medi-Cal card(s) issued for this aid code.

** State Only AFDC-U Cash Grant -- Only individuals under 21 years of age and pregnant women are eligible for Medi-Cal benefits.

23-275 ASSIGNMENT OF AID CODES (Continued)**23-275**

<u>Aid Code</u>	<u>Program</u>	<u>Definition</u>
40	AFDC-FC/ NON-FED	Aid to Families with Dependent Children-Foster Care (Non-Federal) (non-FFP) --The purpose of the Aid to Families with Dependent Children-Foster Care Program is to provide financial assistance for those children who are in need of substitute parenting and who have been placed in foster care. (See MPP Section 45-100.)
42	AFDC-FC/ FED	Aid to Families with Dependent Children -Foster Care (Federal) (FFP) --See Aid Code 40 for definition of Foster Care Program.
60	DISABLED	SSI/SSP Aid to the Disabled (FFP) -- A cash assistance program administered by the Social Security Administration which pays a cash grant to needy persons who meet the federal definition of disability.
+62	DISABLED-SC (Optional)	Aid to the Disabled-Special Circumstances -- Special Circumstances payment to adult recipients of SSI/SSP and SSP only.
+90-99	GR/GA (Optional)	General Relief/General Assistance -- For county use in the local General Relief/General Assistance Program.

+ No Medi-Cal card(s) issued for this aid code.

23-275 ASSIGNMENT OF AID CODES (Continued)

23-275

2. OTHER PUBLIC ASSISTANCE PROGRAMS

<u>Aid Code</u>	<u>Program</u>	<u>Definition</u>
***16	AGED PICKLE ELIG.	Aid to the Aged-Pickle Eligibles (FFP) -- Persons 65 years of age or older who were eligible for and receiving SSI/SSP and Title II benefits concurrently in any month since April 1977 and were subsequently discontinued from SSI/SSP but would be eligible to receive SSI/SSP if their Title II cost-of-living increases were disregarded. These persons are eligible for Medi-Cal benefits as public assistance recipients in accordance with the provisions of the <u>Lynch v. Rank</u> lawsuit.
***26	BLIND PICKLE ELIG.	Aid to the Blind-Pickle Eligibles (FFP) -- Persons who meet the federal criteria for blindness and are covered by the provisions of the <u>Lynch v. Rank</u> lawsuit. See Aid Code 16 definition of Pickle Eligibles.
***66	DISABLED- PICKLE	Aid to the Disabled-Pickle Eligibles (FFP) -- Persons who meet the federal definition of disability and are covered by the provisions of the <u>Lynch v. Rank</u> lawsuit. These persons were discontinued from SSI/SSP as a result of the individual becoming entitled on or after July 1, 1987 to SSA child's benefits payable on the basis of a disability which began before age 22, or because of an increase in childhood disability benefits. No age limit for this aid code.

*** Note: This also includes persons who were discontinued from cash grant status due to the 20% Social Security increase under Public Law 32-336. These persons are eligible for Medi-Cal benefits as public assistance recipients in accordance with Section 50247, Title 22, CAC.

23-275 ASSIGNMENT OF AID CODES (Continued)

23-275

<u>Aid Code</u>	<u>Program</u>	<u>Definition</u>
***36	DISABLED- COBRA- WIDOW/ERS	Aid to Disabled Widow/ers (FFP) -- Persons who began receiving Title II SSA before age 60 who were eligible for and receiving SSI/SSP and Title II benefits concurrently and were subsequently discontinued from SSI/SSP but would be eligible to receive SSI/SSP if their Title II disabled widow/ers reduction factor and subsequent COLAs were disregarded. These persons are eligible for zero share-of-cost benefits as public assistance recipients in accordance with the provisions of COBRA.
46	AFDC-FC- 20% SS	Aid to Families with Dependent Children -Foster Care-20% Social Security Disregard (FFP) -- See Aid Code 40 for definition of AFDC-FC and Aid Code 36 for definition of 20% Social Security Disregard.
39	INITIAL TRANSITIONAL MEDI-CAL (TMC)	Six Months Continuing Eligibility (FFP) -- Persons discontinued from cash grant due to increased earnings, increased hours of employment, or loss of the \$30 and 1/3 disregard but eligible for Medi-Cal only. See Section 50373 and 50243.5.
59	ADDITIONAL TRANSACTIONAL MEDI-CAL (TMC)	Additional Six Months Continuing Eligibility (FFP) -- Persons discontinued from AFDC due to the expiration of the \$30 plus 1/3 disregard, increased earnings or hours of employment, but eligible for Medi-Cal only, may receive this extension of TMC. See Aid Code 39 and Sections 50373 and 50243.5, Title 22, CCR.

*** Note: This also includes persons who were discontinued from cash grant status due to the 20% Social Security increase under Public Law 32-336.

23-275 ASSIGNMENT OF AID CODES (Continued)

23-275

<u>Aid Code</u>	<u>Program</u>	<u>Definition</u>
54	FOUR MO. CONT.	Four Month Continuing Eligibility (FFP) -- Persons discontinued from AFDC due to the increased collection of child/spousal support payments, but eligible for Medi-Cal only. See Sections 50243 and 50373, Title 22, CCR.
18	AGED-IHSS	Aid to the Aged-In-Home Supportive Services (FFP) - - Persons 65 years of age or older receiving In-Home Supportive Services, but not an SSI/SSP cash grant, provided they are using their net income (if any) in excess of the cash grant maximum payment level to pay toward the In-Home Supportive Services. (Includes persons who are eligible for IHSS under Chapter 1362 of the Statutes of 1978.) (See Section 50245, Title 22, CAC.) Also See Aid Code 65.
28	BLIND- IHSS	Aid to the Blind-In-Home Supportive Services (FFP) -- Persons who meet the federal definition of blindness and are eligible for In-Home Supportive Services. See Aid Code 18 for definition of eligibility for In-Home Supportive Services. Also see Aid Code 65.
68	DISABLED - IHSS	Aid to the Disabled-In-Home Supportive Services (FFP) -- Persons who meet the federal definition of disability and are eligible for In-Home Supportive Services. See Aid Code 18 for definition of eligibility for In-Home Supportive Services. Also see Aid Code 65.

23-275 ASSIGNMENT OF AID CODES (Continued)

23-275

<u>Aid Code</u>	<u>Program</u>	<u>Definition</u>
3. CONTINUING MEDI-CAL - NO SHARE OF COST		
38	<u>EDWARDS V.</u> <u>KIZER</u>	Continuing Medi-Cal Eligibility (FFP) -- <u>Edwards</u> v. <u>Kizer</u> court order provides for uninterrupted no share-of-cost Medi-Cal benefits for families discontinued from AFDC until the family's eligibility or ineligibility for Medi-Cal only has been determined and an appropriate Notice of Action sent. See Medi-Cal Eligibility Procedures Manual 4-0.
4. MEDICALLY NEEDY, NO SHARE OF COST		
14	AGED-MN	Aid to the Aged-Medically Needy (FFP) --Persons 65 years of age or older who do not wish or are not eligible for a cash grant but are eligible for Medi-Cal Only. No Share of Cost required of the beneficiaries.
24	BLIND-MN	Aid to the Blind-Medically Needy (FFP) --Persons who meet the federal criteria for blindness who do not wish or are not eligible for a cash grant but are eligible for Medi-Cal Only. No Share of Cost required of the beneficiaries.
34	AFDC-MN	Aid to Families with Dependent Children-Medically Needy (FFP) -- Families with deprivation of parental care or support who do not wish or are not eligible for a cash grant, but are eligible for Medi-Cal Only. No Share of Cost required of the beneficiaries.
64	DISABLED -MN	Aid to the Disabled-Medically Needy (FFP) -- Persons who meet the federal definition of disability and do not wish or are not eligible for a cash grant, but are eligible for Medi-Cal Only. No Share of Cost required of the beneficiaries.

23-275 ASSIGNMENT OF AID CODES (Continued)

23-275

<u>Aid Code</u>	<u>Program</u>	<u>Definition</u>
65	DISABLED- SGA/ABD-MN (IHSS)-No SOC	Aid to the Disabled-Substantial Gainful Activity/Aged, Blind, Disabled-Medically Needy (In-Home Supportive Services) (non-FFP) -- Persons who (a) were once determined to be disabled in accordance with the provisions of the SSI/SSP program (Section 1614, Part A, Title XVI, Social Security Act) and were eligible for SSI/SSP, but became ineligible because of engagement in substantial gainful activity as defined in Title XVI regulations. They must also continue to suffer from the physical or mental impairment which was the basis of the disability determination. Or (b) are aged, blind or disabled medically needy and have the costs of In-Home Supportive Services deducted from their monthly income. (Share of Cost may be required of some beneficiaries - see Medically Needy SOC under same Aid Code 23-275.4-6.)
5. POVERTY LEVEL PROGRAMS - NO SHARE OF COST		
07	INFANT-OBRA 200% STATE-ONLY	Infant-Undocumented Alien/Temporary Visa (OBRA 86) -- Provides emergency services only for infants up to age one year, and beyond one year when inpatient status began before first birthday continues and family income at or below 200% of the federal poverty level.
44	PREGNANT- CITIZEN 185%	Pregnant (FFP) Citizen/Lawful Permanent Resident/PRUCOL, Conditional Resident --Provides family planning, pregnancy related, and postpartum services for any age female and family income at or below 185% of federal poverty level. Pregnancy related services only.

23-275 ASSIGNMENT OF AID CODES (Continued)**23-275**

<u>Aid Code</u>	<u>Program</u>	<u>Definition</u>
47	INFANT 185%	Infant (FFP)-Citizen/Lawful Permanent Resident/PRUCOL Conditional Resident -- Provides full Medi-Cal benefits to infants up to age one and beyond one year when inpatient status began before first birthday continues and family income at or below 185 percent of the federal poverty level.
48	PREGNANT - OBRA 185%	Pregnant-Undocumented Alien Status/ Temporary Visa (OBRA 86) -- Provides family planning, pregnancy related, and postpartum services to females of any age and family income at or below 185% of federal poverty level. Routine prenatal care is non-FFP. Labor, delivery, and emergency prenatal care are FFP. The Medi-Cal card for these beneficiaries states "Valid for Pregnancy-Related Services Only."
49	PREGNANT - IRCA 185%	Pregnant-Immigration Reform and Control Act-Alien -- Provides for family planning, pregnancy related, and postpartum services to females any age with income at or below 185% of the federal poverty level. (50% Title XIX and 50% SLIAG). IRCA provided for a State Legalization Impact Assistance Grant to reimburse state costs for providing benefits to aliens applying for or granted amnesty, Special Agricultural Worker (SAWS) status, or Replenishment Agricultural Worker (RAWS) status. The Medi-Cal card for these beneficiaries states "Valid for Pregnancy-Related Services Only."

23-275 ASSIGNMENT OF AID CODES (Continued)

23-275

<u>Aid Code</u>	<u>Program</u>	<u>Definition</u>
69	INFANT-OBRA 185%	Infant (FFP)-Undocumented Alien/ Temporary Visa (OBRA 86) -- Provides emergency services only for infants under one year of age and beyond one year when continuing inpatient status began before first birthday continues and family income at or below 185 percent of the federal poverty level.
70	PREGNANT- CITIZEN/OBRA 200% STATE-ONLY	Pregnant-Citizen/Lawful Permanent Resident PRUCOL/Conditional Status and Undocumented Status/Temporary Visa (OBRA 86) -- Provides family planning, pregnancy related, and postpartum services under the state only funded expansion of the Medi-Cal program for a pregnant woman having income at or below 200% of the federal poverty level.
72	CHILD 133% FULL SCOPE MEDI-CAL	Child (FFP)-Citizen/Lawful Permanent Resident/PRUCOL/Conditional Status -- Provides full scope Medi-Cal benefits to children ages one up to age six and beyond six years when continuing inpatient status began before sixth birthday continues with family income at or below 133% of the federal poverty level.
74	CHILD-OBRA 133%	Child-Undocumented Alien/Temporary Visa (OBRA 86) (FFP) -- Provides for emergency services only for children ages one up to age six and beyond six years when inpatient status began before sixth birthday continues and family income is at or below 133% of the federal poverty level.
75	PREGNANT- IRCA 200% STATE-ONLY	Pregnant-IRCA Amnesty Alien -- Provides family planning, pregnancy related, and postpartum services for amnesty aliens under the state funded only expansion of the Medi-Cal program for a pregnant woman having income at or below 200% of the federal poverty level.

23-275 ASSIGNMENT OF AID CODES (Continued)

23-275

<u>Aid Code</u>	<u>Program</u>	<u>Definition</u>
76	60-DAY POSTPARTUM	60-Day Postpartum Program --Provides Medi-Cal at zero share of cost to women who, while pregnant were eligible for, applied for, and received Medi-Cal benefits. They may continue to be eligible for all postpartum and pregnancy related medical assistance as though they were pregnant. This coverage begins on the last day of pregnancy and ends on the last day of the month in which the 60th day occurs. (FFP)
79	INFANT 200% FULL MEDI-CAL STATE-ONLY	Infant-Citizen Lawful Permanent Resident/PRUCOL/Conditional Resident -- Provides full Medi-Cal benefits to infants up to age one year, and beyond one year when continuing inpatient status began before first birthday continues and family income at or below 200% of the federal poverty level.
80	QUALIFIED BENEFICIARY (QMB)	Provides payment of Medicare Part A premium and Part A and B coinsurance and deductibles for eligible low income aged, blind, or disabled individuals. See Section 50258, Title 22, CCR. (FFP)
6.	MEDICALLY NEEDY, SHARE OF COST	
17	AGED-MN-SOC	Aid to the Aged-Medically Needy, Share of Cost (FFP) -- See Aid Code 14 for definition of AGED-MN. Share of cost is required of the beneficiaries.
27	BLIND-MN-SOC	Aid to the Blind-Medically Needy, Share of Cost (FFP) -- See Aid Code 24 for definition of BLIND-MN. Share of cost is required of the beneficiaries.

23-275 ASSIGNMENT OF AID CODES (Continued)**23-275**

<u>Aid Code</u>	<u>Program</u>	<u>Definition</u>
37	AFDC-MN-SOC	Aid to Families with Dependent Children- Medically Needy, Share of Cost (FFP) -- See Aid Code 34 for definition of AFDC- MN. Share of cost is required of the beneficiaries.
65	DISABLED-SGA/ ABD-MN (IHSS)	Aid to the Disabled-Substantial Gainful Activity/Aged, Blind, Disabled-Medically Needy (In-Home Supportive Services)- Share of Cost (non-FFP) - - Share of Cost is required of these beneficiaries; however this aid code may also be no share of cost (See Medically Needy No Share of Cost 23-275.4-4.)
67	DISABLED-MN- SOC	Aid to the Disabled-Medically Needy, Share of Cost (FFP) -- See Aid Code 64 for definition of Disabled-MN. Share of cost is required of the beneficiaries.

7. MEDICALLY NEEDED LONG-TERM CARE

(NOTE: These aid codes should be used for all individuals whose eligibility is determined in accordance with Sections 50203 and 50605, Title 22, CCR, regardless of whether or not there is share of cost involvement.)

13	AGED-LTC	Aid to the Aged-Long-Term Care Status (FFP) -- Persons 65 years of age or older who are medically needy and in long-term care status. Long-term care is inpatient medical care which lasts for more than the month of admission and is expected to last for at least one full calendar month after the month of admission.
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23-275 ASSIGNMENT OF AID CODES (Continued)**23-275**

<u>Aid Code</u>	<u>Program</u>	<u>Definition</u>
23	BLIND-LTC	Aid to the Blind-Long-Term Care Status (FFP) -- Persons who meet the federal criteria for blindness, are medically needy, and are in long-term care status. (See Aid Code 13 for definition of long-term care).
63	DISABLED-LTC	Aid to the Disabled-Long-Term Care Status (FFP) -- Persons who meet the federal definition of disability who are medically needy and in long-term care status. (See Aid Code 13 for definition of long-term care.)
8.	MEDICALLY INDIGENT	
45	CHILDREN SUPPORTED BY PUBLIC FUNDS	Children Supported in Whole or in Part by Public Funds (FFP) -- Children whose needs are met in whole or in part by public funds other than AFDC-FC. No share of cost. (See Section 50251, Title 22, CAC and Medi-Cal Procedures Manual 8C.)
81	MI	Medically Indigent Adults-Age 21 and Under 65 years - Aid Paid Pending -With or without Share of Cost (non-FFP) -- Medically Indigent adult, age 21 and under 65 years of age, whose aid is paid pending the outcome of an appeal, with or without a share of cost. (See Section 50251, Title 22, CAC.)

23-275 ASSIGNMENT OF AID CODES (Continued)

23-275

<u>Aid Code</u>	<u>Program</u>	<u>Definition</u>
*****82	MI- PERSON	Medically Indigent-Person-Under 21-No Share of Cost (FFP) -- Persons under 21 years of age (married or not married) who meet the eligibility requirements of medically indigent. No Share of Cost required of the beneficiaries. (See Section 50251, Title 22, CAC.)
*****83	MI-PERSON- SOC	Medically Indigent Person-Under 21-Share of Cost (FFP) -- Persons under 21 years of age (married or not married) who meet the eligibility requirements of medically indigent. Share of Cost is required of beneficiaries. (See Section 50251, Title 22, CAC.)
86	MI-PREGNANT-	Medically Indigent-Confirmed Pregnancy- 21 Years or Older-No Share of Cost (FFP) -- Persons, age 21 or older, with confirmed pregnancy, who meet the eligibility requirements of medically indigent. No Share of Cost is required of beneficiaries. (See Section 50251, Title 22, CAC.)
87	MI-PREGNANT - SOC	Medically Indigent-Confirmed Pregnancy -21 Years or Older-Share of Cost (FFP) -- Persons age 21 or older, with confirmed pregnancy, who meet the eligibility requirements of medically indigent. Share of Cost is required of the beneficiaries. (See Section 50251, Title 22, CAC.)

*****Note: These aid codes can be used for a person under 21 years of age in a Long-Term Care (LTC) status. However, an LTC indicator cannot be used with Aid Code 82 on the Medi-Cal Eligibility System (MEDS). An LTC indicator can be used with Aid Code 83, but should not be used when an individual must meet a Share of Cost using the MC 177 process.

23-275 ASSIGNMENT OF AID CODES (Continued)

23-275

<u>Aid Code</u>	<u>Program</u>	<u>Definition</u>
9. MEDICALLY INDIGENT - LONG TERM CARE		
53	MI-LTC STATE-ONLY	Medically Indigent-Long-Term Care-Age 21 or older and Under 65 Years-With or Without a Share of Cost (non-FFP) --Persons over 21 and under 65 years of age who are residing in a skilled nursing or an intermediate care facility and meet all other eligibility requirements of medically indigent, with or without a share of cost. Limited to LTC Services only. (See Section 50251, Title 22, CCR and Medi-Cal Eligibility Procedures Manual 19C.)
10. REFUGEE/ENTRANT MEDICAL ASSISTANCE - 100% FEDERAL FUNDS		
02	RMA/EMA	Refugee Medical Assistance/Entrant Medical Assistance -- Refugees and entrants who are not otherwise eligible for Medi-Cal under federally funded AFDC, SSI/SSP, MN, or Medically Indigent Child Programs may be eligible for Medi-Cal through the special federal programs of Refugee Medical Assistance (RMA) or Entrant Medical Assistance(EMA) for 12 months. FFP available under the Refugee Resettlement Program or Cuban/Haitian Entrant Program, not Title XIX. No Share of Cost required. (See Section 50257, Title 22, CAC.)

23-275 ASSIGNMENT OF AID CODES (Continued)

23-275

<u>Aid Code</u>	<u>Program</u>	<u>Definition</u>
11. MEDI-CAL SPECIAL TREATMENT PROGRAM		
#71	DP/DSP	Medi-Cal Dialysis Only Program/Medi-Cal Dialysis Supplement Program (non-FFP) -- Persons of any age who are eligible only for dialysis and related services and persons of any age who are eligible under the Medically Needy or Medically Indigent Programs and who also meet the specific eligibility requirements contained in Section 50264, Title 22, CCR and Article 17 of the Procedures.
#73	TPN/TPN Supp.	Medi-Cal TPN Only Program/Medi-Cal TPN Supplement Program -- Persons of any age who are eligible for parenteral hyperalimentation and related services and persons of any age who are eligible under the Medically Needy or Medically Indigent Programs and who also meet the eligibility requirements contained in Section 50264, Title 22, CCR and Article 17 of the Procedures. No FFP.
12. IMMIGRATION REFORM AND CONTROL ACT (IRCA)/OMNIBUS BUDGET RECONCILIATION ACT (OBRA) WITH OR WITHOUT SHARE OF COST (Also see poverty level programs 23-275.4-5.)		
51	IRCA Aliens	Immigration Reform and Control Act -Alien -- Full Medi-Cal benefits (50% Title XIX FFP, 50% SLIAG funds). IRCA of 1986 provides for a State Legalization Impact Assistance Grant (SLIAG) to reimburse the 50% state costs for providing benefits to Medi-Cal eligible amnesty aliens (pre-1982 legalization), granted temporary or permanent resident status under IRCA, who are ABD or children under 18. This aid code will expire on April 30, 1993. (SLIAG funds expire September 30, 1991.)

Note: Restricted Medi-Cal card(s) issued for this aid code.

23-275 ASSIGNMENT OF AID CODES (Continued)

23-275

<u>Aid Code</u>	<u>Program</u>	<u>Definition</u>
52	IRCA Aliens: Restricted Services	Immigration Reform and Control Act -Amnesty Alien-Restricted Medi-Cal benefits. (FFP) (50% Title XIX FFP, 50% SLIAG funds, 50% state costs for providing emergency and pregnancy-related Medi-Cal benefits to eligible amnesty aliens (pre-1982 legalization status) granted temporary or permanent resident status under IRCA, who are not ABD or children under 18. This aid code will expire on April 30, 1993. (SLIAG funds expire September 30, 1991.)
56	IRCA Special Agricultural Workers (SAWS) (RAWS)	Immigration Reform and Control Act Special Agricultural Worker Replenishment Agricultural Worker Alien- Full Medi-Cal benefits. (FFP) (50% Title XIX FFP, 50% SLIAG funds.) - IRCA of 1986 provides for a SLIAG to reimburse the 50% state costs for providing Medi-Cal benefits to eligible Special Agricultural Worker (SAW) or Replenishment Agricultural Worker (RAW) aliens granted temporary or permanent resident status under IRCA who are ABD or children under 18. This aid code will expire on November 30, 1993. (SLIAG funds expire September 30, 1991.)
57	IRCA SAWs Restricted Benefits RAWS	Immigration Reform and Control Act Special Agricultural Worker/Replenishment Agricultural Worker Alien-Limited Scope Medi-Cal (FFP) (50% Title XIX FFP, 50% SLIAG funds). - IRCA of 1986 provides for SLIAG to reimburse the 50% state costs for providing emergency and pregnancy-related Medi-Cal benefits for eligible SAW or RAW aliens granted temporary or permanent resident status under IRCA, who are not ABD or children under 18. This aid code will expire on November 30, 1993. (SLIAG funds expire September 30, 1991.)

23-275 ASSIGNMENT OF AID CODES (Continued)

23-275

<u>Aid Code</u>	<u>Program</u>	<u>Definition</u>
58	OBRA Aliens: Restricted Benefits	Omnibus Budget Reconciliation Act Alien restricted Medi-Cal benefits (FFP) (50%) Title XIX FFP for emergency services, 100% State General Fund for Pregnancy- related services). OBRA of 1986 allows emergency services including emergency labor and delivery, and dialysis services to Medi-Cal eligible undocumented and nonimmigrant aliens. The aliens are also eligible for state- only pregnancy-related services. (Only one card issued.)

13. COUNTY MEDICAL SERVICES PROGRAM (CMSP)

(NOTE: These aid codes are used by those counties that have exercised their option of contracting back with the State Department of Health Services for CMSP administrative services. In addition, non-CMSP counties may use these aid codes to report food stamp issuance for their medically indigent population.)

50	MI Restricted	Persons who have undetermined immigration status. Limited to emergency services only. Also used for out-of-county persons for emergency services only.
84	MI-A	Medically Indigent-Adults-Age 21 and over but Under 65 Years-No Share of Cost (non-FFP) -- Persons, age 21 and under 65 years of age, who meet the eligibility requirements of medically indigent. No share of cost required of the beneficiaries. (See Section 50251, Title 22, CCR).

23-275 ASSIGNMENT OF AID CODES (Continued)

23-275

<u>Aid Code</u>	<u>Program</u>	<u>Definition</u>
85	MI-A-SOC	Medically Indigent-Adults- Age 21 and over but under 65 years-Share of Cost (non-FFP) -- Persons, age 21 and under 65 years of age, who meet the eligibility requirements of medically indigent. Share of cost required of the beneficiaries. (See Section 50251, Title 22, CCR.)
88	MI-A-DISAB. PEND.	Medically Indigent-Adults-Age 21 and under 65 Years-Disability Pending-No Share of Cost (non-FFP) -- Persons, age 21 and over but under 65 years of age, who meet the eligibility requirements of medically indigent and have a pending Medi-Cal disability application. No share of cost required of the beneficiaries. (See Section 50251, Title 22, CCR.)
89	MI-A-DISAB. PENDING SOC	Medically Indigent-Adults-Age 21 and over but under 65 Years-Disability Pending-Share of Cost (non-FFP) -- See Aid Code 88 for definition of Medically Indigent-Adults-Disability Pending. (See Section 50251, Title 22, CCR.)
14. SERVICES ONLY - OPTIONAL CODES		
+11	AGED-SO (Optional)	Aid to Aged-Services Only -- Persons age 65 or older who do not receive a cash grant, but are receiving social services as income eligibles with or without regard to income.

+ No Medi-Cal card(s) issued for this aid code.

23-275 ASSIGNMENT OF AID CODES (Continued)

23-275

<u>Aid Code</u>	<u>Program</u>	<u>Definition</u>
+21	BLIND-SO (Optional)	Aid to the Blind-Services Only -- Persons who meet the federal criteria for blindness and do not receive a cash grant, but are receiving social services as income eligibles with or without regard to income.
+31	AFDC-FG-SO (Optional)	Aid to Families with Dependent Children-Family Group-Services Only --See Aid Code 30 for definition of AFDC-FG. Families who do not receive a cash grant, but are receiving social services as income eligibles with or without regard to income.
+41	AFDC-FC-SO (Optional)	Aid to Families with Dependent Children-Foster Care-Services Only --Families in the Foster Care program who do not receive a cash grant but are receiving social services as an income eligible with or without regard to income.
+61	DISABLED-SO (Optional)	Aid to the Disabled-Services Only -- Persons who meet the federal definition of Disability who do not receive a cash grant but are receiving social services as an income eligible with or without regard to income.

15. FOOD STAMP PROGRAM

+09	F/S	Food Stamp Program -- Participants are not public welfare recipients, but need a case number to receive food stamps.
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+ No Medi-Cal card(s) issued for this aid code.

23-275 ASSIGNMENT OF AID CODES (Continued)

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.5 Aid Code Master Chart

<u>Aid Code</u>	<u>Program</u>	<u>Aid Code</u>	<u>Program</u>
01	RCA	*+21	BLIND-SO
02	RMA/EMA	*+22	BLIND-SC
03	AAP-Federal	23	BLIND-LTC
04	AAP/AAC-Non-Federal	24	BLIND-MN
05	Seriously Emotionally Disturbed	26	BLIND-PICKLE ELIG.
#~07	200% Program (OBRA Infant)- Emergency Services	27	BLIND-MN-SOC
08	ECA	28	BLIND-IHSS
+09	F/S	30	AFDC-FG/Federal
10	AGED	*+31	AFDC-FG-SO
*+11	AGED-SO	32	AFDC-FG/Non-Federal
*+12	AGED-SC	33	AFDC-U/Non-Federal
13	AGED-LTC	34	AFDC-MN
14	AGED-MN	35	AFDC-U/Federal
16	AGED-PICKLE ELIG.	36	AFDC-20% SS
17	AGED-MN-SOC		
18	AGED-IHSS		
20	BLIND		

* Optional

+ No Medi-Cal card(s) issued for this aid code.

Restricted Medi-Cal card(s) issued for this aid code.

~ OBRA = emergency and pregnancy related services only.

23-275	ASSIGNMENT OF AID CODES (Continued)	23-275
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<u>Aid Code</u>	<u>Program</u>	<u>Aid Code</u>	<u>Program</u>
37	AFDC-MN-SOC	#52	IRCA Amnesty Alien Restricted Medi-Cal Benefits
38	<u>EDWARDS v. MYERS</u>		
39	Transitional Medi-Cal	#53	MI-A-Nursing Facility (Limited Scope)
40	AFDC-FC/Non-Federal	54	FOUR MO. CONT.
*+41	AFDC-FC-SO	\$56	IRCA SAW/RAW Alien-Full Medi-Cal Benefits
42	AFDC-FC/Federal	#57	IRCA SAW/RAW Alien - Restricted Medi-Cal Benefits
#44	185% Program (Pregnancy Related/Postpartum)		
45	Children Supported by Public Funds	~58	OBRA Undocumented/VISA Alien (Restricted Medi-Cal Benefits)
46	AFDC-FC-20% SS		
47	185% Program (Infant-Full Scope)	59	Additional Transitional Medi-Cal
#48	185% Program (OBRA Pregnancy/Related/Postpartum)	60	DISABLED-(SSI/SSP)
		*+61	DISABLED-SO
		*+62	DISABLED-SC
#49	185% Program (IRCA Pregnancy Related/Postpartum)	63	DISABLED-LTC
\$@50	CMSP Alien and Out-of-County Care	64	DISABLED-MN(No SOC)
		65	DISABLED-SGA/ABD-MN (IHSS) SOC/NO SOC
\$51	IRCA Amnesty Alien Full Medi-Cal Benefits		

- * Optional
- + No Medi-Cal card(s) issued for this aid code.
- # Restricted Medi-Cal cards issued for this aid code.
- @ County Medical Services Program (CMSP) ID cards issued for this aid code.
- ~ OBRA = emergency and pregnancy related services only.
- \$ IRCA = ABD and under 18 = full scope.

23-275 **ASSIGNMENT OF AID CODES (Continued)** 23-275

<u>Aid Code</u>	<u>Program</u>	<u>Aid Code</u>	<u>Program</u>
66	DISABLED-PICKLE ELIG.	@84	MI-A
67	DISABLED-MN-SOC	@85	MI-A-SOC
68	DISABLED-IHSS	86	MI-Pregnant No SOC
#~69	185% Program (OBRA Infant- Emergency Services)	87	MI-Pregnant-SOC
#70	200% Program (Citizen and OBRA Pregnancy Related/ Postpartum)	@88	MI-A-DISAB. PEND.
#71	Dialysis/Dialysis Support	@89	MI-A-DISAB. PEND.-SOC
72	133% Program	*+90-99	GR/GA
#73	TPN/TPN-Support(Parenteral Hyperalimentation)		
~#74	133% Program (OBRA)		
75	200% Program IRCA Pregnancy Related/Postpartum		
76	60-Day Postpartum		
79	200% Program-Infants (Full Scope)		
#80	Qualified Medicare Beneficiary		
81	MI-A		
82	MI-Person under 21		
83	MI-Person Under 21-SOC		

* Optional
+ No Medi-Cal card(s) issued for this aid code.
Restricted Medi-Cal cards issued for this aid code.
@ County Medical Services Program (CMSP) ID card issued for this aid code.
~ OBRA = emergency and pregnancy related services only.

**MANAGEMENT AND OFFICE PROCEDURES
DISPOSITION OF WELFARE RECORDS**

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23-350 DISPOSITION OF WELFARE RECORDS 23-350

23-351 DEFINITIONS OF WELFARE RECORDS 23-351

- .1 The welfare case history consists of all documents and forms relating to eligibility determinations for public assistance including, but not limited to documents necessary to support the granting or denying of aid, case narratives, personal documents, budget forms, referrals to and from other agencies, and correspondence to and from the recipient.
 - .11 A case narrative is the chronological listing of data or events recorded throughout the life of the case, which does not appear elsewhere in the case record, or which is necessary to augment or reconcile data or information recorded in forms or correspondence.
 - .12 Personal documents of the recipient are those documents owned by a recipient which have been placed in the case history.
 - .13 Permanent records are those which are necessary to document the recipient's continuing eligibility for public assistance. Examples of such records include birth certificates, marriage licenses, divorce decrees, court orders mandating spousal or child support, certain Special Circumstances Program records (Section 46-425) and Emergency Loan Program records which pertain to the nonrepayment of loans (Section 46-335).
- .2 Special Investigative Unit records are records kept by the SIU after a fraud investigation.
- .3 Medical or psychological records are records which show diagnosis or treatment of a recipient.
- .4 Warrant register is the listing of county welfare warrants maintained pursuant to Government Code 26907.
- .5 General administrative and fiscal records are all other records kept by the department which do not pertain to a particular case.

23-353 RETENTION PERIODS**23-353**

The general statute in California (Welfare and Institutions Code Section 10851) requires that public social service records (aid and services) be maintained for three years from the last date of aid or services. It also provides that certain records in active cases may be destroyed after three years. Federal law (45 CFR 74.20) requires that case records which provide the basis for fiscal claims are to be retained for three years, starting on the day the state submits the last expenditure report to HHS for the period. In the case of supplemental expenditure reports this might require retention for a much longer period than three years.

Under these requirements, counties shall insure that records needed to prove eligibility may not be destroyed unless three years have passed from the date the last state expenditure report was made to HHS for the period in which such records were last used to document eligibility.

.1 Case Narratives

The Board of Supervisors may authorize destruction within the rules stated above.

.2 Other Case Documents

The Board of Supervisors may authorize destruction within the rules stated above. However, documents which were not necessary to show eligibility may, with board authorization, be destroyed when they are over three years old.

.3 Permanent records, as specified in Section 23-351.13, shall be retained until all records for that particular case are destroyed.

.4 Warrant registers must be retained for fifteen years. County welfare warrants must be retained for five years.

23-353 RETENTION PERIODS (Continued) 23-353

.5 Certain Special Circumstances records shall be retained as outlined in Sections 23-356.2 and .3.

.6 Alternate Retention Period

Unless a county has made or intends to make a supplemental expenditure report concerning specific cases which it wishes to purge or destroy, it may consider the retention period to be 3-1/2 years from the date a document was last needed to document eligibility or 3-1/2 years from the date the case was closed. Using this retention period will insure that the records are retained at least 3 years beyond the filing of the final state expenditure report.

.7 Duplicates

Copies of records need not be retained unless the originals are not available.

.8 Records Related to Civil or Criminal Actions

Notwithstanding the above, if a civil or criminal action is commenced before the expiration of the retention period, no portion of the case record of such person shall be destroyed until such action is terminated.

.9 Potential Future Collection of IV-A Cases

The county shall retain Form ABCD 278L or its equivalent for a period of ten years following case closure in all cases where notification to do so by the child support agency has been received.

23-355 DESTRUCTION OF CASE RECORDS**23-355**

- .1 All case histories are confidential and caution must be taken in their destruction to maintain confidentiality, and to prevent unauthorized disclosure.
- .2 All original personal records of a recipient should be returned to the recipient or to his/her family by certified letter once the case has been closed. If they cannot be returned they should be destroyed as part of the case history.
- .3 SIU records and medical and psychological records which were not submitted by the recipient are to be destroyed as part of the case history.

23-356 RETENTION REQUIREMENT - ADULT AIDS**23-356**

- .1 In general, the requirements for retention of active adult aid files, specifically APSB cases, are the same as outlined in Section 23-353.
- .2 Special Circumstances Program (Section 46-425) records which pertain to provision for one-time allowances, such as Sections 46-425.65 and .66, Moving Expense Allowances, and 46-425.68, Payment to Prevent Foreclosure, shall be retained as permanent records for the life of the recipient, or for ten years from the date of the last action if the CWD, from the available facts, has no reason to believe that the recipient is alive.
- .3 Records related to one-time allowances per piece of property or dwelling, such as Sections 46-425.64, Supplemental Housing Repairs, and 46-425.67, Housing Modifications, shall be retained as described above, or may be retained in accordance with Section 23-353 if the recipient secures new housing or property and thus reestablishes eligibility for these allowances. Records related to renewable allowances, such as Sections 46-425.61, Catastrophe, and 46-425.63, Required Housing Repairs, may be retained in accordance with Section 23-353.
- .4 Emergency Loan Program (Section 46-335) records which pertain to the nonrepayment of loans shall be retained as permanent records for the life of the recipient, or for ten years from the date of the last action if the CWD, from available facts, has no reason to believe the recipient is alive. Records which are not related to nonrepayment of loans may be retained in accordance with Section 23-353.

23-359 COUNTY RESPONSIBILITY FOR INDEX FILES 23-359

The county shall establish and maintain index files to identify active and inactive agency records, relating to persons applying for or receiving aid or service, their spouses and their children (AFDC).

23-361 COUNTY RESPONSIBILITY FOR CONTROL FILES 23-361

The county is also responsible for maintaining necessary control files to insure that required actions are taken when due.

These include:

- a. Pending applications, reapplications, and requests for restoration.
- b. Reinvestigation of eligibility.
- c. Transfer to or from another county.
- d. Anticipated changes in need, income, efforts toward self-support or other eligibility factors.
- e. Collection activity (See Fiscal Manual Chapter 25-400).
- f. Service cases and activities.
- g. Birth, 6, 16, 18, and 21st birthdays.
- h. Determination of Degree of Blindness.

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**MANAGEMENT AND OFFICE PROCEDURES
FORMS MANAGEMENT**

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23-400 FORMS MANAGEMENT 23-400

County welfare departments and other agencies (CWDs/agencies) subject to the regulations of the Department shall supply and process information to maintain records and submit reports as prescribed by regulations of the Department of Social Services. The specific ongoing reports and forms required by the Department, copies of forms and instructions for their preparation and submittal, and general information pertinent to forms and reporting responsibilities are contained in the appropriate divisions of the Manual of Policies and Procedures.

Fiscal forms information is found in Chapter 25-600 of the Fiscal Manual. Statistical forms information is interspersed throughout Division 26, Statistical Reports.

Information necessary for CWD determinations of the client's eligibility and grant amounts shall be provided by the clients and processed by the CWD on forms as prescribed in the Manual of Policies and Procedures. For the AFDC and Adult programs, copies of forms and instructions for their preparation are contained in the Appendix 2 of the Eligibility and Assistance Standards (EAS) Manual. For Food Stamps, this information is found in Chapter 63-1200 of the Food Stamp Manual.

.1 Development of Forms for County Use

- a. The Department will ordinarily develop and make available forms for CWD/agency use in any of the following circumstances:
 - (1) Law or regulations require use of a specific form or uniform method of data collection.
 - (2) Regulations require that certain information be gathered from or given to all clients within a particular program.
 - (3) A situation exists such that there is a common need among all counties for a form to cover a particular situation or circumstance; or
 - (4) Uniformity is desirable to (a) ensure equitable treatment, (b) protect client rights, or (c) facilitate case review for quality control or auditing purposes.

23-400	FORMS MANAGEMENT (Continued)	23-400
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- b. The Department may develop and make available forms for CWD/agency use in any of the following circumstances:
 - (1) The form will be used by CWDs/agencies in conjunction with other local agencies; or
 - (2) The form will be used to communicate information between CWDs/agencies or between CWDs/agencies and some state or federal agency; or
 - (3) The development of individual CWD/agency forms would require excessive total amounts of CWD/agency administrative time.

.11 Categories of Department Developed Forms

Department forms developed in accordance with the above criteria are divided into the following types:

.111 Required Form - No Substitute Permitted

Forms in this category are required forms that the CWD/agency may not modify or restructure. However, overprinting or reformatting under the conditions outlined in Section 23-400.211, Overprinting Required Forms and 23-400.212, EDP Modifications, is permitted.

A Department developed form is assigned to this category if (a) the form is legally mandated or federally required, (b) uniformity is necessary in the gathering or reporting of data or (c) the forms will be used to communicate information between CWDs/agencies or between CWDs/agencies and some state or federal agency.

23-400	FORMS MANAGEMENT (Continued)	23-400
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.112 Required Form - Substitute Permitted

Forms in this category are required forms for which modifications or substitutions with prior Department approval are permitted (see Section 23-400.22, Approval Procedure). The CWDs/agencies may modify these forms to add or obtain information that does not (1) conflict with program policy/regulations, or (2) change the legal content of the form. Ordinarily, merely rewording the content of a form in this category will not be approved. However, such suggestions for language improvement will be considered by the Department in future revisions.

Department developed forms are assigned to this category if (a) legal or regulatory considerations require only certain content in the form, or (b) uniformity is desirable, but variations in CWD/agency systems or demographic characteristics require flexibility so that the form will be more useful and so that the development of supplementary forms can be avoided.

.113 Recommended Forms

Recommended forms are those forms that CWDs/agencies may modify without prior Department approval or may opt not to use. A Department developed form is assigned to this category if (a) it is used within the internal operation (not for client use) of the CWD/agency with no specific use or reference required by the Department, (b) it is a referral or verification form used within the CWD/agency which does not require uniformity or specific interagency coordination, or which is not legally mandated, or (c) it is a model or experimental form being tested in CWDs/agencies prior to general use.

23-400 FORMS MANAGEMENT (Continued)**23-400****.2 County Welfare Department Forms Responsibilities**

In order for the Department to provide forms that meet the needs of the CWDs/agencies, it is important and necessary that the CWDs/agencies communicate their forms need to the Department. These include: (a) specifying needs for new forms, (b) identifying problem areas in the use of current Department forms, (c) suggesting improvements on current Department forms, and (d) requesting prior Department approval for any modification or substitution of a required Department form. The CWDs/agencies shall submit their forms concerns, requests and suggestions to the program or office responsible for the form as designated in the County Forms Catalog (see Section 23-400.4).

.21 Modification or Substitution of Required Forms

The CWDs/agencies may print supplies of Department developed forms. However, any modification or substitution of a required Department form must be approved by the Department before CWD/agency use.

.211 Overprinting Required Forms

In relation to required forms, overprinting is a process by which the CWD/agency prints additional information over a current required form without modifying the format, structure, or legal content of the form. This can be done either by overprinting an actual Department form or by printing a Department form locally with the CWD/agency information added to it. The CWDs/agencies may overprint required forms provided that the information added does not conflict with program policy/regulation. The following have been identified as acceptable overprinting purposes and do not require prior state approval: (a) to identify the CWD/agency, (b) to add information to the "County Use Only" section, or (c) to add EW instructions. Overprinting for purposes other than those specified above must be approved by the Department before CWD/agency use.

.212 EDP Modifications

CWDs/agencies may reformat or restructure required Department forms for the purpose of accommodating individual CWD/agency Electronic Data Processing (EDP) systems, provided that prior Department approval is obtained.

23-400	FORMS MANAGEMENT (Continued)	23-400
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.4 County Forms Catalog

The Department will distribute forms to be used by CWDs. The County Forms Catalog, issued at least annually by the Department will provide information on whether a form is free or to be sold, its price, ordering instructions, and other current information. It also indicates whether a form is required with no substitute permitted, required with substitutes permitted, or recommended for use, and identifies the program or office responsible for the form.

.5 Notice of Form Change (GEN 127)

The CWDs/agencies will be notified about new, revised and obsoleted forms through form GEN 127, "Notice of Form Change". The notice will contain information about the following:

- .51 Order unit and price.
- .52 Information on whether the form is required, substitute permitted, or recommended. (See Section 23-400.1)
- .53 Instructions on whether previous versions can be used or shall be removed from use. (See Section 23-400.3)
- .54 Effective dates to use new forms.
- .55 A list of changes for revised forms.
- .56 References to manual sections, and all-county correspondence containing instructions and policy about the new form.

CWDs/agencies should use the Notice of Forms Change to update their County Forms Catalog.

23-400 FORMS MANAGEMENT (Continued) 23-400

.6 Cost of Forms

Since forms are a county administrative expense, the Department will sell certain forms to the CWDs/agencies in order to obtain the county share and appropriately identify the federal, state and county share.

The prices for sold forms are based upon printing and distribution costs. In order to ensure accurate billing, free and sold forms should be ordered separately. Information regarding the cost of forms is available in the County Forms Catalog. (See Section 23-400.4)

.61 Sold Forms

Any form reproduced by the Department for use by the CWDs/agencies will be sold as specified in the DSS Forms Catalog.

.7 Translated Forms

CWDs/agencies shall utilize all client use forms in a manner that communicates fully and effectively with, and provides the same level of services to non-English speaking clients as is provided to the English speaking welfare population (see Section 21-115).

.71 Client use forms provided by the Department shall be available in English and Spanish.

.72 When a CWD/agency modifies a state form under the criteria in Sections 23-400.112 and 23-400.22 above, it shall be responsible for ensuring full and effective communication to the non-English speaking clients in accordance with Section 21-115.

.73 The Public Inquiry and Response Bureau (PIAR) of the Department provides a translation exchange service to CWDs/agencies. PIAR maintains a file of county translations of forms. Forms from this file are available to assist CWDs/agencies in the development of new translations.

.74 Client use forms that are developed by CWDs/agencies shall also be translated in accordance with Section 21-115.

**MANAGEMENT AND OFFICE PROCEDURES
PURCHASE OF SERVICE**

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CHAPTER 23-600 PURCHASE OF SERVICE

23-601 PURCHASE OF SERVICE FROM A PUBLIC OR PRIVATE AGENCY 23-601

HANDBOOK BEGINS HERE

- .1 The regulations contained in this Chapter provide policies and requirements for county welfare departments' purchases of services from public or private agencies involving funds administered by the California Department of Social Services (CDSS). It defines types of contracts and CDSS policies and requirements with regard to their use.

HANDBOOK ENDS HERE

- .11 When the county has been delegated the authority to purchase services by contract through CDSS regulations it shall have the authority to delegate to the contractor the delivery of services, but the county must retain ultimate program and fiscal responsibility.

HANDBOOK BEGINS HERE

- .111 Contract delegation authority cross-references:

Section 10-200	Section 29-400
Section 10-201	Section 30-002
Section 10-202	Section 30-767.12
Section 10-203	Section 42-740 - 742
Section 25-830	Section 42-773
Section 28-005	Section 63-601.2

HANDBOOK ENDS HERE

- .12 Prior to initiating purchase of service processes, counties shall research the available resources among government agencies, and private firms and agencies, to determine the cost-effectiveness and program-effectiveness of contracting such services. If a decision is made to contract, such contracting shall be consistent with county civil service practices and regulations.

23-601	PURCHASE OF SERVICE FROM A PUBLIC OR PRIVATE AGENCY	23-601
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(Continued)

- .121 In developing child welfare services for Emergency Response Services, Child Protective Services and Family Maintenance Services, Family Reunification Services, and Permanent Placement Services the county shall use available private child welfare resources prior to developing new county operated resources when the private resources are at least of equal quality, and lesser or equal cost as compared with county operation. However, the county shall not contract for eligibility determination, needs assessment, or any other activity otherwise prohibited in CDSS regulations.

HANDBOOK BEGINS HERE

- .122 The following services are defined in Welfare and Institutions Code Sections:

Emergency Response Services
Welfare and Institutions Code Section 16504.1

Family Maintenance Services
Welfare and Institutions Code Section 16506.1

Family Reunification Services
Welfare and Institutions Code Section 16507.1

Permanent Placement Services
Welfare and Institutions Code Section 16508.1

- .13 Additional requirements concerning the award of contracts under the Food Stamp Program are contained in Chapter 63-600.
- .14 Additional requirements concerning contracting for electronic data processing are contained in Division 28.
- .15 Additional requirements concerning contracting for the GAIN Program are contained in Section 42-700.

HANDBOOK ENDS HERE

23-601 PURCHASE OF SERVICE FROM A PUBLIC OR PRIVATE AGENCY 23-601
(Continued)

- .16 Whenever the term "costs" is used, CDSS requires that such costs be determined, and/or negotiated in accordance with the appropriate federal standards and principles.

HANDBOOK BEGINS HERE

- .161 The current cost principles are as follows:
- (a) For nonprofit agencies, OMB Circular A-122.
 - (b) For local governments, OMB Circular A-87.
 - (c) For public and nonprofit institutions of higher education, OMB Circular A-121.
 - (d) For profit making organizations, 41 CFR Part 1.
 - (e) For the Food Stamp Program, 7 CFR Part 277.

HANDBOOK ENDS HERE

.2 Definitions

- .21 "Formal Advertising" means procurement by competitive bids through an invitation for bid or request for proposal and involves the following basic steps:
- .211 Preparation of an invitation for bid or request for proposal.
 - .212 Publicizing the invitation for bid or request for proposal.
 - .213 Submission of bids or proposals by prospective contractors.
 - .214 Evaluation of the bids or proposals submitted.
 - .215 Award of the contract.
- .22 An "Invitation for Bid" (IFB) means the county's description, in document form, of specific services to be purchased, in addition to other contract requirements. Awards shall be made to the lowest, responsible and responsive bidder.

23-601	PURCHASE OF SERVICE FROM A PUBLIC OR PRIVATE AGENCY (Continued)	23-601
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- .23 A "Request for Proposals" (RFP) means the county's description, in document form, of a specific problem or need to which a vendor describes an approach to a solution or solutions. It also contains other contract requirements. Although price is a key factor, the originality and effectiveness of the proposal and the background and experience of the vendor are evaluated in addition to the bid price.

- .24 A "Responsible Bidder" means one who:
 - .241 Possesses adequate financial resources, or the ability to obtain such resources as required during performance of the contract; and
 - .242 Has the ability to comply with the proposed delivery or performance schedule, taking into consideration available expertise and any existing business commitments; and
 - .243 Has no record of unsatisfactory performance, lack of integrity, or poor business ethics; and
 - .244 Is otherwise qualified and eligible to receive an award under applicable statutes and regulations.

- .25 A "Responsive Bidder" means one whose bid or proposal substantially complies with all requirements of the IFB or RFP.

- .26 A "Preward Survey" means an evaluation of a prospective contractor's performance capability under the terms of a proposed contract.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 12302.1, Welfare and Institutions Code.

23-602	CODE OF CONDUCT	23-602
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- .1 The county shall maintain a written code or standard of conduct that shall govern the performance of its officers, employees and agents engaged in the awarding and administration of contracts that are subject to Chapter 23-600.

- .2 The code or standard shall provide for disciplinary actions to be applied for violations of such code or standard by the county's officers, employees, and agents, including contractors and their agents.
 - .21 Such disciplinary actions shall be required to the extent permissible under the county's laws, rules, or regulations.

23-602 **CODE OF CONDUCT (Continued)** **23-602**

- .3 The county's officers, employees and agents, including contractors and their agents, shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or potential contractors.

- .4 No employee, officer, or agent of the county shall participate in the selection, award, or administration of a contract subject to Chapter 23-600 where any of the following has a financial or other interest in that contract:
 - .41 The employee, officer, or agent.
 - .42 Any member of his or her immediate family.
 - .43 His or her business partner.
 - .44 An organization in which any of the above is, or has been during the previous 12 months, an officer, director, board member, employee or consultant.
 - .45 A person or organization with whom any of the above individuals is negotiating employment or has any arrangement concerning prospective employment.
 - .46 Other interests as the county may elect to specify in its Code of Conduct.

- .5 Counties shall follow national policy to award a fair share of business to small, minority, and women-owned firms. The affirmative steps that shall be taken towards this goal are set forth in 45 CFR Part 74, Subpart P, Appendix G.9 and 7 CFR 277.14(e).

23-604 **CONTRACT PROVISIONS** **23-604**

This section contains provisions that shall be included in county contracts for services whether procured through formal advertising or negotiation. The requirements shall also apply to subcontracts of any tier under such contracts.

- .1 All contracts shall be written and contain all of the terms and conditions agreed to by the parties and shall constitute the complete agreement between them.

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23-604 CONTRACT PROVISIONS (Continued)**23-604**

- .2 When available, counties shall utilize CDSS standard contracts and standardized language. Any deviation from a departmental standard contract must have prior CDSS approval. However, a county shall be permitted to add its own contracting requirements to any state standard contract without prior state approval, as long as the addition does not conflict with the standard contract, standardized language, or the other requirements of these regulations.
- .21 All counties shall be notified in writing when the state requires standard contracts or standardized language. A county seeking deviations from the standards shall make their request in writing, explaining the reasons for the deviations. A county shall seek state approval of such deviations at least 90 days prior to the start of any contracts with the deviation. CDSS shall review the request for deviation in terms of compliance with applicable state and federal laws and regulations, and forward a written response to the county. CDSS will notify the county within fifteen (15) calendar days of receipt, if the required information is complete, or deficient, and within forty-five (45) calendar days upon receipt of complete information of its decision on the deviation.
- .22 The state has no current standards contracts, and records on review times of past standard contracts variations are no longer available.
- .3 Specific components of each contract shall include;
- .31 Provisions stating the parties to the contract, the purpose of contract, the date of execution and applicable laws and regulations.
- .32 Definitions of terms unique to the contract or contracted service.
- .33 Duties and responsibilities of the county, the provider, and any joint duties and responsibilities.
- .34 A provision requiring that the contract be signed by authorized representatives of all contracting parties.

23-604	CONTRACT PROVISIONS (Continued)	23-604
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- .35 A provision setting forth definite effective and termination dates.

- .36 A budget sheet segregated into direct and indirect costs and profit for the contract. Budgeted expenses shall be reduced by applicable contractor revenues which shall be identified. The line items shall provide sufficient detail to determine the quality and quantity of services to be delivered. The budget shall be made a part of the contract.

- .37 Fiscal provisions which shall include:
 - .371 A provision requiring the contractor to maintain books, records, documents and other evidence pertaining to costs and expenses of the contract.

 - .372 Provisions specifying the method, time, and rates of payment for services, including the abatement of disposition of fees and identification and treatment of other income for costs related to the contract.

 - .373 A provision that the contractors' records shall be open for audit and review by county, state and federal agencies, including CDSS. Such records shall be kept in the State of California for the retention period specified in the contract in accordance with state records retention regulations, Section 23-353.

 - .374 A provision specifying use of the firm-fixed price method of reimbursement. However, agreements for any service to be rendered by any federal, state or local government agency, public university, public college or other public educational institution, shall use the actual cost method of reimbursement, but shall include an estimate of the total amount which shall be adjusted by amendment to reflect actual expenditures.

 - .375 When federal funds are involved, a provision requiring provider compliance with all federal rules including the applicable sections of the Code of Federal Regulations.

23-604	CONTRACT PROVISIONS (Continued)	23-604
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- .38 The following general provisions shall be included in the contract, in addition to those set forth above:
- (a) A provision for appropriate remedies, such as fiscal penalties or withholding of payment, in instances where the contractor violates or breaches contract terms.
 - (b) A provision for monitoring the contractor's performance to assure compliance with the terms, conditions and specifications of the contract.
 - (c) A requirement to comply with the confidentiality provisions of Section 10850 of the Welfare and Institutions Code and MPP Division 19 if the contractor will be working with records covered by those sections.
 - (d) A clause prohibiting discrimination by the contractor in either employment practices or delivery of services, in accordance with applicable state and federal regulations.
 - (e) A clause recognizing the mandatory standards and policies relating to energy efficiency in the state energy conservation plan, (Title 24, California Administrative Code).
 - (f) A clause, in contracts in excess of \$100,000, requiring compliance with Section 306 of the Clean Air Act (42 USC 1857 (h)), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738 and Environmental Protection Agency regulations (40 CFR Part 15).
 - (g) A clause, in contracts in excess of \$10,000, requiring compliance with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 and as supplemented in Department of Labor regulations (41 CFR Part 60).
 - (h) A clause for unilateral termination by the county that includes the methods by which termination will be effected, the basis for settlement, and a description of the conditions under which the contract may be terminated because of circumstances beyond the control of the contractor.
 - (i) A provision for amendments or modifications.

23-604	CONTRACT PROVISIONS (Continued)	23-604
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- (j) A provision stating the circumstances, if any, when assignment or subcontracting may be used.
- (k) A provision requiring the contractor to establish a procedure to resolve client grievances.
- (l) Clause(s) providing for bonding, insurance and indemnification, in accordance with the county's established standards.

.4 When amendments appear necessary, the county shall observe the following criteria:

.41 If a formally advertised contract is amended to increase services within its original term and the amendment will result in a cost increase in excess of ten percent of the contract maximum, the contract shall be rebid, or the price renegotiated to ensure an accurate reflection of fixed and variable costs. However, if renegotiated, the new unit price shall not exceed the unit price as originally determined through competitive selection.

.42 Any amendment negotiated without competitive bidding shall be negotiated on the basis of amounts reasonable and necessary as documented in writing and maintained in the county records.

.43 Repealed by CDSS Manual Letter No. OPS-01-02, effective 4/17/01.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 12302.1, Welfare and Institutions Code.

23-610	FORMAL ADVERTISING: INVITATIONS FOR BIDS AND REQUESTS FOR PROPOSALS	23-610
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This section contains the requirements for procurement of services by formal advertising, as defined in Section 23-601.21, and specifies the information which shall be contained in an IFB, as defined in Section 23-601.22, or an RFP, as defined in Section 23-601.23.

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23-610 FORMAL ADVERTISING: INVITATIONS FOR BIDS AND REQUESTS 23-610
FOR PROPOSALS (Continued)

- (a) Except as provided in Section 23-650, Procurement by Negotiation, all procurements shall be made by formal advertising.
- (b) The IFB method of procurement must be used, unless the county documents that the RFP method of procurement is more advantageous, in terms of price and service delivery, before starting the procurement process.

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- (1) Request for proposal might be used for:
 - (A) Management studies.
 - (B) Demonstration Projects (Welfare and Institutions Code Sections 18200-18215) or other services which are new or experimental in nature.
 - (C) Procurement of professional services in law, medicine or other professions where fee for service is the primary method of payment.

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23-610	FORMAL ADVERTISING: INVITATIONS FOR BIDS AND REQUESTS FOR PROPOSALS (Continued)	23-610
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- (c) An IFB or RFP shall contain at a minimum the information enumerated below, if applicable to the procurement involved and any other information necessary for bid or proposal evaluation.
 - (1) County serial number of the IFB or RFP.
 - (2) Name and address of purchasing agency.
 - (3) Date of issuance.
 - (4) Time and place for submission of bids or proposals, including disposition of late bids or proposals and potential reasons for rejecting all bids or proposals.
 - (5) Time and place of bid or proposal opening.
 - (6) Period of time for which bid or proposal is to remain in effect.
 - (7) Information on any guarantee, performance or payment bond required by the county.
 - (8) Bidder's certification that all statements in the bid or proposal are true. This shall constitute a warranty, the falsity of which shall entitle the county to pursue any remedy authorized by law, which shall include the right, at the option of the county, of declaring any contract made as a result thereof to be void.

23-610 FORMAL ADVERTISING: INVITATIONS FOR BIDS AND REQUESTS FOR PROPOSALS (Continued) 23-610

- (9) When needed for the purpose of bid or proposal evaluation, preaward surveys, or inspection, a requirement that bidders state the place(s), including the street address, from which the services will be furnished.
- (10) Description or specification of services to be furnished, or problem to be solved, in sufficient detail to permit full and free competition. The county shall obtain and distribute information from current contractors necessary for fair bidding by all potential vendors.
- (11) Quantity of services to be required. If the bidding document gives the county an option to increase or decrease quantities specified, a statement of the maximum percentage of such increase or decrease shall be included.
- (12) Any county requirement for the time, place or method of service delivery.
- (13) Citation of, and required bidder conformance to, all applicable provisions of law and regulations. These shall include but not be limited to the Social Security Act, the Civil Rights Act, the Clean Air Act, applicable federal regulations, State Energy Efficiency Plan, California Welfare and Institutions Code, and the State Department of Social Services Manual of Policies and Procedures.
- (14) Requirement for each bidder to submit a detailed budget and budget narrative wherein line items are identified as yearly or contract period costs, and where applicable, hourly or unit of service costs.
- (15) Requirement for bidders to submit a statement of experience which shall include but not be limited to the following information:
 - (A) Business name and legal business status (i.e., partnership, corporation, etc.) of the prospective contractor.
 - (B) Number of years the prospective contractor has been in business under the present business name, as well as related prior business names.
 - (C) Number of years of experience the prospective contractor has had in providing the required, equivalent or related services.

23-610	FORMAL ADVERTISING: INVITATIONS FOR BIDS AND REQUESTS FOR PROPOSALS (Continued)	23-610
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- (D) Contracts completed during last five years showing year, type of services, dollar amount of services provided, location, and contracting agency.
- (E) Details of any failure or refusal to complete a contract.
- (F) Whether the bidder holds a controlling interest in any other organization, or is owned or controlled by any other person or organization. Governmental agencies are exempt from this requirement.
- (G) Financial interests in any other business. Individuals who are personally performing the contracted service and governmental agencies are exempt from this requirement.
- (H) Names of persons with whom the prospective contractor has been associated in business as partners or business associates in the last five years. Governmental agencies are exempt from this requirement.
- (I) Explanation of any litigation involving the prospective contractor or any principal officers thereof, in connection with any contract.
- (J) An explanation of experience in the service to be provided, or equivalent or similar experience of principal individuals of the prospective contractor's present organization.
- (K) A list of major equipment to be used for the direct provision of services.
- (L) An audited financial statement. Such statement shall be the most recent and complete audited financial statement available and for a fiscal period not more than 18 months old at time of submission. This statement shall be by an independent, certified public accountant. If the audit is of a parent firm, the parent firm shall be party to the contract. The county may require other information in lieu of the certified financial audit, if it is of equal value in determining the fiscal stability of the competing agency. Such other evidence shall be included in the bid document. Individuals who are personally performing the contracted services and governmental agencies are exempt from this requirement.

23-610 FORMAL ADVERTISING: INVITATIONS FOR BIDS AND REQUESTS FOR PROPOSALS (Continued) 23-610

- (M) Current financial statements, letters of credit, and guarantor letters from related entities, as required by the county.
 - (N) A list of commitments, and potential commitments which may impact assets, lines of credit, guarantor letters, or otherwise affect the bidder's ability to perform the contract.
 - (O) Business or professional licenses or certificates required by the nature of the contract work to be performed and held by the contractor.
 - (P) An agreement to provide the county with any other information the county determines is necessary for an accurate determination of the prospective contractor's qualifications to perform services.
 - (Q) Agreement to right of the county, state and federal governments to audit the prospective contractor's financial and other records.
- (16) Provision regarding the receipt of late bids as specified in Section 23-611.15.
- (17) Description of the evaluation and selection process.
- (18) Time and place for awarding of contract.
- (19) Protest rights as specified in Section 23-624.
- (20) Circumstances under which the IFB or RFP may be canceled as provided in Section 23-614.
- (21) A statement that funding for the contract shall be contingent upon the availability of state and/or federal funds as appropriate to the funding source.
- (22) A statement noting the existence of any collective bargaining agreement between the current contractor and its workers which is currently in effect within the county.
- | (d) All invitations for bids and requests for proposal shall allow sufficient time between the date of publication of the IFB or RFP and the submission date to permit prospective bidders to prepare and submit bids or proposals.

23-610 FORMAL ADVERTISING: INVITATIONS FOR BIDS AND REQUESTS FOR PROPOSALS (Continued) **23-610**

- (e) IFBs and RFPs shall be publicized in a sufficient manner to insure open and adequate competition. The manner shall include public advertising.

In addition, the following methods are suggested to insure adequate competition:

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- (1) Copies of the IFB and RFP should be displayed by the county in an appropriate place, accessible to the public.
- (2) A synopsis should be published in a local newspaper of general circulation in sufficient time for potential vendors to receive and respond to the bidding document.
- (3) Either the full IFB or RFP or a notice that bids or proposals are being sought should be delivered to a sufficient number of prospective bidders to insure adequate competition. To facilitate this process, counties should establish and maintain mailing lists of potential bidders, including on the list any potential bidder who requests to be added.

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- (f) If after issuance of the IFB or RFP, but before the time set for opening, it becomes necessary to make changes in quantities, specification, opening dates, etc., or to correct a defective or ambiguous IFB or RFP, such change shall be accomplished by issuance of an amendment to the IFB or RFP. The amendment shall be sent to each vendor to whom the IFB or RFP has been furnished. The amendment shall be publicly displayed as required in Section 23-610(e) (1) above.

- (1) Each amendment issued to an IFB or RFP shall:
 - (A) Be serially numbered.
 - (B) Include the serial number of the IFB or RFP concerned.
 - (C) Clearly state the changes made in the IFB or RFP and the extension of time of the submittal date, if any. If no extension of the time set for submission is involved, the amendment shall so state.
 - (D) Include a warning to potential bidders concerning the effects of failure to comply with the amendment.

23-610 FORMAL ADVERTISING: INVITATIONS FOR BIDS AND REQUESTS 23-610
FOR PROPOSALS (Continued)

(2) Before issuing an amendment, the period of time remaining until the time set for submission, and the need for extending this period by postponing the time set for submission, must be considered. Where only a short time remains before the time set for submission, consideration shall be given to notifying bidders of an extension of time by telegram or telephone. Such notification shall be confirmed in the amendment.

(3) Any information given to a prospective bidder shall be furnished promptly to all other prospective bidders, as an amendment, if such information is necessary to bidders in submitting bids or if the lack of such information would be prejudicial to uninformed bidders. If any amendment is made to the IFB or RFP, no award shall be made unless the amendment has been issued in sufficient time to permit all prospective bidders to consider such information in submitting or modifying their bids or proposals.

| (g) IFBs or RFPs shall not be canceled unless cancellation is in the public interest, such as where there is no longer a requirement for the material or service or where amendments would be of such magnitude that a new bidding document is desirable. Where a bidding document is canceled, bids or proposals which have been received shall be returned unopened to the bidders and a notice of cancellation shall be sent to all prospective bidders to whom bidding documents were issued.

| (i) Repealed by CDSS Manual Letter No. OPS-01-02, effective 4/17/01.

| NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 12302.1, Welfare and Institutions Code.

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This section contains the requirements and policies with respect to the submission of bids or proposals.

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- .1 Counties in the management of the bid or proposal process shall require that:
 - .11 Bids or proposals shall be submitted so as to be received in the office designated in the bidding document not later than the exact time set for receipt.
 - .12 Bids or proposals, with required attachments, shall be submitted in the format specified by the county, and signed. The format shall provide for the desired sequence of the bid content and a model budget.
 - .13 Bids or proposals shall be filled out, executed, and submitted in accordance with the instructions which are contained in the IFB or RFP. If the bid or proposal is not submitted in the format specified by the county, it shall be rejected, unless the county determines that the nonconformity is not material, in which case it may be considered only if the bidder meets and accepts all the terms and conditions of the IFB or RFP.
 - .14 The county shall observe the following provisions regarding the receipt and consideration of late bids or proposals. Late bids or proposals are those that are received after the exact time set for receipt in the IFB or RFP:
 - .141 Any bid or proposal received at the office designated in the IFB or RFP after the exact time specified for receipt will not be considered unless it is received before award is made and either:
 - (a) The county has set forth an option, to be contained in the bidding document, for acceptance of bids and proposals by registered or certified mail, sent prior to the date specified for the receipt of bids or proposals.
 - (b) It is determined by the county that the late receipt was due solely to mishandling by the county after receipt at the county agency.

23-611 SUBMISSION OF BIDS OR PROPOSALS **23-611**
(Continued)

- .15 The only acceptable evidence to establish whether a bid or proposal is late or meets some of the exceptions listed in Section 23-611.14 and .141 above shall be:
 - .151 The date of mailing of a bid or proposal, modification, or withdrawal sent either by registered or certified mail is the U.S. Postal Service postmark on the wrapper or the receipt from the U.S. Postal Service. If neither postmark shows a legible date, the bid, modification, or withdrawal shall be deemed to have been mailed late.
 - .152 The time of receipt at the county agency is the time-date stamp of such county on the bid wrapper or other evidence of receipt maintained by the county.

23-612 RECEIPT AND EVALUATION OF BIDS **23-612**

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This section contains policies and requirements with respect to the receipt and evaluation of bids.

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- .1 Upon receipt, each bid shall be noted with a separately identifiable bid number, the date and time of receipt.
- .2 All bids received prior to the time set for opening shall be kept unopened and secured in a locked receptacle.
- .3 All responses to IFB's shall be opened publicly and the relevant information announced to all parties present.
 - .31 IFB number.
 - .32 Submission date.
 - .33 General description of service being procured.
 - .34 Names of bidders.
 - .35 Prices bid.
 - .36 Any other information the county determines is necessary.

23-612 RECEIPT AND EVALUATION OF BIDS (Continued) 23-612

- .4 Examination of copies of bids by interested persons shall be permitted. However, original bids shall not be circulated.
- .5 If less than three bids have been received, the county shall examine the reasons for the small number of bids received. The purpose of this examination shall be to ascertain whether the small number of responses is attributable to an absence of any of the prerequisites of formal advertising.
- .6 After bids have been opened, award of an IFB must be made to that responsible bidder who submitted the lowest responsive bid unless there is a compelling reason to reject all bids and cancel the bid process. (See Section 23-614.)

23-613 RECEIPT AND EVALUATIONS OF PROPOSALS 23-613

- .1 Counties shall use the criteria for receipt and evaluation listed in Section 23-612, with the exception of Section 23-612.3, concerning public opening of bids and Section 23-612.6, concerning awards to the low bidder. However, counties shall be permitted to have public openings of proposals. Counties shall use the following additional criteria in selecting bidders from RFPs.
 - .11 The originality and effectiveness of the bidder's approach to solving the problem presented in the RFP.
 - .12 The bidder's background and experience in working with CDSS funded programs, local government and projects similar to the one proposed.
 - .13 Any cash or in-kind contribution proposed to be included as part of the project.
- .2 Although counties are not required to choose the lowest responsible, responsive bidder to an RFP, cost shall be weighed as a major factor in making the evaluation.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 12302.1, Welfare and Institutions Code.

23-614 CANCELING THE PROCUREMENT PROCESS AFTER OPENING 23-614

- .1 The procurement process may be canceled after opening, but prior to award when the contracting officer determines that cancellation is in the best interest of the county for reasons such as those listed below.

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- .11 Inadequate, ambiguous, or otherwise deficient specifications were cited in the IFB or RFP.
- .12 The services are no longer required.
- .13 All otherwise acceptable bids or proposals received are at unreasonable prices.
- .14 The bids or proposals were not independently arrived at in open competition, were collusive, or were submitted in bad faith.
- .15 The bids or proposals received did not provide competition adequate to ensure reasonable prices in accordance with county resources or generally accepted prices.
- .16 No bid or proposal is received which meets the minimum requirements of the IFB or RFP.
- .17 The county determines after analysis of the bids or proposals, that its needs can be satisfied by a less expensive method.

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- .2 All bidders shall be notified in writing of the specific reasons when a county rejects all bids or proposals.

23-615 REJECTION OF BIDS OR PROPOSALS 23-615

- .1 Any bid or proposal which fails to conform to the essential requirements of the bidding document, such as specifications or the delivery schedule, shall be rejected as nonresponsive. Bids or proposals submitted by bidders which do not meet the requirements regarding responsibility specified in Section 23-620 shall also be rejected.
- .11 When rejecting a bid or proposal, the county shall notify each unsuccessful bidder that the bid or proposal has been rejected.

23-615 REJECTION OF BIDS OR PROPOSALS (Continued) 23-615

- .12 A bid or proposal should not be rejected when it contains a minor irregularity or when a defect or variation in the bid or proposal is immaterial or inconsequential.
- .121 A minor irregularity means a defect or variation which is merely a matter of form and not of substance, such as:

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- (a) Failure of the bidder to return the required number of copies.
- (b) Apparent clerical errors.

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- .122 Immaterial or inconsequential means that the defect or variation is insignificant as to price, quantity, quality, or delivery when contrasted with the total costs or scope of the services being procured.
- .123 The county shall give the bidder an opportunity to cure any deficiency resulting from a minor irregularity, immaterial or inconsequential defect in a bid or proposal, or the county may waive such deficiency, whichever is most advantageous to the county.

23-616 INFORMATION REGARDING RESPONSIBILITY OF CONTRACTORS 23-616

- .1 Generally, information regarding the responsibility of a prospective contractor (see Section 23-601.24), including preaward surveys if needed, shall be obtained promptly after bid opening.

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- .11 Sources for obtaining information regarding the responsibility of prospective contractors include but are not limited to:
- .111 Any list of disbarred, suspended, or ineligible individuals or organizations.

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- .112 The prospective contractor.
 - (a) This could include but not be limited to:
 - (1) Information contained in or attached to bids and proposals.
 - (2) Replies to questionnaires.
 - (3) Current financial data, such as balance sheets, profit and loss statements, cash forecasts, loan commitments, and financial histories of the contractor and affiliated organizations.
 - (4) Resumes of proposed staff.
 - (5) List of equipment and facilities.
 - (6) Subcontracts.
- .113 Any other information available within government, including records and information known to county personnel.
- .114 Other sources. These could include suppliers, subcontractors, professional organizations, other customers of the prospective contractor, and CDSS.

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- .2 A preaward survey shall be made when the county does not have sufficient information available to make a determination regarding the responsibility of a prospective contractor.
 - .21 A preaward survey shall obtain needed information on responsibility in such detail as is commensurate with the dollar value and complexity of the procurement. The county identifies the factors which shall receive special attention and makes those factors applicable to all firms responding to the solicitation.

23-616 **INFORMATION REGARDING RESPONSIBILITY OF CONTRACTORS** **23-616**
(Continued)

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- .211 Sources for obtaining preaward survey information include but are not limited to:
- (a) Data on hand.
 - (b) Data from other governmental agencies.
 - (c) On-site inspection of facilities to be used for performance of the contract.

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NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 12302.1, Welfare and Institutions Code.

23-620 **AWARD OF CONTRACT** **23-620**

- .1 The county shall award the contract to the lowest responsive and responsible bidder to an IFB. In the case of an RFP, the county shall award the contract in accordance with the criteria specified in Section 23-613.
- .11 A responsive bidder is defined in Section 23-601.25; a responsible bidder is defined in Section 23-601.24.
- .2 When the county has completed their evaluation of bids or -proposals and has made a recommendation for award, all bidders shall be notified of this decision as well as the date and time of any public hearing on the proposed contract.
- .3 Repealed by CDSS Manual Letter No. OPS-01-02, effective 4/17/01.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 12302.1, Welfare and Institutions Code.

23-621 CONTRACT PERIODS 23-621

- .1 A contract originally obtained by bid may be renewed without rebidding under the following circumstances if the potential for renewal has been included in the IFB or RFP. Contract terms and rebidding are limited as follows:
 - .11 Contracts which are procured by formal advertising (IFB or RFP), or negotiated contracts with other governmental agencies or public educational institutions, are normally limited to no more than a three-year term, at which time they must be rebid or, if appropriate, renegotiated under the terms of Section 23-650, Procurement by Negotiation.
 - .12 Contracts with private individuals, firms, or agencies which are procured through negotiation, are normally limited to a one-year term. Toward the end of the term, the criteria for procurement by negotiation contained in Section 23-650 shall be reapplied to determine whether or not the contract should be procured through formal advertising.
 - .13 Contracts for the provision of In-Home Supportive Services shall not exceed two years. However, a two-year contract may be renewed at the end of the two-year term without rebidding, for one additional year.

23-621	CONTRACT PERIODS (Continued)	23-621
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- .14 Contracts for services which implement CDSS sponsored demonstration projects may have terms to cover the length of the project if necessary to maintain the experimental integrity and continuity of the project.

- .15 Contracts for periods longer than those stated above shall be allowed only if CDSS approval is obtained prior to the start of the procurement process.
 - .151 Counties shall request extended contract periods in writing, and shall describe the program and cost benefits of a longer contract. Counties shall also describe the level of competition for such contracts in their area.

 - .152 CDSS will review the request for cost impact, overall benefit to the program, the impact on competition of the longer term and conformity to state and federal procurement laws and regulations. CDSS will respond to the county in writing, stating its reasons for any denial of a longer term. CDSS will respond to the county within 15 calendar days of receipt, if the required information is complete or deficient, and within 30 days upon receipt of complete information of its decision on the extended contract term.

 - .153 The state's time periods, based on actual performance, for approving contracts terms in excess of the terms allowed in regulations during the two years preceding the proposal of these regulations were as follows:
 - (a) The median time was 46 days.
 - (b) The minimum time was 27 days.
 - (c) The maximum time was 88 days.

23-621	CONTRACT PERIODS (Continued)	23-621
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- .16 The rate of reimbursement for an additional period let under the circumstance provided in Section 23-621 shall be negotiated with the existing contractor based on the following:
 - .161 Actual expenditures by the contractor, as documented during the first contract term and approved by the county and CDSS.
 - .162 Changes in federal, state or county program requirements.
 - .163 State and federal minimum wage and contractual step merit increases.
 - .164 Changes in statutory taxes.
 - .165 Changes in insurance costs.
 - .166 Profit may be renegotiated but shall not exceed the percentage of profit, based upon total cost, as bid or negotiated in the first term.
 - .167 Other reasonable costs or increases in cost over which the contractor has no control.
 - .168 In negotiating costs for an additional term, the county must assure that these costs accurately reflect current contract performance and are not inflated to recover costs which may have been underbid by the contractor during the original bidding process.
 - .169 The county shall assure, by audit if necessary, that all cost increases are reasonable and necessary to the continuation of the contract.

- .17 The duration of Food Stamp Issuance contracts is governed by MPP Section 63-601.242.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 12302.1, Welfare and Institutions Code.

23-622 RENEWAL PROCEDURES**23-622**

- .1 The county shall be permitted to renew a contract which meets the criteria of Section 23-621, above, provided:
 - .11 If approval of the original contract is required by the Board of Supervisors, then the renegotiated contract shall be approved by the Board of Supervisors' in accordance with Section 23-625.
- .2 If the county is unable to renegotiate the contract for the extended term, the county shall be permitted to extend the existing contract for a period not to exceed six (6) months if such an extension is necessary to allow time for new bidding.
- .3 Repealed by CDSS Manual Letter No. OPS-01-02, effective 4/17/01.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 12302.1, Welfare and Institutions Code.

23-624	PROTESTS	23-624
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- .1 The county shall consider any protest or objection regarding the award of a contract, whether submitted before or after the award, provided it is filed within the time period established in the IFB or RFP.
- .2 Written confirmation of all protests shall be requested from the protesting parties. The protesting party shall be notified in writing of the final decision on the protest. The notification shall explain the basis for the decision.
- .3 Upon request, the county shall submit to CDSS a copy of any protest along with a copy of its response to the protest.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 12302.1, Welfare and Institutions Code.

23-625	PUBLIC HEARING	23-625
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- .1 The County Board of Supervisors or, if authorized by the Board, a delegated county department, shall conduct a public hearing on the contract award prior to the effective date of all contracts exceeding \$100,000. It is permissible for the formal public approval of a contract to constitute the public hearing. The public hearing shall be scheduled with sufficient time prior to the effective date of the contract to allow sufficient time for the filing and resolution of any unresolved protests to the award. Findings based on the public hearing shall be made available to interested parties.
- .2 Upon completion of the entire selection process, the county shall execute a fixed price contract with the successful bidder in accordance with Section 23-604.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10554 and 12302.1, Welfare and Institutions Code.

23-630 SDSS REVIEW**23-630**

- .1 Contracts, procurements and amendments for the purchase of services for any other program where state review is required by law or regulation shall be subject to prior CDSS review in accordance with the conditions set forth below.
- .2 When CDSS review is required, CDSS shall notify the county of the time frames necessary to submit information for state review, based on the complexity and volume of the contract material requiring state review.
- .3 Along with the contract, the county shall submit a summary of the procurement if the procurement information has not been previously required. The summary of the procurement shall include the method of procurement, a listing of all bidders or proposers and their bids, and the county's reasons for the selection.
- .4 When submitting a contract amendment, the county shall detail the reason(s) for the amendment, and, if the amendment results in a change of price, a revised contract budget and justification for any price change.
- .5 CDSS will review the contract, procurement summary, or contract amendment for compliance with state and federal program and procurement laws and regulations. CDSS will review contract amendment price changes for reasonableness, necessity, and impact on state and federal funding availability. Upon making a determination, the state shall respond to the county in writing, with an approval or denial of state and federal funding of the contract or amendment. If the contract or amendment is not approved, the state shall set forth conditions, if any, by which the county may gain approval for funding.
 - .51 The state shall notify the county within 15 calendar days of receipt if the material is complete or deficient, and within 45 calendar days of receipt of complete information of its decision on contracts, procurement summaries, or amendments.

23-630 SDSS REVIEW (Continued) 23-630

.52 Repealed by CDSS Manual Letter No. OPS-01-02, effective 4/17/01.

.6 Contracts providing services prior to required state contract approval may not be eligible for state and/or federal financial participation.

.7 Although it is general policy not to require prior review of contracts unless required by law or regulation, CDSS retains the right to audit and evaluate all county contracts both during and after the contract term.

HANDBOOK BEGINS HERE

.8 Upon final approval of a contract, CDSS shall provide claiming clearance for the contract and assign a specific CDSS contract number.

.9 Additional requirements concerning the review and approval of contracts for electronic data processing are contained in Sections 28-105 and 115.

HANDBOOK ENDS HERE

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 12302.1, Welfare and Institutions Code.

23-640 **EVALUATION OF CONTRACTS** **23-640**

- .1 Counties shall ensure the monitoring and evaluation of contracts for the purchase of social services in accordance with the criteria set forth in Sections 10-150 through 10-153.
- .2 Counties shall ensure the completion of a financial audit for each contract, in accordance with the appropriate state and federal audit standards. Audits shall be permitted either through an independent auditor selected by the contractor and funded through the contract, or by county or contracted staff. Counties shall be permitted to limit audits of fixed price, unit of service contracts with private, proprietary agencies, to compliance audits.

HANDBOOK BEGINS HERE

The standards for auditing other government agencies are found in OMB Circular No. A-128, and for nonprofit agencies, public hospitals, colleges, and universities in OMB Circular No. A-110.

HANDBOOK ENDS HERE

- .3 Final performance reports and audits shall be completed within 120 days of the completion of a contract. In the case of a multi year contract, audits shall be performed at least every two years.
- .4 Monitoring, evaluation, and audit reports shall be made available to CDSS upon request.
- .5 Requirements for the audit and evaluation of Food Stamp Issuance contracts are covered in Section 63-601.282.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 12302.1, Welfare and Institutions Code.

23-650 PROCUREMENT BY NEGOTIATION **23-650**

This section contains policies and procedures which shall be observed by counties in procurements by negotiation, as distinguished from formal advertising, and the limitations upon its use.

- .1 Contracts may be negotiated without formal advertising when one or more of the following exists:
 - .11 When a public emergency exists and the urgency is such that time is not available for formal advertising. This should be applied only in emergencies caused by circumstances outside of the county's control and not for delays caused by county inaction.
 - .12 If rates established by the state are to be used for payments and CDSS has notified the counties that formal advertising is not necessary for a particular program.
 - .13 If the aggregate annual amount involved does not exceed \$100,000. However, qualifications and price must still be solicited through a manner consistent with the county's own procurement policies. Selection shall be made using the criteria set forth in Section 23-650.2.
 - .14 For any service to be rendered by any federal, state, or local government agency, public university, public college or other public educational institution. CDSS may require formal advertising when contracts with government agencies or public educational institutions are considered excessive in price when compared to similar services provided through competition, or where competition between public and private agencies is necessary to accomplish program purposes.

23-650	PROCUREMENT BY NEGOTIATION (Continued)	23-650
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- .15 For services for which it is impracticable to secure competition. This requirement may be satisfied by one of the following:
 - .151 When services can be obtained only from a single source. The determination of single source shall be established through a formal, publicly advertised, pre-bid survey to determine that only one source exists or only one source is willing and available to fulfill the contract.
 - .152 When bids or proposals have been solicited and competition is determined to be inadequate.
- .16 For emergency shelter care, contracts providing six (6) or fewer beds.
- .17 If the county develops other innovative methods of selection. Such methods shall require prior approval by CDSS and, when appropriate, by the federal grantor agency. When prior federal approval is required CDSS will request such approval. The county shall request approval of an innovative procurement method in writing, including a description of the method, the benefit to the program of using the method, and level of competition in their area to such contracts.
 - .171 The state will review the request for cost impact, overall benefit to the program to be served, and compliance with state and federal goal, as reflected in these regulations, of encouraging maximum competition. If the state approves of the innovative procurement, it will forward the material, when required, to the appropriate federal grantor agency, with a recommendation for approval. If CDSS denies the request, it will respond to the county giving reasons for the denial, and recommendations, if any, for gaining approval. The state shall also notify the county of federal approval or denial of the innovative procurement method. CDSS will notify the county within 15 calendar days of receipt if the required information is complete or deficient, and within 45 days, upon receipt of complete information, of its decision or that it is forwarding a recommendation for approval to the federal government. CDSS will notify the county within 10 days upon receipt of the federal decision.

23-650	PROCUREMENT BY NEGOTIATION (Continued)	23-650
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- .172 The state has not had any requests for using innovative procurement methods during the past two years. Records from any previous requests are no longer available.
- .18 Other situations, where unique circumstances necessitate procurement by negotiation, shall require prior CDSS approval and, when necessary, federal agency approval.
- .2 Whenever services are to be procured by negotiation, proposals shall be solicited from as many qualified sources as is reasonably practicable. During the course of negotiations, appropriate factors, including the following, shall be considered.
 - .21 Comparison of prices quoted with prices for the same or similar services from other sources.
 - .22 Comparison of the business reputation, capacity, and responsibility of the respective persons or firms who submit offers.
 - .23 Consideration of the quality of the services offered, including the same or similar services previously furnished, with due regard of conformance with specification requirements.
 - .24 Consideration of the existing and potential workload of the persons or firms submitting offers.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Title 45 Code of Federal Regulations, Section 92.36(d) as amended at 60 Federal Register 19645 (April 19, 1995) and Section 12302.1, Welfare and Institutions Code.

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CONTRACTS
ADVANCE CONTRACT PAYMENTS TO PRIVATE NONPROFIT AGENCIES

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DIVISION 27 CONTRACTS**CHAPTER 27-900 ADVANCE CONTRACT PAYMENTS TO PRIVATE NONPROFIT AGENCIES****27-901 CONTROL PROCEDURES FOR ADVANCE PAYMENT 27-901**

When DSS determines that an advance payment to a community based private nonprofit agency (CBPNA) is essential for effective implementation of a program, it may advance funds to the CBPNA based on the following:

- .1 Advances shall be made only for contracts which do not exceed \$200,000 unless prior approval is obtained from the Department of Finance. Contracts over \$200,000 may qualify for an advance if Finance determines that the CBPNA has modest reserves and potential cash flow problems.
- .2 Advances shall not exceed 25% of the contracted amount, unless the contract is financed by a federal program and such advance is not prohibited by federal guidelines.
- .3 Advances shall be limited to once each fiscal year.
- .4 Advances shall be limited to the minimum amounts needed and shall be timed to be in accord only with the actual, immediate cash requirements of the recipient organization in carrying out the purposes of the contract.
- .5 Each CBPNA to which an advance has been made shall report actual expenditures monthly to DSS, no later than 30 days after the close of the report month.
- .6 The recipient organization shall supply the department with sufficient information on such forms as the department may require to enable a determination pursuant to Sections 27-901.1 and/or 27-901.4, above.
- .7 Any interest earned by the CBPNA from deposit of the advanced funds to an interest-bearing account shall be returned to the State of California.

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**COUNTY PUBLIC ASSISTANCE EDP SYSTEMS FUNDING
GENERAL**

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DIVISION 28 COUNTY PUBLIC ASSISTANCE EDP SYSTEMS FUNDING

CHAPTER 28-000 GENERAL

28-005 INTRODUCTION 28-005

- (a) To ensure that welfare, food stamp and child support programs in California are administered with efficiency, effectiveness and equity, state and federal financial participation (S/FFP) shall be available to counties to develop and operate electronic data processing (EDP) systems that support these programs.
- (b) The criteria and procedures for obtaining S/FFP for such projects shall be those specified in Sections 28-105 through 28-135 below.

28-010 DEFINITIONS 28-010

- (a) Development/Implementation Costs Means:
 - (1) The costs associated with the creation of an electronic data processing (EDP) system for an installation.
 - (2) The cost of adapting an EDP system to another type of installation, including but not limited to system transfer, change in equipment, or change in operating system.
 - (3) Those modification and enhancement costs specified in Section 28-010(e) or (g).
- (b) Electronic Data Processing (EDP) Equipment means:
 - (1) Electronic digital computers, regardless of size, capacity, or price, that accept data input, store data, perform calculations and other processing steps, and which prepare information output.
 - (2) All peripheral or auxiliary equipment used in support of electronic computers, whether selected and acquired with the computer or separately.
 - (3) Data transmission or communications equipment that is selected and acquired solely or primarily for use with a configuration of EDP equipment which includes an electronic computer.

28-010	DEFINITIONS (Continued)	28-010
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- (4) Data input equipment that is used to enter data directly or indirectly into an electronic digital computer, peripheral or auxiliary equipment, or data transmission or communications equipment.
- (5) Software, as defined in (i) below, that is leased, rented or purchased from private or public vendors or consultants.
- (c) Electronic Data Processing (EDP) Services means:
 - (1) Services to operate EDP equipment.
 - (2) Services to perform such tasks as feasibility studies, system studies, system design, development of system specifications, system analysis, programming, and system implementation.
- (d) Electronic Data Processing (EDP) System means a method of data processing performed by electronic or electrical machines so interconnected and interacting as to minimize the need for human assistance or intervention.
- (e) Enhancement Costs means:
 - (1) The costs of adding functions to the system, including but not limited to production of additional reports, and collection, editing and retention of additional data.
 - (2) The costs of improving process performance, modifying an input or output, or augmenting an input or output.
- (f) Maintenance Costs means the costs of the activity to keep a system "in repair" and performing what it was designed to do.
- (g) Modification Costs means the costs of minor changes to the system, including but not limited to the following:
 - (1) Recomposition of a job.
 - (2) Revision of the parameters/keys of a sort/merge.
 - (3) Revision of the columnar alignment of a report.
 - (4) Revision in response to changes in regulations/instructions from state program management.

28-010 DEFINITIONS (Continued)**28-010**

- (h) Operations Costs means the costs to perform the processes of an EDP system, including but not limited to the following:
- (1) Salaries of data processing technicians, computer operators, and key entry operators.
 - (2) Systems software costs.
 - (3) Computer lease or purchase costs.
 - (4) Operations plant costs, including but not limited to the following:
 - (A) Space.
 - (B) Lights.
 - (C) Air conditioning.
 - (D) Water.
 - (E) Motor generator.
 - (F) Security.
 - (5) Consumable supply costs, including but not limited to the following:
 - (A) Paper.
 - (B) Ink.
 - (C) Ribbons.
 - (D) Magnetic cards and tape.
 - (E) Tabulating (punch) cards.
 - (F) Binders.

28-010	DEFINITIONS (Continued)	28-010
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- (6) Ancillary equipment costs, including but not limited to the following:
 - (A) Burster.
 - (B) Decollator.
 - (C) Storage racks.
 - (D) Tape cleaner.
 - (E) Degausers.
 - (F) Certifier.
- (7) Office equipment costs for equipment used in the operations area.
- (8) Administrative overhead.
- (i) Software means a set of stored programs, procedures and associated documentation by which EDP equipment is used and operated.
 - (1) Systems software means the programs required to perform general functions frequently termed "operating systems".
 - (2) Applications software means programs or sets of programs designed to perform specific user-oriented functions including but not limited to the following:
 - (A) Updating of files.
 - (B) Preparation of reports.
 - (C) Performance of payroll processes.

**COUNTY PUBLIC ASSISTANCE EDP SYSTEMS FUNDING
SPECIFIC REQUIREMENTS**

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CHAPTER 28-100 SPECIFIC REQUIREMENTS

28-105 APPROVAL REQUIREMENTS 28-105

- (a) County requests for S/FFP for EDP activities shall meet the following review criteria:
 - (1) EDP systems shall be in support of state and federal welfare, food stamp and child support programs wherein state and/or federal financial participation is available for their costs.
 - (2) Competitive procurement procedures in compliance with 45 CFR Part 74, Subpart P, and 7 CFR Part 277.14 shall be followed when leasing, renting or purchasing equipment or services from private vendors or consultants.
 - (A) The counties shall obtain written SDSS approval at the times indicated under the following circumstances:
 - 1. Prior to issuance to prospective bidders of Requests for Proposal and Invitations for Bid.
 - 2. Prior to acceptance of any bid.
 - 3. Prior to sole source procurement.
 - 4. Prior to signature of the contracting officer on any contract for complex procurements or in any county having a history of performance problems, as described in (d)(3)(A) below, when requested.
 - (3) County proposals shall contain alternative systems applications of varying degrees of complexity, including the transfer of EDP systems from other counties and revisions of current procedures.
 - (A) If alternative systems applications are not presented, an explanation for their absence shall be included.
- (b) Counties shall obtain written SDSS approval of the service agreement specified in Section 28-135, and shall submit annual updates of such agreements to SDSS.

28-105	APPROVAL REQUIREMENTS (Continued)	28-105
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- (c) At the beginning of each fiscal year the counties shall be notified by SDSS of the following:
 - (1) Maximum amount the county may claim for maintaining and operating EDP systems.
 - (A) This amount shall be based upon consideration of the following:
 - 1. Maintenance and operating costs of approved systems in prior fiscal years.
 - 2. Approved estimates of operating costs of new systems.
 - 3. Cost-of-living increases.
 - 4. Other pertinent information received from counties or other sources.
- (d) The approved amount for maintenance and operating activities shall be expended in accordance with the following:
 - (1) Amounts expended for maintenance and operating activities may be claimed without additional approval from SDSS up to the maximums specified in this section.
 - (2) Except for projects specified in (3) below, funds approved for maintenance and operations shall not be used for development activities without prior approval from SDSS as specified in (e) below.
 - (3) The maximum amount the county or joint maintenance group may claim without prior approval from SDSS for any non-mandated project to enhance or modify existing automated systems shall be \$10,000 per project.

28-105	APPROVAL REQUIREMENTS (Continued)	28-105
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- (A) Counties or joint maintenance groups shall notify SDSS of all non-mandated enhancements or modifications not exceeding \$10,000 in cost at the end of each calendar quarter, and shall include in the notification a brief description of the following:
 - 1. Nature of change.
 - 2. Reason for change.
 - 3. Cost of change.
 - 4. Impact of change on maintenance and operations costs.

- (4) The maximum amount the county or joint maintenance group may claim without prior approval from SDSS for any project resulting from a written state or federal mandate or instruction, including regulation and all-county letter, shall be \$25,000.

- (A) Counties or joint maintenance groups shall notify SDSS of all enhancements or modifications, resulting from state or federal mandate or instruction, which do not exceed \$25,000 in cost at the time of their implementation, and shall include in the notification a brief description of the following:
 - 1. Nature of change.
 - 2. Reason for change.
 - 3. Cost of change.
 - 4. Impact of change on maintenance and operations costs.

- (5) The amounts specified in (3) and (4) above may be reduced or eliminated if, in the judgment of SDSS, the county or joint maintenance group has a history of performance problems.

28-105	APPROVAL REQUIREMENTS (Continued)	28-105
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- (A) Performance problems may include but shall not be limited to the following:
 - 1. A history of excessive project expenditures above the approved amount without reasonable cause.
 - 2. Failure to implement an approved project without reasonable cause.
- (6) The amounts claimed shall not exceed the amount approved for maintenance and operations as specified in (c)(1) above.
- (7) Multiple minor enhancements or modifications, individually below but collectively projected to be in excess of the limitations specified above, shall require prior review and written approval as specified in (e)(6) below.
- (e) Prior review and written approval from SDSS shall be required for the following:
 - (1) New EDP system development or implementation.
 - (2) EDP equipment acquisition.
 - (3) Private EDP vendor services acquisition.
 - (4) Mandated or instructed changes in excess of \$25,000, as specified in (d)(4) above.
 - (5) Development project, or ongoing operations and maintenance, expenditures beyond amounts authorized.
 - (6) Non-mandated changes to existing EDP systems projected to exceed \$10,000 in cost, as specified in (d)(3) above.

28-110 PROCESS FOR OBTAINING PRIOR REVIEW AND APPROVAL (Continued) 28-110

- (b) The review and approval process for acquisition of EDP equipment primarily to support the programs specified in Section 28-105(a)(1) shall consist of the following:
- (1) The county or joint maintenance group shall submit a proposal to SDSS which shall include the following:
 - (A) Explanation of requirements equipment is to support, including but not limited to the following:
 - 1. Growth in current programs.
 - 2. Improved efficiency.
 - 3. Replacement of existing equipment resulting in lower cost.
 - (B) Description of current and proposed equipment capacity utilization.
 - (C) Description of type, capacity, and configuration of proposed equipment and its integration with existing equipment.
 - (D) Description of alternatives considered, their estimated costs, and reasons for selection of proposed configuration.
 - (E) Description of conversion considerations and potential conversion problems.
 - (F) Explanation of site preparation plans and costs including security considerations.
 - (G) Proposed activity schedule including specific tasks, decision points, and milestones for each new equipment acquisition, implementation and operation phase.

28-110 **PROCESS FOR OBTAINING PRIOR REVIEW AND APPROVAL** (Continued) **28-110**

- (H) Information on costs including the following:
 - 1. Explanation of proposed acquisition method and its advantages over other alternatives.
 - 2. Estimated cost of acquisition including conversion and operation cost.
 - 3. Comparison of current equipment costs and estimated new equipment acquisition and operation costs.
 - 4. Quantifiable and intangible acquisition benefits.
 - 5. Expenditure schedule corresponding with activity schedule specified in (G) above.

- (2) The acquisition shall be subject to the competitive procurement procedures, and review and approval requirements, specified in Section 28-105(a)(2).

- (c) The review and approval process for acquisition from a private vendor or consultant of EDP services primarily to support the programs specified in Section 28-105(a)(1) shall consist of the following:
 - (1) The county or joint maintenance group shall submit a proposal to SDSS which shall include the following:
 - (A) Description of requirements service is to support, including but not limited to the following:
 - 1. New system for program(s) not previously supported.
 - 2. Redesigned system for current program(s).
 - 3. Growth in current program(s).
 - 4. Need for increased in-house capability.

28-110 PROCESS FOR OBTAINING PRIOR REVIEW AND APPROVAL (Continued) 28-110

- (B) Explanation of service function and its support of individual programmatic or administrative objectives, including but not limited to the following:
1. New or improved service delivery.
 2. Operational efficiency.
 3. Programmatic or administrative accountability.
- (C) Description of nature and scope of service including the following:
1. Identification of service-supported functions by each program, such as AFDC, food stamps, child support, or Medi-Cal.
 2. Description of the relationships and interfaces of service to existing system(s).
- (D) Acquisition schedule including the following:
1. Major acquisition milestones and target dates, including but not limited to the following:
 - a. Preparation of Request for Proposal (RFP).
 - b. RFP advertisement.
 - c. Bid evaluation.
 - d. Contract award.
 2. Allowance of time for requisite approvals.
- (E) Explanation of proposed service selection and its advantages in comparison with other means of satisfying stated needs and objectives.

28-110 PROCESS FOR OBTAINING PRIOR REVIEW AND APPROVAL (Continued) 28-110

- (F) Cost benefit analysis including the following:
 - 1. Estimated cost of service acquisition.
 - 2. County or joint maintenance group service utilization period.
 - 3. Benefits of satisfying the requirements through use of the service as opposed to in-house support.
 - 4. Quantifiable and/or intangible acquisition benefit.
- (2) Methods for satisfaction of competitive procurement requirements specified in Section 28-105(a)(2).
- (d) The review and approval process for state or federal mandated or instructed changes requiring prior approval as specified in Section 28-105(e)(4) shall consist of the following:
 - (1) The county or joint maintenance group shall submit a development plan which includes the following:
 - (A) Brief description of current system functions to be modified.
 - (B) Description of modifications necessary to implement mandated changes.
 - (C) Delineation of major tasks, and staff hours required for their completion, necessary to accomplish modifications.
 - (D) Estimation of costs and completion dates for the following, when applicable:
 - 1. Systems analysis and design.
 - 2. Programming and testing.
 - 3. Training and implementation.
 - (E) Estimation of operating and maintenance costs for current and revised systems.
 - (F) Project leader's name, title and telephone number.

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28-110 PROCESS FOR OBTAINING PRIOR REVIEW AND APPROVAL (Continued) 28-110

- (e) Counties and joint maintenance groups shall be required to submit in advance a request for approval of expenditures beyond the amount authorized for a development project or for ongoing operations and maintenance.
- (1) Such request shall include the following:
- (A) Reason for expected cost overrun.
 - (B) Corrective actions taken or under way to get the project back within cost limitations.
 - (C) Amount of additional funds requested.
 - (D) Detail commensurate with the magnitude of the project and/or the overrun.
- (f) Enhancement or modification of an existing system where costs are projected to exceed the amount specified in Section 28-105(d) shall require the following:
- (1) Submission by the county or joint maintenance group of a request including the following:
- (A) Description of current system function(s) or feature(s) to be affected by the proposed enhancement or modification.
 - (B) Identification of needs as described in Section 28-120(b)(2).
 - (C) Statement of objectives as described in Section 28-120(b)(3).
 - (D) Description of alternatives under consideration.
 - (E) Estimate of the total cost of the enhancement or modification.
 - (F) Development and implementation plan including the following:
 - 1. Project milestones for projects of more than six months.
 - 2. Estimated completion date for the project and each milestone, when applicable.

28-120 STATEMENT OF PROBLEM 28-120

- (a) The statement shall be written in broad terms, but shall contain enough detail to justify the investment of additional resources in a Feasibility Study, and to enable the Department of Social Services to evaluate the degree to which the following are met:
- (1) Program and fiscal management objectives and requirements at county, state and federal levels.
 - (2) Technical data processing requirements.
 - (3) Cost benefits in service provision to program recipients.
- (b) The Statement of Problem shall be a general overview providing the following:
- (1) Description of problems in the current system.
 - (2) Identification of needs as follows:
 - (A) Explanation of necessity for action, including identification of statutory requirements or executive directives when appropriate.
 - (B) Quantification of needs and costs whenever possible.
 - (C) Explanation of effects of failure to act.
 - (3) Statement of objectives as follows:
 - (A) Description of objectives in a results-oriented manner, including quantification of performance criteria such as cost-reduction, cost-avoidance, turnaround and delivery times, response rates, and preparation of specific output products.
 - (B) Provision of a time frame for accomplishing objectives.

28-120	STATEMENT OF PROBLEM (Continued)	28-120
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- (4) Identification of unalterable situations, statutes, or policy decisions which introduce constraints upon alternatives.
- (5) Description of alternatives under consideration.
- (6) Estimation of Feasibility Study costs including total staff costs and the costs of any other resources required.
- (7) Estimation of length of time required to complete Feasibility Study.

28-125	FEASIBILITY STUDY	28-125
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- (a) Background.
 - (1) The Feasibility Study shall be a detailed report of broad scope determining the alternatives available to the county and the feasibility of developing them.
 - (2) The study shall provide sufficient information for management assessment and decision regarding the recommended alternative.
 - (3) The study content shall reflect a level of detail commensurate with the complexity of the subject and the magnitude of the expenditure involved.
 - (4) The study shall be written in non-technical language readily understood by those involved in welfare, child support and food stamp program administration.
 - (5) The study shall identify the recommended alternative and shall rank other alternatives in a most-to-least preferred order.
 - (6) The study shall include a detailed analysis of the recommended alternative as specified in (c) below.
 - (7) Information provided for available alternatives considered but not recommended shall include data considered and rationale supporting the conclusion to eliminate the alternative as specified in (b) below.

28-125 FEASIBILITY STUDY (Continued) 28-125

- (b) Information provided for available alternatives shall include the following:
 - (1) Description of alternative.
 - (2) Costs of development identified for staffing, equipment, supplies and services through the development period and for at least the first full year of operation.
 - (3) Costs displayed in chart form similar to Handbook Table 1.
 - (4) A comparison of ongoing operations/maintenance costs which identifies costs for staffing, equipment, supplies and services for the existing system and each available alternative.
 - (5) Identified benefits relating to development/implementation costs or ongoing operations/maintenance costs, classified as follows:
 - (A) Identified cost-reduction.
 - (B) Identified cost-avoidance through personnel reduction or elimination of need for increased staff or equipment.
 - (C) Other tangible and intangible management benefits.
- (c) Information presented for the recommended alternative shall include the following:
 - (1) Selection criteria and its application to the alternative.
 - (2) Detailed information supporting all identified costs and benefits.
 - (3) Proposed application of any cost benefits.

28-125	FEASIBILITY STUDY (Continued)	28-125
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- (4) Organization charts showing personnel assignments for each affected budgeted or planned position for each district or administration unit.
 - (A) Assignments shall be indicated both pre- and post-project for each part or subphase of the project.

- (5) Identification of budgeted or planned positions to be replaced by an EDP product and information regarding the following:
 - (A) Specific function EDP product is intended to replace.
 - (B) To what extent function is to be replaced.
 - (C) Indirect costs/benefits incurred due to replacement.
 - (D) Method used to calculate the cost-avoidance value to that function or position.
 - (E) Possible barriers to timely staff shifts or reductions such as union opposition, requirements for parallel operation, or retraining costs, and their estimated effect on cost-avoidance value of those barriers.

- (6) For EDP projects designed to meet projected workload increases rather than to replace existing staff, projections based on concrete data subject to verification, including the following:
 - (A) Anticipated caseload changes.
 - (B) Numbers of actions or activities quantified in units of time and resources.
 - (C) Increased reporting requirements quantified in units of time and resources.
 - (D) Number of additional staff or other resources necessary if project were not implemented.

28-125	FEASIBILITY STUDY (Continued)	28-125
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- (7) Identification of state and federal public assistance programs to be served by the system.
 - (A) Social Security Act titles of each program shall be clearly identified.
- (8) Indication of the involvement of other governmental agencies including the following:
 - (A) Indication of the specific authorizations required from other agencies within the county, the steps taken to obtain such authorizations, and the results.
 - (B) Identification of statutory or directive changes, if any, required in order to implement the selected alternative and the agency authorized to make such changes.
 - (C) Identification of any other governmental entities which interface with the proposed development, or whose involvement is necessary for the proposed systems operation.
- (9) Expected utilization period.
- (d) The study shall include a written agreement between the county user of the proposed system and the system developer, whether a county agency or private vendor.
 - (1) Such agreement shall include the following:
 - (A) Type of developer service to be provided.
 - (B) Time frame for project development completion, delineating major tasks.

28-125	FEASIBILITY STUDY (Continued)	28-125
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- (C) Total project developmental costs to be charged to user, delineating major tasks.
 - 1. This information may be submitted as an amendable attachment.
 - (D) Ongoing operations/maintenance costs to be charged to user.
 - 1. This information may be submitted as an amendable attachment.
 - (E) Certification that developer's charges apply equally to all users.
 - (F) Description of methods of accounting for services rendered and computing services charges.
 - (G) Requirements that EDP information access, use and disposal be safeguarded in accordance with provisions of 7 CFR 272.1(c), 45 CFR 205.50, 45 CFR 302.18, and Welfare and Institutions Code Section 10850.
 - (H) Prohibition of developer discrimination against employees on the basis of their race, color, religion, ancestry, sex, age, national origin, physical handicap, or medical condition.
 - (I) Requirement for developer to obtain prior SDSS approval for EDP equipment and service acquired primarily to support the proposed system, and that procurements related to the service agreement comply with 45 CFR, Part 74, Subpart P and 7 CFR 277.14.
- (e) The study shall include a project development and implementation plan for the recommended alternative which shall contain the following information:
- (1) Availability of qualified staff to participate in project.
 - (2) Designation of project director, preferably with state and federal program knowledge, having overall project responsibility.

28-125	FEASIBILITY STUDY (Continued)	28-125
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- (3) Staffing requirements.
- (4) Highlighting of any significant variances the alternative may introduce.
- (5) Indication of procedure for progress monitoring and plan revision.
- (6) An implementation schedule identifying the following:
 - (A) Specific tasks to be accomplished.
 - (B) Estimated length of time required to complete each task, and anticipated date of completion for each task.
 - (C) Estimated developmental cost of each task.
 - (D) Responsibility for task performance.
 - (E) Proposed staffing allocation by task.
 - (F) Significant milestones or decision points.
- (f) The county shall submit five copies of the Feasibility Study.

28-130	EDP PROJECT REPORTS	28-130
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- (a) EDP project reports shall provide information regarding progress in implementing approved development projects as specified in Section 28-105(e)(1)-(6).
- (b) The Department of Social Services shall review project reports to determine project conformance with approved plans, policies, procedures, standards and budgets.
- (c) EDP project reports shall include quarterly progress reports submitted no later than the fifteenth day of the month following the end of each fiscal year quarter.

28-130	EDP PROJECT REPORTS (Continued)	28-130
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- (1) Quarterly progress reports shall compare actual progress on the project with implementation schedule goals, and shall include the following:
 - (A) Project title and number.
 - (B) Length of time spent on each completed task and date of completion.
 - (C) For tasks that have not been completed on schedule, indication of the following:
 - 1. Reason for failure to complete task.
 - 2. Corrective action taken.
 - 3. New estimated completion date.
 - 4. Impact of delay on project costs.
 - (D) Amount spent on the development project to date.
 - (E) If routinely collected, indication of amount of funds spent on each task.
 - (F) For incomplete tasks that have exceeded the amount of estimated costs, indication of the following:
 - 1. Cause of overrun.
 - 2. Corrective action taken.
 - 3. New estimated completion cost and rationale for such.
 - (G) Changes that have occurred in requirements or methodology.
 - (H) Signature of project director.

28-130 EDP PROJECT REPORTS (Continued) 28-130

- (d) At the conclusion of the project, counties shall submit a Post-Implementation Evaluation Report, comparing actual results with anticipated results from the approved project and requesting project reporting termination.
- (1) The report shall be submitted as soon as possible, but only upon accumulation of sufficient experience and data to adequately judge system performance, generally approximately six months after implementation.
 - (2) The report shall describe actual results, measured against criteria or estimates in the approved Feasibility Study, and any subsequent revisions, for the following categories:
 - (A) Performance.
 - (B) Development costs.
 - (C) Operation/maintenance costs.
 - (D) Benefits, including the following:
 1. Cost-reduction.
 2. Cost-avoidance.
 3. Investment return.
 4. Other management benefits.
 - (3) The report shall state reasons for any significant difference between expected and actual results, and any necessary corrective actions.
 - (4) The report, when approved by SDSS, shall provide the basis for termination of Quarterly Progress Reports.

28-135 SERVICE AGREEMENTS**28-135**

- (a) When EDP services are provided by a county central data processing facility or by another local agency, the county welfare department and/or district attorney receiving the services shall have a written service agreement with the agency providing data processing services.
- (b) The service agreement shall contain the following information regarding the service arrangement:
- (1) Basis for service arrangement use, including but not limited to the following:
 - (A) Legislative requirement such as county ordinance or Board of Supervisors edict.
 - (B) County agency organization including central data processing facility serving multiple departments.
 - (C) Other county agency cooperative agreement through which another agency provides service to the agency responsible for administration of SDSS-funded programs.
 - (2) Type of agreement in terms of the EDP services provided, including but not limited to the following:
 - (A) Full data processing support including system analysis and programming.
 - (B) Partial data processing support providing operational support only.
 - (C) Partial data processing support providing operational support and some system development support.
 - (3) Specific functional responsibilities of each party to the agreement.
 - (4) Prohibition of provider discrimination against employees on the basis of their race, color, religion, ancestry, sex, age, national origin, physical handicap, or medical condition.

28-135	SERVICE AGREEMENTS (Continued)	28-135
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- (c) The service agreement shall contain the following information regarding service conditions:
 - (1) Identification of welfare, food stamp and child support programs supported by the service in sufficient detail to enable each program component to identify functions and/or services supported.
 - (2) Specification of financial responsibility for operational problems, errors and mistakes.
 - (3) Requirements that services provided will be timely and satisfactory.
 - (4) Requirements for security of computer system information, access, use and disposal, as specified in 7 CFR 272.1(c), 45 CFR 205.51, 45 CFR 302.18, and Welfare and Institutions Code Section 10850.

- (d) The service agreement shall contain the following information regarding cost factors:
 - (1) Description of methods of accounting for services rendered and computing service charges.
 - (2) Schedule of charges for each identified service.
 - (3) Statement of certification that charges apply equally to all users.

- (e) The service agreement shall provide that when the service provider procures equipment or services primarily to support state and federally funded programs, such provider and county welfare department or district attorney shall meet the following requirements:
 - (1) Acquisition of prior approval from SDSS for equipment and services procurement as specified in Section 28-110.
 - (2) Employment of competitive procurement procedures as specified in 45 CFR, Part 74, Subpart P, and 7 CFR 277.14.

28-135	SERVICE AGREEMENTS (Continued)	28-135
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- (f) The service agreement shall specify the service arrangement time period including commencement and termination dates.

- (g) The service agreement shall contain the following information regarding management structure:
 - (1) Specification that county welfare department or district attorney shall have the authority to participate in planning, installation, operation and future development of system as it relates to their programs.

 - (2) Description of management structure under which agreement activities shall be conducted.

 - (3) Designation of functional staff person in each agency responsible for management of day-to-day activities under the agreement.

INTRA- AND INTERAGENCY RELATIONS AND AGREEMENTS
RELEASE OF AND SECURING INFORMATION FROM DEPARTMENT OF EMPLOYMENT

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INTRA- AND INTERAGENCY RELATIONS AND AGREEMENTS
RELEASE OF AND SECURING INFORMATION FROM DEPARTMENT OF EMPLOYMENT

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DIVISION 29 INTRA- AND INTERAGENCY RELATIONS AND AGREEMENTS

**CHAPTER 29-000 RELEASE OF AND SECURING INFORMATION FROM
DEPARTMENT OF EMPLOYMENT**

29-001 UI AND DI BENEFIT VERIFICATION 29-001

Procedures and forms described in Sections 29-002 through 29-009 shall be used by county welfare department staff for securing information on applicants/recipients from the State Employment Development Department.

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.3 Procedural Flow of Verification at Intake

To receive a copy of this page, contact the Office of Regulations Development at (916) 657-2586, or by mail at California Department of Social Services, Office of Regulations Development, 744 P Street, Mail Station 7-192, Sacramento, CA 95814-6413, or by electronic mail at ord@dss.ca.gov.

29-002 **INTRODUCTION** (Continued)

29-002

.4 Procedural Flow of Verification in Continuing Cases

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29-003 OVERVIEW OF THE UI/DI CLAIMS PROCESS

29-003

.1 Unemployment Insurance**.11 General Information**

Unemployment Insurance is a program which provides income to eligible persons who are out of work. The program is supported by California employers who pay UI taxes. In general, people who have earned a minimum of \$900.00 during a 12-month base period are eligible to receive UIB. Certain federal employees and ex-servicemen are also eligible for UI. The following groups of workers are not covered by UI:

- o Domestics in private homes (except for certain qualifying conditions)
- o Minor children employed by their parents
- o Parents employed by their children
- o Husbands and wives employed by each other
- o Certain state-licensed salespersons paid only commissions
- o Caddies and jockeys

A claim for UIB is filed at a UI Field Office (FO). The claimant is given a claimant's handbook, DE 1275A, which will indicate the FO where the claim was filed, the claimant's Social Security Number (SSN), type of claim, claimant's name, and date the benefit year begins (BYB).

In approximately ten days from the date of filing, the claimant will also receive a "Notice of Computation", DE 429, by mail directly from EDD Central Office. The DE 429 will indicate whether the claim is valid or invalid. If the claim is valid, the form will show the Maximum Benefit Amount (MBA), Weekly Benefit Amount (WBA), date of claim (BYB), FO in which the claim was filed, identity of claimant, and earnings upon which the claim was based. Only one DE 429 will be issued to the claimant during the same benefit year. (See Section 29-007.1 for a description of Form DE 429.)

29-003 **OVERVIEW OF THE UI/DI CLAIMS PROCESS (Continued)** **29-003**

.11 General Information (Continued)

Normally UIB will be paid during the third week after the claim is filed and will be paid every two weeks thereafter. In hardship cases, claimant may be paid weekly but payments will never be made in advance. Upon determination of eligibility the claimant is paid using the Embossed Card System.

In the Embossed Card System, a credit card-like form (Embossed Card) is used to print three copies of the UI check. Additional information is printed on the check, including the claimant's name and Social Security number, WBA, and the amount and date of payment. The negotiable copy of the check is given to the claimant, one copy is retained by the EDD field office, and one copy is sent to the central EDD office in Sacramento. Central EDD uses their copy to input an automated data file. The file is updated regularly and is the source for information provided on the Claimant Abstract discussed in Section 29-005.2.

The same WBA will generally be paid throughout the duration of the claim; however, adjustments may be made to the amount paid. Such adjustments will occur if wages in excess of \$25.99 for a weekly period are earned, if DI eligibility occurs, or if other internal adjustments are necessary. Some adjustments could be necessitated by overpayments, or ineligibility for a certain time period. Benefits range currently from \$30 to \$120 per week.

UI claimants are paid by mail from EDD field offices; however, they continue to report regularly to a local EDD field office, either in person or by mail. When reporting by mail, claimants submit a Continued Claims card DE 4581 for UI eligibility certification.

It should be noted that the claimant will receive the check after the date imprinted on the check. Therefore, the date of benefit receipt reported by claimants on Form CA 7 may be a few days later than the date indicated by EDD on the Claimant Abstract.

29-003 OVERVIEW OF THE UI/DI CLAIMS PROCESS (Continued)

29-003

.12 Trade Readjustment Allowance (TRA) Program

Special benefits are paid to some claimants under the Trade Readjustment Allowance program. These benefits are awarded to employees of selected companies, usually in large metropolitan areas, who have been laid off due to the adverse impact of imported products. If a business or company has been certified to the TRA program with an "impact date", employees laid off on that date or a date within a specified period thereafter may be eligible. Benefits are mailed to eligibles from Sacramento and average about \$60 per week. Payments are generally made biweekly, although weekly or lump-sum payments are not unusual. Claimants may receive TRA benefits at the same time and/or for the same period during which they receive regular UIB.

.2 **Disability Insurance**

The California Disability Insurance program provides income to eligible persons who cannot work because of sickness or injury not caused by their job.

The filing of a DI claim commences with the claimant completing the DI application (DE 2501) on one side and submitting it to his or her doctor to complete the other side. The doctor then mails the application to the DI field office (DI-FO). After the DI-FO has received and processed the application, the claimant receives a "Notice of Computation", DE 429D or 429R, which contains the same information as the DE 429 used in UI. The DI claim and payment process is handled by mail between the claimant and the DI-FO. Approximately eleven days from the filing date of a valid DI claim, the claimant is sent the first payment check, a copy of the check (Form 2500C) and the DE 429R. If the claim is invalid, a DE 429D or 429R will be sent. **All of these items can be used by the county in the AFDC eligibility verification process.** It should be noted that DI benefits are paid per number of days disabled, not per **weeks** unemployed as in UI.

Persons receiving UIB cannot be paid DI for the same period.

29-004 WHEN TO VERIFY UI, DI AND TRA BENEFITS

29-004

.1 Intake

If the eligibility worker determines from information provided by the applicant on Form CA 2 (Section 9A or Section 10C) or by statements made by the applicant that UIB or DIB are being received, the amount should be verified.

If the applicant has not applied for UIB or DIB, the potential for such eligibility can be determined from statements made by the applicant in conjunction with the eligibility criteria listed in Section 29-004.3. If the application appears to be eligible for UIB and is also an AFDC-U parent, he or she must apply for and accept benefits (EAS 44-103.212 and 44-103.232).

The potential for TRA benefit eligibility can be determined by ascertaining whether the applicant has been laid off by a company certified by the TRA program (see Section 29-008.2 for a list of such companies).

.2 Continuing

If a recipient is known to be receiving UIB or DIB, the amounts and dates of payments reported on the CA 7 should be monitored for unexplained variances or lapses in payments. If such variances occur, the amounts received should be verified.

If a recipient who is not receiving UIB or DIB files a claim, that information should appear on the Earnings Clearance System Form ECS 155. If the recipient has filed a claim and no receipt of benefits is reported on the CA 7, the eligibility worker should contact the recipient. The status of this claim and the amount of benefits received can be verified using the appropriate verification procedure.

When continuing recipients report that they have been laid off work, eligibility workers can determine their eligibility for TRA benefits by noting if the company that laid them off has been certified to the TRA program (see list of TRA companies in Section 29-008.2).

29-004 WHEN TO VERIFY, UI, DI, AND TRA BENEFITS (Continued)

29-004

.3 UIB/DIB Eligibility Criteria

As an aid in the identification of potential UIB/DIB recipients, the following are general eligibility guidelines for each program:

In order to be eligible for UIB, a claimant must:

- Not have quit his last job without good cause.
- Not have been fired for cause.
- Be able and available for employment.
- Be seeking employment.
- Have earned a minimum of \$900 within the 12-month base period. The beginning of the base period is usually 17-18 months prior to the date the claim was filed.

In order to qualify for DIB, a claimant must:

- Have an incapacity which was not incurred on the job.
- Be under treatment by a physician at the present time.
- Have a statement from the physician verifying incapacity.
- Have earned at least \$300 over the 12-month base period.
- Have earned a minimum of \$75 in a quarter within the base period.

The above guidelines are intended to be used only in determining the potential for UIB/DIB eligibility.

.4 Wage Verification

At times there may be a need to verify earnings received in a prior period. The DE 507 Wage and Claim Abstract is the fastest, most convenient method of verifying wages received by applicants and recipients four or more months prior to the current date (see Section 29-005.1).

29-005 HOW TO USE UIB/DIB VERIFICATION SYSTEMS (Continued)

29-005

.3 County Welfare Department UIB/DIB Payment Verification (Form ABCD 351)

This form can be used for verifying dates and amounts of all DIB payments and for verifying UIB payments when the county welfare department has made arrangements to do so with the local EDD field office. When requesting payment information, the ABCD 351 is sent to a different source depending upon when the benefit claim began:

.31 DIB Paid Within the Last 13 months:

To verify DIB paid on claims that have begun within the last 13 months: Send the ABCD 351 to the appropriate EDD field office, as determined on the DE 507 or ECS 155 (see Section 29-008 for a list of DI field offices and their addresses). When sending the ABCD 351, also include a self-addressed, postage-paid envelope, and a copy of the DE 507 or ECS 155 which lists the claim information.

.32 DIB Paid More Than 13 Months Ago:

To verify DIB paid on claims that began more than 13 months ago, send the ABCD 351, a self-addressed postage-paid return envelope, and either a DE 507 or ECS 155 listing the claim information to:

Disability Insurance Section, MIC-29
Employment Development Department
800 Capitol Mall
Sacramento, CA 95814

Claim records older than 36 months from the claim date are not available.

.33 UIB Paid More Than 48 Months Ago:

To verify UIB payments made on a claim with a benefit year beginning (BYB) date earlier than 48 months ago or made prior to July 1, 1976, (i.e., too early to appear on the Claimant Abstract), send the completed ABCD 351, self-addressed postage-paid return envelope, and either a DE 507, a DPS 155 or a copy of the Claimant Abstract listing the claim information to:

Employment Development Department
Insurance Accounting Bureau
Insurance Accounts Receivable
MIC 19
800 Capitol Mall
Sacramento, CA 95814

.4 **Obtaining Photocopies of UIB and DIB Checks**

Photocopies of UIB and DIB checks may be obtained in cases of civil or criminal prosecution from the Employment Development Department, Benefit Accounting Group. When requesting copies of checks use Form GEN 973 shown in Section 29-007.7. Copies of the GEN 973 can be obtained from the DSS Warehouse, 6150 27th Street, Sacramento 95822, through standard ordering procedures using the GEN 727B order form.

If certified copies of UIB or DIB are required, a subpoena must be obtained and forwarded to:

Mr. J. C. Engle, Chief
Central Operations, Employment Tax Branch MIC 97
Employment Development Department
800 Capitol Mall
Sacramento, CA 95814

.5 **Verification of TRA Benefits**

To verify TRA benefits, use preaddressed Form TEMP 1357, Request for Training Readjustment Allowance Benefit Verification, shown in Section 25-007.8 or a county version of the form. Because its use is limited, TEMP 1357 will not be warehoused by the State. Counties may either have EW's photocopy the form shown in this handbook as needed or they may print, warehouse and distribute it for their own use.

29-006 OVERVIEW OF UI/DI BENEFIT VERIFICATION FORMS**29-006**

To receive a copy of this page, contact the Office of Regulations Development at (916) 657-2586, or by mail at California Department of Social Services, Office of Regulations Development, 744 P Street, Mail Station 7-192, Sacramento, CA 95814-6413, or by electronic mail at ord@dss.ca.gov.

29-007 FORM DESCRIPTIONS AND EXPLANATIONS

29-007

.1 DE 429 - Notice of Computation

This form is sent to the UI claimant by EDD and provides information on the status of the claim.

To receive a copy of this form, contact the Office of Regulations Development at (916) 657-2586, or by mail at California Department of Social Services, Office of Regulations Development, 744 P Street, Mail Station 7-192, Sacramento, CA 95814-6413, or by electronic mail at ord@dss.ca.gov.

1. Name and Social Security number of claimant.
2. Earnings records of claimant for four quarters of base period.
3. Employer's name(s).
4. Employer's state account number.
5. Total dollar amount for which claim is valid (MBA).
6. Rate of benefit claimant is entitled to receive for one week (WBA). Dividing #6 into #5 will give approximate number of weeks claimant may receive benefits.
7. Effective date of the claim (BYB).
8. Code number of EDD field office where claim filed.

29-007 FORM DESCRIPTIONS AND EXPLANATIONS (Continued)

29-007

.2 ED Form DE 8720, Request for Information (Replaces Forms DE 4204, DE 8028 and manually prepared DE 4773)

The DE 8720 below is used by eligibility, quality control, and special investigations personnel to obtain a Wage and Claim Abstract (DE 507) or employer address information, either on a one-time basis or for five consecutive quarters. It may also be used to obtain a UI Claimant Abstract (ECC 586-A).

To receive a copy of this form, contact the Office of Regulations Development at (916) 657-2586, or by mail at California Department of Social Services, Office of Regulations Development, 744 P Street, Mail Station 7-192, Sacramento, CA 95814-6413, or by electronic mail at ord@dss.ca.gov.

INSTRUCTIONS FOR THE COMPLETION OF FORM DE 8720

Use either pen or pencil to complete the following form sections as outlined below:

Department, Address, Requester

This information is provided for EDD to contact the requestor should processing problems arise.

A. Requester Code

- First Position -- W, indicating welfare request
- Second and third positions -- County code number
- Fourth, fifth and sixth positions are for county use; fourth and fifth positions can be alpha or numeric; sixth positions must be numeric.

Use the following coding conventions when filling out the requester code:

- All six positions of the code must be completed. Fill unused positions with zeros.
- Z's and Alpha O's must be slashed. Example: Z Ø
Two's and zero's are **not** slashed. Example: 2 0

B. Identifier (optional)

This section was included for future possible extension of requester and/or case identification, but is not applicable at the present time.

C. Enter the number corresponding to the type of verification desired.

Enter the "9" if you wish to terminate a prior request of 4, 5 or 6 for automatic quarterly information.

D. Claimant Abstract (ECC 586-A). Requests for information from the 24-month UI Payment History Abstract File are processed daily. Information from 48-month file usually takes longer to provide, because requests are processed weekly.

- Enter the number "7" when you want information on a UI claim with a benefit year beginning (BYB) date not older than 24 months.

29-007 FORM DESCRIPTIONS AND EXPLANATIONS (Continued) 29-007

-- Enter the number "8" when you want all information on a UI claim with a BYB date from 24 to 48 months older (but not before 7/1/76). UI computer files will be retained for only 4 years. Earlier UI information can be obtained through the ABCD 351 process (see Section 29 005.33).

(Requestor may ask simultaneously for a DE 507 and an ECC 586-A for all persons whose Social Security Numbers are listed on the DE 8720.)

E. Enter up to 16 claimant social security numbers. Remember that the options selected in sections C and D apply to **all** SSA's entered.

29-007 **FORM DESCRIPTIONS AND EXPLANATIONS** (Continued)

29-007

.3 DE 4773 - Request for Wage and Claim Information for One Time Only

Used only by counties which submit the form to EDD as a prepunched data card. DE 4773 forms are obtained from the DSS Warehouse, 6150 27th Street, Sacramento 95822.

To receive a copy of this form, contact the Office of Regulations Development at (916) 657-2586, or by mail at California Department of Social Services, Office of Regulations Development, 744 P Street, Mail Station 7-192, Sacramento, CA 95814-6413, or by electronic mail at ord@dss.ca.gov.

1. Social Security number of claimant.
2. Type of information requested. Punch only one box. Normally, wage and claim information only is needed.
3. Requester Code
 - First position - "W", indicating welfare request.
 - Second and third position - county code number.
 - Fourth, fifth, and sixth positions are for county use; fourth and fifth positions can be alphabetical or numeric; sixth position must be numeric.

Note: Any forms which are not key punched completely and accurately will be discarded by EDD without notice to the requester.

Send prepunched forms to: EDD Data Processing, MIC 58-1, 800 Capitol Mall, Sacramento, CA 95814

29-007 FORM DESCRIPTIONS AND EXPLANATIONS (Continued)

29-007

.4 Wage and Claim Abstract, DE 507

To receive a copy of this form, contact the Office of Regulations Development at (916) 657-2586, or by mail at California Department of Social Services, Office of Regulations Development, 744 P Street, Mail Station 7-192, Sacramento, CA 95814-6413, or by electronic mail at ord@dss.ca.gov.

29-007 FORM DESCRIPTIONS AND EXPLANATIONS (Continued)

29-007

Form DE 507 is provided to CWD's by EDD upon receipt of Form DE 4773, or Form DE 4204. It provides wage information and claim information, including identification of the field office which is handling the claim.

DESCRIPTION OF ENTRIES ON FORM DE 507

1. **SOCIAL SECURITY ACCOUNT NUMBER** - The nine-digit SSN of the claimant.
2. **REQUESTING AGENCY** - The Requester Code of the requesting agency is entered, (See page 17, description of Form DE 4773, for explanataion of requester codes.)
3. **CYCLE DATE** - This is the date on which the DE 507 was processed in the EDP Section at EDD.
4. **QUARTER ENDING** - The last month of the quarter in hwich wages shown were earned.
5. **EMPLOYER ACCOUNT NUMBER** - The seven-digit number assigned to registered California employers by the Registration Group, Employment Development Departament.
6. **BRANCH** - A two-digit number which identifies a particular branch of a company.
7. **EMPLOYER NAME** - Name of employer. A maximum of ten characters may be used to identify the employer.
8. **EMPLOYER NAME** - The first initial and the last name of the employee. A maximum of six characters may be used to identify employee's last name as reported by the employer.
9. **EARNINGS** - Earnings of an employee during the period shown in the corresponding calendar "Quarter Ending" column (item 4).
10. **WAGE CODE** - An alphabetical code used to indicate categories of wages developed and used in EDP operations and shown on the various documents relating to wage detail when such documents are printed from the tape record. (See Wage Codes under item 21.)
11. **DI HIGH QUARTER EARNINGS** - Earnings upon which DI benefits may be paid. These earnings are based upon monies paid into the wage plan selected and automatically computed when an unemployment claim is filed. For EDD use.

29-007 FORM DESCRIPTIONS AND EXPLANATIONS (Continued) 29-007

- 12. **PROCESS DATE** - The date a particular initial claim or other claim transaction took place.
- 13. **CLAIMANT'S NAME** - The name of the person under whose name the claim was filed.
- 14. **CLAIM DATE** - The effective date of claim or the effective-date of the flag. In most instances, this date will be the benefit year beginning date, which after a claimant has applied for benefits, is the first day of his valid claim period.
- .15 **PROG (Program)** - An alphabetical or numerical code assigned to all new or first claims. It indicates the insurance program under which the claim is being processed. (See bottom right corner of DE 507.)

Program Code Chart

Parent Claim	Parent Code	CAL-ED	FED-ED	EME	EME-1
UI	A	5	6	7	8
UCFE	K	N	P	F	9
UCX	L	O	S	U	Y
UI UCFE	B	E	X	J	V
UI UCX	C	E	X	J	V
UI UCFE UCX	D	E	X	J	V
UCFE UCX	M	N	P	F	9
SUA	H				
DI STATE	R				
DI VOLUNTARY	Q				

- .16 **OFFICE NUMBER** - The number of the FO in which the claim was filed or to which it was transferred or the office in which the request was initiated. The bottom office listed is the office with the most recent claim, and the office in which the claimant's file is kept.
- .17 **TYPE FLAGS** - An abbreviated description of the type flag processed. For EDD use.
- .18 **REFERENCE** - A multiple purpose reference field used to convey any information relative to flag processing or claim changes. For EDD use.

29-007 **FORM DESCRIPTIONS AND EXPLANATIONS (Continued)** **29-007**

- 19. **COMP** (Computation Code) - This code is assigned when a new or previously invalid claim is submitted for a monetary determination of the benefits for which a claimant is eligible and indicates the source and manner of submission. The codes are used by EDD for accounting purposes.

- 20. **COMP YEAR** - These are codes used to identify the computation year or the effective year of a particular program. For EDD use.

- 21. **CODES OF VARIOUS WAGE CATEGORIES** (see Item 10).
 - A - UI only
 - L - DI only - Voluntary Plan
 - J - DI only - State Plan
 - S - State Plan - UI and DI
 - U - Voluntary Plan - UI and DI

29-007 FORM DESCRIPTIONS AND EXPLANATIONS (Continued)

29-007

.5 ECC 586-A -- UI Claimant Abstract

To receive a copy of this form, contact the Office of Regulations Development at (916) 657-2586, or by mail at California Department of Social Services, Office of Regulations Development, 744 P Street, Mail Station 7-192, Sacramento, CA 95814-6413, or by electronic mail at ord@dss.ca.gov.

EXPLANATION OF ENTRIES ON THE CLAIMANT ABSTRACT

The claimant abstract is provided to counties by EDD upon receipt of a DE 8028. It provides UI payment information.

The following items on the abstract are of particular interest to county welfare departments because of the relevance to eligibility determination and grant computation. The numbers preceding each entry correspond to the numbered claimant abstract positions on the preceding page.

1. **REQUESTER CODE:** The code specified by the requester on Form DE 8028.
2. **CLAIMANT ABSTRACT SSA:** Social Security number of the claimant - same as the requester indicated on Form 8028.
3. **PROCESS DATE:** The date the abstract was printed. Information on the abstract is current through that date.
5. **NAME:** The claimant's first and middle initial and up to 12 characters of the last name, as it appears on the most recent claim.
15. **CLAIM:** Identifies a line of information for an individual claim. The most recent claim always appears first.
16. **BYB:** Benefit year beginning date, or effective date of claim.
17. **BAL:** The balance of benefits still remaining in the claim.
18. **MBA:** Maximum benefit amount, or total amount the claimant will be paid for the duration of the claim.
20. **WBA:** Weekly Benefit Amount - the amount of benefits the claimant is entitled to receive per week throughout the duration of the claim.
28. **ISSUE DATE:** The date the payment check was actually issued.
30. **PAID:** Dollar amount of check paid to claimant.
37. **ARC:** Accounting Report Code. Completely ignore any payment line which has "8" appearing in this column.
38. **DESCRIPTION:** A variety of explanatory comments are used to describe the payment. As mentioned, the description of significance to County Welfare Departments is:

29-007 FORM DESCRIPTIONS AND EXPLANATIONS (Continued)

29-007

Error: This comment signifies an error in some aspect(s) of the payment information on that line. Usually, the error is in week-ending date, or some element other than amount and month of payment. Users are advised that the best estimate of the incidence of errors in payment date and/or amount in all lines ending in "error" is approximately 0.5 percent.

The remaining entries on the abstract are as follows:

4. **WORK DATE:** The date the DE 8028 request is received by EDD.
6. **DER:** For most claims, the date the most recent claim entered into the file.
7. **DT BIR:** Claimant's date of birth. The month is always "7" for statistical purposes; the second number is the last two digits of the birth year.
8. **TRANSITIONAL:** Indicates whether or not the original claim has continued without a break, or if another claim has taken over. For EDD use.
9. **ZIP:** Claimant's zip code from most recent information on file.
10. **COMP:** A computation code regarding claim information, used by EDD for accounting purposes.
11. **SEQ:** Card sequence number on last embossed card produced. For EDD use.
12. **DI TOT. BP:** Total wages usable for a DI claim (if one were filed) in the base period of the most recent filing for a UI claim. For EDD use.
13. **DI HI QTR:** Total wages usable in the high quarter of the base period of the most recent filing for a UI claim. For EDD use.
14. **DOT:** An occupational code used by EDD, and not indicated on every abstract.
17. **UIFO:** The number of the EDD field office in which the claim is being handled.

29-007 FORM DESCRIPTIONS AND EXPLANATIONS (Continued)

29-007

.6 ABCD 351

To receive a copy of this form, contact the Office of Regulations Development at (916) 657-2586, or by mail at California Department of Social Services, Office of Regulations Development, 744 P Street, Mail Station 7-192, Sacramento, CA 95814-6413, or by electronic mail at ord@dss.ca.gov.

29-007 **FORM DESCRIPTIONS AND EXPLANATIONS** (Continued)

29-007

ABCD 351 UIB/DIB Payment Verification

Form ABCD 351 is sent to the EDD field office to obtain DI payment information or to EDD Insurance Accounting to obtain UI payment information prior to July 1976.

ABCD 351 forms are available from the DSS Warehouse, 6150 27th Street, Sacramento 95822.

Completing the form:

Section A: Indicate the claimant's name and Social Security number in the appropriate spaces. Both items must be completed legibly and accurately.

Section B: Disregard the first two boxes above the dotted line in Section B. In the portion of Section B below the dotted line, indicate the beginning and ending dates of the period for which payment information is needed in the "From _____ To _____" portion.

Attach documentation of the correct EDD field office, such as a copy of the DE 507, the DPS 155, or the Claimant Abstract, and check the box in Section B indicating that the documentation is attached.

Enclosed a postage-paid self-addressed return envelope and also check that box in Section B.

Reverse side: This side of the ABCD 351 is meant for county use only, to facilitate return of the form to the appropriate county district office and/or eligibility worker.

Section C: EDD Insurance Accounting will record payment amounts and dates for the period for which payment information was requested.

Note: ABCD 351 forms which are received without a self-addressed, postage-paid return envelope, or are filled out incompletely, inaccurately, or illegible, or are sent to the wrong EDD field offices, will be discarded without notice to the requester. Addresses of EDD Field Offices are listed on the next page.

29-007 FORM DESCRIPTIONS AND EXPLANATIONS (Continued)

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Field Office

Number	Location	Address
201	Bakersfield	P.O. Box 1633, Bakersfield 93302
202	Chico	P.O. Box 1500, Chico 95926
203	Eureka	P.O. Box 4000, Eureka 95501
204	Fresno	P.O. Box 32, Fresno 93707
205	Long Beach	P.O. Box 469, Long Beach 90801
206	Los Angeles	P.O. Box 3096, Los Angeles 90051
207	Oakland	P.O. Box 1857, Oakland 94604
208	Redding	P.O. Box 1898, Redding 96001
209	Sacramento	P.O. Box 13140, Sacramento 95813
210	Stockton	P.O. Box 1649, Stockton 95201
211	San Bernardino	P.O. Box 781, San Bernardino 92403
212	San Diego	P.O. Box 831, San Diego 92112
213	San Francisco	P.O. Box 3534, San Francisco 94119
214	San Jose	P.O. Box 637, San Jose 95106
215	Santa Barbara	P.O. Box 1529, Santa Barbara 93102
216	Santa Rosa	P.O. Box 700, Santa Rosa 95402
217	Sacramento	P.O. Box 13140, Sacramento 95813
218	Glendale	P.O. Box 990, Glendale 91209
219	Santa Ana	P.O. Box 1466, Santa Ana 90406
220	Santa Monica	P.O. Box 1500, Santa Monica 90406
221	Van Nuys	P.O. Box 7708, Van Nuys 91409
222	Whittier	P.O. Box 4707, Whittier 90607

29-007 **FORM DESCRIPTIONS AND EXPLANATIONS** (Continued)

29-007

.7 GEN 973

To receive a copy of this form, contact the Office of Regulations Development at (916) 657-2586, or by mail at California Department of Social Services, Office of Regulations Development, 744 P Street, Mail Station 7-192, Sacramento, CA 95814-6413, or by electronic mail at ord@dss.ca.gov.

29-007 FORM DESCRIPTIONS AND EXPLANATIONS (Continued)

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.8 TEMP 1357

To receive a copy of this form, contact the Office of Regulations Development at (916) 657-2586, or by mail at California Department of Social Services, Office of Regulations Development, 744 P Street, Mail Station 7-192, Sacramento, CA 95814-6413, or by electronic mail at ord@dss.ca.gov.

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29-008 THIRD PARTY CONTACTS AND GLOSSARY (Continued)

29-008

CONNECTICUT

Connecticut Employment Security
Bureau of Employment
Division
Interstate Section
Hartford, Connecticut 06115

ILLINOIS

Security
Interstate Benefit Office
Division of Unemployment Compensation
P.O. Box 7397
Chicago, Illinois 60680

Illinois

DELAWARE

Delaware Department of Labor
Interstate Unit
801 West Street
Wilmington, Delaware 19899

INDIANA

Indiana Employment Security
Division
Interstate Unit
P.O. Box 7022
Indianapolis, Indiana 46207

MASSACHUSETTS

Massachusetts Division of Employment
Security
Interstate Department
Employment Security Building
P.O. Box 8400
Boston, Massachusetts 02114

IOWA

Iowa
Interstate Unit
1000 East Grand Avenue
Des Moines, IA 50319

MICHIGAN

Michigan Employment Security
Commission
Interstate Benefit Unit
7310 Woodward Avenue
Detroit, Michigan 48202

KANSAS

Kansas Employment Security Division
State Labor Department
Interstate Section
401 Topeka Boulevard
Topeka, Kansas 66603

MINNESOTA

Minnesota Department of Employment
Services
Interstate Unit
390 North Robert Street
St. Paul, Minnesota 55101

29-008 **THIRD PARTY CONTACTS AND GLOSSARY (Continued)**

29-008

KENTUCKY

Kentucky Department of Economic
Security
Interstate Unit
Division of Unemployment Insurance
P.O. Box 452
Frankfort, Kentucky 40601

LOUISIANA

Louisiana Department of Employment
Security
Interstate Subunit
P.O. Box 44094, Capitol Station
Baton Rouge, Louisiana 70804

MAINE

Maine Employment Security Commission
Interstate Unit
P.O. Box 309
Augusta, Maine 04330

MARYLAND

Maryland Employment Security
Administration
Interstate Claims Division
1100 North Eutaw Street
Baltimore, Maryland 21201

NEVADA

Nevada Employment Security Department
Interstate Unit
500 East 3rd Street
Carson City, Nevada 89701

MISSISSIPPI

Mississippi Employment Security
Commission
Interstate Unit
P.O. Box 1699
Jackson, Mississippi 39205

MISSOURI

Missouri Division of Employment
Security
Interstate Service
P.O. Box 59
Jefferson City, Missouri 65102

MONTANA

Montana Employment Security Division
Interstate Unit
P.O. Box 1728
Helena, Montana 59601

NEBRASKA

Nebraska Division of Employment
Interstate Unit
P.O. Box 4600
State House Station
Lincoln, Nebraska 68509

OKLAHOMA

Oklahoma Employment Security
Commission
Interstate Unit
Will Rogers Memorial Office Building
Oklahoma City, Oklahoma 73105

29-008 THIRD PARTY CONTACTS AND GLOSSARY (Continued)

29-008

NEW HAMPSHIRE

New Hampshire Department of
Employment Security
Liable State Unit
32 South Main Street
Oregon 97310
Concord, New Hampshire 03301

OREGON

Oregon Employment Division
Interstate Unit
875 Union Street, NE
Salem,

NEW JERSEY

New Jersey Department of Labor
and Industry
Interstate Unit
P.O. Box 1356
Trenton, New Jersey 08607

PENNSYLVANIA

Pennsylvania Bureau of Employment
Security
Interstate Claims Office
P.O. Box 3561
Harrisburgh, Pennsylvania 17121

NEW MEXICO

New Mexico Employment Security
Commission
Interstate Unit
P.O. Box 1928
Albuquerque, New Mexico 87103

RHODE ISLAND

Rhode Island Department of
Security
Interstate Unit
P.O. Box 1058
Providence, Rhode Islands 02903

NEW YORK

New York State Department of Labor
Out-of-State Resident Office
P.O. Box 1559
Albany, New York 12249

SOUTH CAROLINA

South Carolina Employment Security
Commission
Interstate Claims Section
P.O. Box 955
Columbia, South Carolina 29202

NORTH CAROLINA

North Carolina Employment Security
Commission
Interstate Claims Determination Unit
P.O. Box 25903
Raleigh, North Carolina 27611

SOUTH DAKOTA

South Dakota Employment Security
Department
Interstate Unit
607 North Fourth Street
Aberdeen, South Dakota 57401

29-008 **THIRD PARTY CONTACTS AND GLOSSARY (Continued)**

29-008

OHIO

Ohio Bureau of Employment Services
Interstate Claims Section
P.O. Box 1618
Columbus, Ohio 43216

WYOMING

Wyoming Employment Security
Commission
Interstate Unit
P.O. Box 2479
Casper, Wyoming 82602

TENNESSEE

Texas Employment Commission
Interstate Unit
TEC Building
Austin, Texas 78778

CANADA

Canadian Interstate Claims Unit
Box 4500
Belleville Ontario, Canada

UTAH

Utah Department of Employment
Security
Interstate Unit
P.O. Box 11600
Salt Lake City, Utah 84147

PUERTO RICO (Send by Airmail)

Puerto Rico Bureau of Employment
Security
Interstate Claims Unit
414 Barbosa Avenue
Hato Rey, Puerto Rico 00917

VERMONT

Vermont Department of Employment
Security
Interstate Unit
P.O. Box 488
Montpelier, Vermont 05602

VIRGIN ISLANDS (Send by Airmail)

Virgin Islands Employment Security
Agency
Charlotte Amalie
St. Thomas, Virgin Islands 00802

VIRGINIA

Virginia Employment Commission
Interstate Unit
P.O. Box 1360
Richmond, Virginia 23211

WASHINGTON

Washington Employment Security
Department
Interstate Unit
P.O. Box 2561
Olympia, Washington 98504

29-008 THIRD PARTY CONTACTS AND GLOSSARY (Continued)

29-008

WEST VIRGINIA

West Virginia Department of
Unemployment Security
Multistate Unit
California and Washington Streets
Charleston, West Virginia 25305

WISCONSIN

Wisconsin Employment Security
Division
Interstate Benefit Section
P.O. Box 644
Madison, Wisconsin 53701

29-008 THIRD PARTY CONTACTS AND GLOSSARY (Continued)

29-008

.2 California TRA Certified Companies

To receive a copy of this page, contact the Office of Regulations Development at (916) 657-2586, or by mail at California Department of Social Services, Office of Regulations Development, 744 P Street, Mail Station 7-192, Sacramento, CA 95814-6413, or by electronic mail at ord@dss.ca.gov.

29-008 THIRD PARTY CONTACTS AND GLOSSARY (Continued)

29-008

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.2 California TRA Certified Companies

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.3 Glossary of UI/DE Terms

BASE PERIOD: The one-year period during which the worker's earnings are considered in deciding whether his was a valid claim and in computing the amount of his award. The base period for claims filed in the first month of each calendar quarter, January, April, July and October, is the first four out of the last six completed calendar quarters. The base period for claims filed in any other month is the first four out of the last five calendar quarters preceding the quarter in which the claim is filed.

CLAIMANT: An individual who has filed a claim for benefit payment under one or more State or Federal programs, has not exhausted benefit rights, and whose benefit year has not ended.

DURATION OF BENEFITS: The number of weeks for which benefits are paid or payable for total unemployment in a benefit year. Because there may be partial and part-total unemployment, duration is often described in terms of the total amount of benefits arrived at by multiplying the weekly benefit amount by the number of weeks of total unemployment.

ELIGIBILITY: The status of a claimant in regard to receipt or denial of benefits. This status is determined by a claims interviewer after review of all available pertinent information.

EMPLOYER ACCOUNT NUMBER: A seven-digit identification number assigned by the Department to an employer covered by the provisions of the California Unemployment Insurance Code.

EXTENDED DURATION CLAIMS (Cal-ED and Fed-ED): During periods of high unemployment, California has a special program for claimants whose regular benefits have expired or have been exhausted. This is the California Extended Duration (Cal-ED) program. The Federal Government has a similar program of extended benefits known as Federal State Extended Benefits (Fed-ED). The maximum amount of an ED claim is 50 percent of the original (parent) claim. The weekly benefit amount remains the same as the original (parent) claim.

FIELD OFFICE: A full-time office through which some or all of the unemployment insurance, disability insurance, and employment service functions of the Department are available.

INTERSTATE CLAIM: A claim filed under the Interstate Benefit Payment Plan in a state in which the claimant is residing (agent state) against another state in which he earned wages in covered employment (liable state). Benefits are paid by the liable state.

29-008 **THIRD PARTY CONTACTS AND GLOSSARY** (Continued)**29-008**

MAIL CLAIM: A new, additional, or continued claim which is filed by mail rather than in person. Mail claims are filed by claimants whose residence is too far removed from the field office to permit them to file in person, or by claimants who have secured employment and who are unable to certify in person to a week of compensable unemployment. New and additional claim transactions are historically handled by the claimant visiting the field office in person.

MBA: Maximum Benefit Amount.

SPECIAL UNEMPLOYMENT ASSISTANCE (SUA): The Emergency Jobs and Unemployment Assistance Act of 1974 provides for a temporary program of special unemployment assistance (SUA) to workers who are unemployed and not otherwise eligible for unemployment compensation or allowances under any other state or federal law.

TRA (Trade Readjustment Allowance): Allowances paid to adversely affected workers under the Trade Expansion Act of 1962 (TEA).

UNEMPLOYMENT COMPENSATION FOR EX-SERVICEMEN (UCX): The federal program of unemployment compensation for ex-servicemen.

UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES (UCFE): The federal program of unemployment compensation for federal employees or a combination of federal civilian employee and ex servicemen programs.

VALID CLAIM: A claim which has been filed in accordance with the law and rules and with respect to which it has been determined by the Central Office that the claimant has earned sufficient wages in his base period to qualify for benefits under the California UI Code.

WBA: Weekly Benefit Amount.

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CHAPTER 29-400 AGREEMENTS AND CONTRACTS

**29-405 WRITTEN AGREEMENT BETWEEN COUNTY WELFARE DEPARTMENT 29-405
AND PROBATION DEPARTMENT**

AGREEMENT BETWEEN THE PROBATION DEPARTMENT AND THE WELFARE DEPARTMENT
OF THE COUNTY OF _____, STATE OF CALIFORNIA

This AGREEMENT between the Probation Department of the County of _____, State of California, referred to as the "probation department," and the Welfare Department of the County of _____, State of California, referred to as the "welfare department," establishes and/or ratifies existing relationships and procedures between these parties effective the date of execution.

The welfare department is responsible for administering the Aid to Families with Dependent Children Program, including the determination of eligibility and the payment of aid, and for assuring that services are provided for children in foster care for whom AFDC is paid.

Part E of Title IV of the Social Security Act provides federal funds and state law (California Welfare and Institutions Code 11450) provides state funds in Aid to Families with Dependent Children payments for certain children living in family home or group homes.

Section 472 of the Social Security Act, state law (California W&I Code Section 114(a) and EAS 45-202.612 and 45-203.512) require that a written agreement be in effect between the probation department and the welfare department in order to claim federal and/or state AFDC-FC for costs of care for foster children supervised, by a probation department.

This agreement applies to a child who:

1. Meets the general AFDC-FC eligibility requirements in EAS 45-201 as well as those requirements specified in EAS 45-202 or EAS 45-203 and all requirements in Chapter 45-300 which apply; and
2. Was removed from his/her home pursuant to a court order which resulted in his/her placement in foster care and which designated the care, custody and control of the child to the probation department.

29-405 WRITTEN AGREEMENT BETWEEN COUNTY WELFARE DEPARTMENT AND PROBATION DEPARTMENT (Continued) **29-405**

FOR EACH CHILD, THE PROBATION DEPARTMENT AGREES TO:

1. Place the child in an eligible facility specified in EAS 45-202.5 or EAS 45-203.4, and
 - a. If the child is placed in the home of a relative or guardian, document that the home is suited to the child's needs.
 - b. If the child is placed under the authority of Welfare and Institutions Code Section 362.(b) or 727.(b) into a family home which is certified pending licensure.
 - (1) Certify that the needs of the child cannot be met in any available licensed or exempt facility, including an emergency shelter care facility.
 - (2) Notify the licensing agency of the proposed placement.
 - (3) Verify that a license application is pending and has not been denied.
 - (4) Make a preplacement home visit to determine the suitability of the family home.
 - (5) Certify to the licensing agency in writing that the home meets licensing standards for family homes as defined in Title 22, Division 6 of the California Administrative Code.
 - c. If the child is placed in a licensed group home, document that such placement is necessary to meet the treatment needs of the child and that the facility offers those treatment services.
2. Provide the following services in accordance with Section 471 of the Social Security Act, Sections 11404.(b) and 11404.1 of the Welfare and Institutions Code and EAS 45-201.4:
 - a. Provide preplacement preventive services prior to placement into foster care to children placed into foster care on or after October 1, 1983 and document in the case record why provision of these services was not successful in maintaining the child with his/her family.
 - b. Develop a written assessment as defined in 45-101.1 and an initial service plan as defined in 45-101.1 no later than 30 calendar days from the date the probation department became involved with the child or the date the child was removed from his/her parents' or caretakers' home, whichever is later.

29-405 WRITTEN AGREEMENT BETWEEN COUNTY WELFARE DEPARTMENT AND PROBATION DEPARTMENT (Continued)

- c. Ensure that periodic reviews, as defined in EAS 45-101.1, are conducted on behalf of the child in placement no less frequently than once every six months.
 - d. Ensure that permanency planning hearings, as defined in EAS 45-101.1, are conducted on behalf of the child within 18 months of the date of placement into foster care and no less frequently than once every 18 months thereafter.
 - e. Update the assessment and service plan at the time of the periodic reviews.
 - f. Provide services to return the child to his or her own home or establish an alternate permanent placement for the child if return home is not possible or is inappropriate.
 - g. Visit the child as often as appropriate, but no less frequently than once every six months.
3. Comply with the informing, offering of assistance with transportation and scheduling and documentation requirements of MPP Section 30-342.35 and 30-376.16(e) with regard to the Child Health Disability Prevention (CHDP) Program.
4. Provide the welfare department with:
- a. A statement on a form prescribed by the Department of Social Services which certifies that:
 - (1) The requirements in 1 and 2, above, have been met;
 - (2) The child meets the authority for placement requirement of EAS 45-202.4 or EAS 203.313.
- This certification shall occur as specified in EAS 45-201.4, 45-202.52, and 45-203.42.
- b. A copy of:
 - (1) The court order which resulted in the child's placement in foster care.
 - (2) The mutual agreement signed by an 18-year-old child as required by EAS 45-201.111(c), if applicable.

**29-410 WRITTEN AGREEMENT BETWEEN COUNTY WELFARE DEPARTMENT 29-410
AND LICENSED ADOPTION AGENCY**

AGREEMENT BETWEEN THE LICENSED ADOPTION AGENCY AND THE WELFARE DEPARTMENT OF THE COUNTY OF _____, STATE OF CALIFORNIA

This agreement between the licensed adoption agency known as _____,

situated in the County of _____, State of California, referred to as

the "adoption agency", and the Welfare Department of _____ County, State of California, referred to as the "welfare department", established and/or ratifies existing relationships and procedures between these parties effective the date of execution.

The welfare department is responsible for administering the Aid to Families with Dependent Children Program, including the determination of eligibility and the payment of aid, and for assuring that services are provided for children in foster care for whom AFDC-FC is paid.

Part E of Title IV of the Social Security Act provides federal funds and state law (California Welfare and Institutions Code Section 11450) provides state funds in Aid to Families with Dependent Children payments for certain children living in family homes or group homes.

Section 472 of the Social Security Act and state regulations in EAS 45-202.614 and 45-203.514 require that a written agreement be in effect between the adoption agency and the welfare department in order to claim federal and/or state AFDC-FC for costs of care for foster children supervised by an adoption agency.

This agreement applies to a child who meets the general AFDC-FC eligibility requirements in EAS 45-201 as well as those requirements specified in EAS 45-202 or EAS 45-203 and all requirements in Chapter 45-300 which apply; and

1. Has been relinquished to a public or private adoption agency by one or both parents or has been declared free from the care, custody and control of one or both parents; or
2. Prior to relinquishment by one or both parents:
 - a. Has been accepted for voluntary placement by the welfare department or by a public or private adoption agency; or
 - b. Has been accepted for voluntary placement by the welfare department which has delegated placement and care to a private adoption agency.

29-410 WRITTEN AGREEMENT BETWEEN COUNTY WELFARE DEPARTMENT 29-410
AND LICENSED ADOPTION AGENCY

FOR EACH CHILD, THE ADOPTION AGENCY AGREES TO:

1. Place the child in an eligible facility specified in EAS 45-202.5 or EAS 45-203.4, and
 - a. If the child is placed in the home of a relative, document that the home is suited to the child's needs.
 - b. If the child is placed under the authority of Welfare and Institutions Code Section 16507.5 into a family home which is certified pending licensure:
 - (1) Certify that the needs of the child cannot be met in any available licensed or exempt facility, including an emergency shelter care facility.
 - (2) Notify the licensing agency of the proposed placement.
 - (3) Verify that a license application is pending and has not been denied.
 - (4) Make a preplacement home visit to determine the suitability of the family home.
 - (5) Certify to the licensing agency in writing that the home meets licensing standards for family homes as defined in Title 22, Division 6 of the California Administrative Code.
 - c. If the child is placed in a licensed group home, document that such placement is necessary to meet the treatment needs of the child and that the facility offers those treatment services.
2. Provide the following services in accordance with Section 471 of the Social Security Act, Sections 11404.(b) and 11404.1 of the Welfare and Institutions Code and EAS 45-201.4:
 - a. If the child has not been relinquished by one of both parents, provide preplacement preventive services prior to placement into foster care to children placed into foster care on or after October 1, 1983 and document in the case record why provision of these services was not successful in maintaining the child with his or her family.
 - b. Develop a written assessment as defined in 45-101.1 and an initial service plan as defined in 45-101.1 no later than 30 calendar days from the date the adoption agency became involved with the child or the date the child was removed from his/her parents' or caretakers' home, whichever is later.

29-410 WRITTEN AGREEMENT BETWEEN COUNTY WELFARE DEPARTMENT AND LICENSED ADOPTION AGENCY (Continued)

- (2) The mutual agreement signed by an 18-year-old child as required by EAS 45-201.111(c), if applicable.

 - c. All information needed by the welfare department to determine the child's initial and continuing eligibility for AFDC-FC, to whom payment shall be made, and the amount of payment to be made.

 - d. Immediate notification of any events which may affect the child's eligibility for AFDC-FC. Some of these are: change in the child's income or property, a change in or termination of the child's placement or a change in the school attendance or employment of a child over the age of 16.
5. Complete and submit written and statistical reports required by the welfare department and the State Department of Social Services.

THE WELFARE DEPARTMENT AGREES TO:

- 1. Provide the adoption agency with information and brochures on the Child Health and Disability Prevention Program and all regulations and other information on policy changes;

- 2. Determine eligibility for Aid to Families with Dependent Children and pay aid as appropriate under applicable federal and state statutes and regulations.

The adoption agency understands that state and federal participation in AFDC-FC payments depends on completion of 1, 2, and 3 above, and on submission of all written reports and information required in 4 and 5, above.

Signed this ____ day of _____, 19

By:
Executive Director

By:
County Welfare Director

**INTRA- AND INTERAGENCY RELATIONS AND AGREEMENTS
INTERCOUNTY DISPUTES AS TO CARE OF INDIGENTS**

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CHAPTER 29-500 INTERCOUNTY DISPUTES AS TO CARE OF INDIGENTS

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29-509 **COMPUTATION OF LENGTH OF COUNTY RESIDENCE** **29-509**

County residence need not be determined if the person does not have the required three years state residence.

The continuity of county residence is suspended but not broken by periods of time spent in a public institution or on parole therefrom or in a private charitable institution. Such periods are not included in the computation of the required one year county residence. Time of residence in the county prior to and subsequent to the period of suspension may be added together to compute the total length of county residence.

Absence from the county for special or temporary purpose, such as employment, does not suspend acquisition of the required year period of county residence.

Where county responsibility depends on length of presence because the applicant lacks one year of continuous residence in any county during the three years prior to application, only the time of actual physical presence may be counted. Time spent in a public institution or on parole therefrom or in a private charitable institution shall not be counted as physical presence.

Time spent in a nonresponsible county by a person supported pursuant to an intercounty agreement under Sec. 17110, W&IC, shall not be counted either as time of residence or time of presence in the nonresponsible county.

29-511 **LOSS OF COUNTY RESIDENCE** **29-511**

Absence from the county with intent to establish residence elsewhere terminates county residence.

County residence is not lost through absence for a special or temporary purpose, such as labor or imprisonment. If a person remains outside the county of residence after employment or other special or temporary purpose terminates, there is a rebuttable presumption that he starts acquiring residence in the other jurisdiction at the time of such termination.

County responsibility may continue pursuant to Sec. 17105, W&IC, even after county residence has terminated.

29-519 RESIDENCE OF MINORS 29-519

.1 Married

The residence of minor married persons is determined in accordance with the rules relating to adults and is not affected by their minority.

.2 Unmarried

If the residence of an unmarried minor cannot be determined by applying the provisions of Sec. 17102, W&IC, the residence shall be determined under the provisions of Sec. 17.1(c), (d), (e) or (f), W&IC.

.3 In Institutions

The residence of a minor may be changed while he is in an institution by the person who determines the minor's residence.

29-521 RESIDENCE OF SEAMEN 29-521

The residence of a seaman as established upon adoption of his career or occupation is usually deemed to remain unchanged. He may, however, fix a residence elsewhere by union of act and intent.

A seaman shall be deemed to have residence for GR purposes if he presents papers showing substantially continuous discharge or sailings from California ports for a period of three years or more and meets the other residence requirements of the law.

When a seaman is married, his residence is usually the place where his wife and family dwell. A seaman may not start to acquire residence before he first came to the state even though his family preceded him. When a seaman has friends, property or business interests in a certain place and is in the habit of spending his time here when not at sea, this place may be regarded as his residence.

29-523 RESIDENCE OF ARMED FORCES PERSONNEL 29-523

The residence of a member of the Armed Forces generally remains that which he had prior to such service. Residence is neither gained nor lost by being temporarily stationed in line of duty at a particular place even for a period of years.

A new residence may be acquired during service if both act and intent concur. The period of acquisition should be computed from date of such concurrence.

29-525 INTERCOUNTY DISPUTE PROCEDURE 29-525

Any county involved in a dispute with another county involving responsibility for an indigent may refer the dispute to the State Department of Social Welfare by filing an appeal with the department on a form substantially similar to the form in this section. The form must be signed by the chairman of the board of supervisors.

The form must be accompanied by a statement of the evidence and the contentions of the appealing county.

Three copies of all papers must be transmitted so that the department can furnish copies to the other county.

The department shall forward copies of the appeal and supporting documents to the board of supervisors and county welfare director of the other county. Thirty days shall be allowed for an answer. Copies of any material filed by either county shall be forwarded to the other county and an opportunity given for reply. The record shall not be closed for decision until at least thirty days have elapsed without the filing of an answer, or at least fifteen days have elapsed without the filing of a reply to the answer or any subsequently filed material.

The department may base the decision on the written materials filed by the counties, or may schedule a hearing before a referee.

The decision of the director may be appealed to the SSWB within thirty days of the mailing of the director's decision to the county. The appeal must be in writing, but may be informal. The department's record upon which the director's decision was based may be supplemented by additional evidence and contentions or a hearing before the board makes its decisions.

The decision of the board shall be the final decision of the department and shall not be subject to further appeal or rehearing.

29-525 INTERCOUNTY DISPUTE PROCEDURE (Continued) 29-525

STATE DEPARTMENT OF SOCIAL WELFARE

In the Matter of)	
)	
)	APPEAL TO THE
)	STATE DEPARTMENT OF
a person alleged to come within)	SOCIAL WELFARE
the provisions of Chapter 1,)	
Part 5, Division 9 of the Welfare)	
and Institutions Code, State of)	
California)	

IT APPEARING that the responsibility (within the meaning and intent of Chapter 1, Part 5, Division 9 of the Welfare and Institutions Code, State of California), for the above-mentioned

is in dispute between the County of _____
and the County of _____, the Board of
Supervisors of the said County of _____, in
conformity with the provisions of Section 17005 of the above-mentioned Chapter 1, Part 5, of Division 9 of
the Welfare and Institutions Code, State of California, hereby submits said dispute to the State Department
of Social Welfare for decision.

Attached to this appeal is the summary of facts upon which this appeal is based.

Approved this ___ day of _____, 19__.

Board of Supervisors of the County of _____

By
Chairman of Board of Supervisors