

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814



January 24, 2008

ALL COUNTY INFORMATION NOTICE NO. I-01-08

**REASON FOR THIS TRANSMITTAL**

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

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY FISCAL OFFICERS  
ALL COUNTY PROBATION OFFICERS  
ALL COUNTY PROGRAM MANAGERS  
ALL GROUP HOME PROVIDERS

SUBJECT: LEGISLATIVE CHANGES TO USE OF FEDERAL AID TO FAMILIES WITH  
DEPENDENT CHILDREN-FOSTER CARE FUNDS

REFERENCE: ASSEMBLY BILL 1482 (Chapter 65, Statutes of 2007)

The purpose of this All County Information Notice (ACIN) is to advise you of statutory changes enacted by Assembly Bill (AB) 1462. These changes, which become effective **January 1, 2008**, added Welfare and Institutions Code (W&IC) Section 11402.6 to allow the use of federal Aid to Families with Dependent Children-Foster Care (AFDC-FC) funds for children who are both AFDC-FC recipients and regional center clients, under specified circumstances, placed in for-profit group care facilities when no other comparable non-profit facility exists that is willing to accept placement and capable of meeting the child's needs. The law also specifies that the placing county is responsible for 100 percent of the non-federal share of the AFDC-FC funds.

The AB 1462 provisions require that AFDC-FC payments made to for-profit agencies for children who meet specified conditions, shall not be made on behalf of any more than five such children per county at any one time. Also, use of federal foster care benefits to pay for the placement of each child in a for-profit facility may not exceed a maximum of 12 cumulative months.

**Child Eligible for AFDC-FC Funded Placement in a For-Profit Facility**

As a condition for a child to receive federal AFDC-FC funded for-profit placement, the County Welfare Department (CWD) case file must clearly document that the child meets the following eligibility criteria:

- Has extraordinary and unusual special behavioral or medical needs that make the child difficult to place, including, but not limited to: being medically fragile, brittle diabetic, having severe head injuries, a dual diagnosis of mental illness and substance abuse or a dual diagnosis of developmental delay and mental illness;
- Has a developmental disability and is eligible for both federal AFDC-FC payments and for regional center services.

### **County Placing Agency Responsibilities**

County placing agencies must fully document the following in the CWD case file:

- No other comparable private nonprofit facility or public licensed residential care home exists in the State that is willing to accept placement and capable of meeting the child's extraordinary special needs;
- The county placing agency has demonstrated that no other alternate placement option exists for the child;
- That the county has reviewed and reported to the juvenile court at every six-month case plan update if the placement remains appropriate and necessary and what the plan is for discharge to a less restrictive placement.

Additionally, for children meeting the criteria above, CWD case files must also document that the following requirements have been met to be eligible for Federal Financial Participation:

- That the placement agency has entered into a performance based placement agreement with the for-profit facility to ensure the facility is providing services to improve the safety, permanency, and well-being outcomes of the children placed pursuant to W&IC Section 10601.2;
- Require the facility to ensure placement in the child's community, to the degree possible, to enhance ongoing connections with the child's family and to promote establishment of lifelong connections with committed adults;
- Monitor and review the facility's outcome performance indicators every six months;
- Limit to a maximum of 12 cumulative months per child placement in one or more AFDC-FC funded for-profit facilities;
- Allow AFDC-FC payments to be made to for-profit agencies on behalf of no more than five children who meet specified conditions per county at any one time.

**Funding Provisions**

- Subparagraph (d) of 11402.6 stipulates that this section shall only be implemented during a federal fiscal year when California Department of Social Services determines that no restriction on federal matching of AFDC-FC funds exists.
- In accordance with W&IC Section 15200.5, the placing county is responsible for 100 percent of the non federal share of AFDC-FC funds.
- The use of state AFDC-FC funds continues to be prohibited for placement in for-profit facilities.
- This statute also requires the CWD, in accordance with W&IC 11464, to pay for-profit facilities the residential facility rate as established by the California Department of Developmental Services for 24 hour out-of-home nonmedical care and supervision for eligible children. Additionally, for-profit facilities receiving AFDC-FC funds must be licensed in accordance with the Community Care Facilities Act and be an approved vendor of a regional center (i.e. “vendorized”).
- In accordance with W&IC Section 4684, regional centers are required to pay for the costs of services they authorize for AFDC-FC recipients if those services costs are not allowable under the state or federal AFDC-FC program requirements.

If you have any questions regarding these statutory changes, please contact me at (916) 657-2614 or Debra Williams, Bureau Chief, Foster Care Audits and Rates Branch at (916) 654-0985.

Sincerely,

***Original Document Signed By:***

GREGORY E. ROSE  
Acting Deputy Director  
Children and Family Services Division

c: CWDA  
CPOC