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STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY  
**DEPARTMENT OF SOCIAL SERVICES**  
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ARNOLD SCHWARZENEGGER  
GOVERNOR

December 24, 2010

ALL COUNTY LETTER NO. 10-66

TO: ALL COUNTY WELFARE DIRECTORS  
ALL CHIEF PROBATION OFFICERS  
ALL COUNTY ADOPTION AGENCIES  
ALL GROUP HOME PROVIDERS  
ALL LOCAL MENTAL HEALTH DIRECTORS  
ALL COUNTY FISCAL OFFICERS  
ALL COUNTY PLACING SUPERVISORS  
ALL CALIFORNIA REGIONAL CENTERS  
CALIFORNIA DEPARTMENT OF DEVELOPMENTAL DISABILITIES  
CALIFORNIA DEPARTMENT OF MENTAL HEALTH  
CALIFORNIA DEPARTMENT OF EDUCATION

SUBJECT: MORATORIUM ON THE ACCEPTANCE AND PROCESSING OF GROUP HOME RATES APPLICATIONS

REFERENCE: ASSEMBLY BILL 1612

The purpose of this All County Letter (ACL) is to inform county directors, supervisors, probation officers, group home providers, and other interested parties of a 12-month moratorium that began October 19, 2010, affecting all applications for an Aid to Families with Dependent Children-Foster Care (AFDC-FC) Program rate for group homes with a current approved AFDC-FC rate or planning to submit a rate application in the next year.

Assembly Bill 1612 (Chapter 725, Statutes of 2010) establishes in Welfare and Institutions Code (W&IC) section 11462.04, a moratorium on the acceptance and processing of group home rate applications for any of the following: a new program; a new provider; a program change, such as a rate classification level increase; a program capacity increase; and a program reinstatement. This moratorium applies to all group home providers applying for new rates, reinstatement of rates, or changes to existing rates under the Standardized Schedule of Rates. Group homes vendorized by Regional Centers who accept county or probation foster care placements are subject to the moratorium.

The California Department of Social Services (CDSS) may grant an exception to the moratorium on a case-by-case basis, upon the submission of a written request and supporting documentation justifying an exception, provided to the CDSS by a county

REASON FOR THIS TRANSMITTAL

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

welfare or probation director. This is not a letter of support. The written county request must be on county letterhead, with a county contact name and phone number and must be signed by a county welfare or probation director. The submission of an exception is not a guarantee the exception will be approved by CDSS.

Statute requires counties to indicate that there is a documented basis for considering the approval of a rate action subject to the statutory moratorium. In reviewing a request for an exception, the Department would consider information and documentation such as the following:

- The type of rate action requested, e.g. new program; new provider; program change; program capacity increase; or program reinstatement,
- The number of unoccupied beds within the county at the same Rate Classification Level providing services to a similar population, if known;
- The county's explanation for the exception request with supporting documentation,
- The impact on the county if the request is denied; and
- The number of children placed out-of-county or out-of-state due to the lack of program capacity being requested.

After October 19, 2010, any documentation submitted for a new program, a new provider, a program change, a program capacity increase or a program reinstatement, will be returned if the Department has not received a written exception request from the county. Group home programs with terminated rates due to lack of required documentation (such as a Financial Audit Report, Cost Reports, or lack of biennial application documents) wishing to request reinstatement must meet the exception requirement prior to submitting documentation. All applications that were date stamped received by the Foster Care Audits and Rates Branch prior to October 19, 2010, will be processed as usual.

Legislation in W&IC section 11462.04 is inoperative as of October 19, 2011, and is repealed on January 1, 2012, unless a later enacted statute deletes or extends the dates.

If you have any questions regarding this ACL, please contact your rates consultant in the Foster Care Rates Bureau, at (916) 651-2752.

Sincerely,

***Original Document Signed By:***

GREGORY E. ROSE  
Deputy Director  
Children and Family Services Division