



WILL LIGHTBOURNE
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES

744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



EDMUND G. BROWN JR.
GOVERNOR

REASON FOR THIS TRANSMITTAL

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

January 8, 2018

ALL COUNTY LETTER NO. 17-112

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY CALWORKS PROGRAM SPECIALISTS
ALL COUNTY CALFRESH COORDINATORS
ALL COUNTY WELFARE TO WORK COORDINATORS
ALL COUNTY CONSORTIUM PROJECT MANAGERS
ALL COUNTY CHILD WELFARE SERVICES PROGRAM MANAGERS
ALL COUNTY PROBATION OFFICERS
ALL COUNTY ELIGIBILITY SUPERVISORS
ALL FOSTER CARE MANAGERS
ALL COUNTY SFIS COORDINATORS
ALL COUNTY EBT PROJECT MANAGERS
ALL CHILD WELFARE SERVICES NEW SYSTEM
ALL TITLE IV-E AGREEMENT TRIBES
ALL JUDICIAL COUNCIL STAFF

SUBJECT: STATEWIDE EFFECTIVENESS OF THE APPROVED RELATIVE
CAREGIVER (ARC) PROGRAM

REFERENCE: [SENATE BILL \(SB\) 855](#) (CHAPTER 29, STATUTES OF 2014) AND
[SB 89](#) (CHAPTER 24, STATUTES OF 2017);
[ASSEMBLY BILL \(AB\) 1603](#) (CHAPTER 29, STATUTES OF 2016);
WELFARE AND INSTITUTIONS CODE (W&IC) SECTIONS 11253.45,
[11464](#) AND [11465](#); ALL COUNTY LETTERS (ACL) [16-92](#) AND [17-26](#);
COUNTY FISCAL LETTER (CFL) [16/17-25E](#).

The purpose of this letter is to inform counties of changes to the ARC Program made by [SB 89](#) (Chapter 24, Statutes of 2017). The most significant of these changes was the elimination of the option by counties to participate (or not participate) in the program. All counties must now support relative placements of non-federally eligible children through the ARC Program.

Program Background

A dependent child who is not eligible for Federal Aid to Families with Dependent Children—Foster Care (AFDC-FC) benefits and who is placed with a relative caregiver may not receive either Federal- or State-funded AFDC-FC foster care payments. Prior to 2015, the only financial assistance available for non-federally eligible children in relative placements was provided via the California Work Opportunity and Responsibility to Kids (CalWORKs) Program, either in addition to CalWORKs benefits for the caregiver, or through the Non-Needy Relative Caretaker benefit (which is available to any person caring for an eligible relative child who is not receiving foster care benefits). In either case, the CalWORKs benefit was substantially less than the foster care basic rate, which a non-federally eligible child could receive if placed with a non-relative caregiver. This inequity created a financial disincentive to a relative caregiver's ability to accept or maintain the placement of a child. This disincentive was inconsistent with statute and sound public policy favoring placements with relatives when otherwise appropriate.

To address this issue, [SB 855](#) (Chapter 29, Statutes of 2014) established the ARC Program. This program offered counties the option to make monthly payments equal to the basic foster care rate to approved relative caregivers with whom a non-federally eligible child was placed, using State General Fund (SGF) monies to supplement available federal Temporary Assistance to Needy Families (TANF) funds. (The federal source of CalWORKs funding is TANF.) Between January 2015 and January 2017, 49 of the state's 58 counties opted to participate in the ARC Program.

Early 2017 Requirements for Non-Participating Counties

Effective January 1, 2017, the nine counties not participating in the ARC Program were required to begin making supplemental monthly payments to approved relative caregivers on behalf of non-federally eligible children, in an amount which would make the total benefit equal to the home-based family care rate (which replaced the basic foster care rate on the same date). The requirements imposed on those counties by W&IC section 11253.45, enacted by [AB 1603](#) (Chapter 25, Statutes of 2016), mirrored many of the functional provisions of the ARC Program, including the basic CalWORKs/non-CalWORKs funding formula. This requirement ensured that approved relative caregivers of non-federally eligible children statewide would receive the same amount of assistance in every county, regardless of whether or not the county in which they resided had chosen to participate in the ARC Program. However, the conversion of ARC to a statewide program (see below) made requirements for non-participating counties moot; therefore, SB 89 (Chapter 24, Statutes of 2017) made this section of law inoperative on July 1, 2017, and repeals it on January 1, 2018.

Participation in ARC Is Now Effective Statewide

As detailed above, as of January 1, 2017, approved relative caregivers were able to receive financial assistance on behalf of non-federally eligible children in the same amount as the home-based family care rate: in ARC-participating counties, under the ARC Program; in other counties, under the provisions of W&IC section 11253.45. Among other changes, SB 89 (Chapter 24, Statutes of 2017) eliminated this bifurcated system in favor of making participation in the ARC Program effective statewide.

Effective July 1, 2017, all counties must participate in, and make payments to approved relative caregivers under the provisions of the ARC Program. Since the provisions of W&IC section 11253.45 already required non-participating counties to make payments to caregivers in the same amount and calculated in the same manner as under the ARC Program, the conversion from operating under W&IC section 11253.45 to operating under the ARC Program should require minimal effort. However, to the extent that formerly non-participating counties may not have fully utilized ARC policies, procedures and forms, those counties must now do so. Please see ACL [16-92](#) for comprehensive guidance on ARC policies and procedures, **but note that previous instructions on opting in or out of the program, including notice requirements to the California Department of Social Services and/or to caregivers, are no longer applicable.**

Per CFL [16/17-25E](#), specific allocations are no longer being made for the ARC Program; all counties are able to claim reimbursement for ARC payments to approved relative caregivers from the SGF. A forthcoming CFL will provide an updated reimbursement claim form for the ARC Program as well as updated claiming instructions.

Recipients of ARC Eligible for Infant Supplement and Dual Agency Rate; Discretionary Supplements Unaffected

As a result of SB 89 (Chapter 24, Statutes of 2017), ARC recipients became eligible for two supplemental rates effective July 1, 2017. First, teen parents receiving ARC benefits, including non-minor dependents, who are living with their children are now eligible for the Infant Supplement Rate (ISR), including (if applicable) the enhancement for a parenting support plan, as specified in W&IC section [11465](#). Second, ARC recipients who are also consumers of regional center services are now eligible for the dual agency rate as specified in W&IC section [11464](#).

The supplemental rates described above will not be funded from, or affect the amount of, the CalWORKs portion of any ARC payment. The SGF appropriation for ARC has been calculated to include funding for the infant supplement and dual agency rate, in

addition to the home-based family care rate applicable for all ARC recipients. A forthcoming CFL will include claiming instructions for the ISR and dual agency rate.

Counties are advised that these changes to the ARC Program do not affect their ability to provide additional supplemental payments to ARC recipients. Recipients may continue to be eligible for other payments such as a clothing allowance or a specialized care increment, consistent with county policies, using non-ARC funds.

Additionally, counties are reminded that ARC recipients are eligible for Educational Travel Reimbursement (ETR). Please see [ACL 17-26](#) for further information about ETR as it relates to the ARC Program.

Technical and Nonsubstantive Changes

In addition to making the ARC Program effective statewide, SB 89 (Chapter 24, Statutes of 2017) repealed portions of the statute governing the program which were obsolete, such as the original caseload data collection requirements, the original funding methodology and appropriation, and notice requirements for opting into or out of the program. None of these changes resulted in a meaningful impact on the operation of the ARC Program.

Contacts

If you have questions concerning the policy outlined in this letter, please contact the Foster Caregiver Policy and Support Unit at (916) 651-7465 or ARCFO@dss.ca.gov. Questions concerning fiscal issues should be directed to fiscal.systems@dss.ca.gov.

Sincerely,

Original Document Signed By:

GREGORY E. ROSE
Deputy Director
Children and Family Services Division

c: County Welfare Directors Association
Chief Probation Officers of California