

December 3, 2021

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

ALL COUNTY LETTER NO. 21-141

The purpose of this letter is to inform counties of new policy regarding the Approved Relative Caregiver (ARC) program, which allows the placement of certain children and nonminor dependents (NMDs) placed out-of-state to be funded through ARC.



KIM JOHNSON
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
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GAVIN NEWSOM
GOVERNOR

December 3, 2021

ALL COUNTY LETTER NO. 21-141

TO: ALL COUNTY WELFARE DIRECTORS
ALL FOSTER CARE ELIGIBILITY SUPERVISORS
ALL CHIEF PROBATION OFFICERS
ALL COUNTY BEHAVIORAL HEALTH PROGRAM DIRECTORS
ALL COUNTY ADOPTION AGENCIES
ALL ADOPTION REGIONAL AND FIELD OFFICES
ALL REGIONAL CENTERS
ALL TITLE IV-E AGREEMENT TRIBES
ALL SPECIAL EDUCATION LOCAL PLAN AREAS
CONSORTIUM PROJECT MANAGERS

SUBJECT: APPROVED RELATIVE CAREGIVER (ARC) PROGRAM FOR
OUT-OF-STATE CHILDREN AND NONMINOR DEPENDENTS
(NMD)

REFERENCE: [ASSEMBLY BILL 153](#), CHAPTER 86, STATUTES OF 2021,
[SENATE BILL 855](#), CHAPTER 29, STATUTES OF 2014,
WELFARE AND INSTITUTIONS CODE [\(WIC\) SECTION 11461.3](#),
FAMILY CODE [\(FAM\) SECTION 7950](#), ALL COUNTY LETTER
[\(ACL\) 15-83](#), [ACL 16-92](#).

The purpose of this All County Letter (ACL) is to notify counties of a change in the Approved Relative Caregiver (ARC) program to allow for payments on behalf of children and nonminor dependents (NMDs) who are placed with approved relatives in out-of-state placements.

BACKGROUND

The ARC Funding Program was established by [Senate Bill 855](#) (Chapter 29, Statutes of 2014) and provides payments on behalf of children/NMDs who are placed with approved relatives, that are not eligible for Aid to Families with Dependent Care-Foster Care (AFDC-FC) payments, and meet other existing eligibility requirements. Relative caregivers are the preferred placement type for children/NMDs being placed into foster care as required by [Family Code Section 7950](#) and the ARC program was established

to support this preference. The ARC program and its' expansion also aligns with the Integrated Core Practice Model's guiding practice of fostering natural and long-term supports for children/NMDs by supporting relationships with relatives.

The ARC payments are comprised of the applicable California Work Opportunity and Responsibility to Kids (CalWORKs) payment for an assistance unit of one and state general funds to equal the payment amount that the child/NMD would have received if they were eligible for AFDC-FC. [Welfare and Institutions Code \(WIC\), Section 11461.3](#) established the eligibility requirements for ARC payments. However, prior to the amendments to WIC 11461.3 made by Assembly Bill 153, the statute prohibited ARC payments if the child lived outside of California. Under such circumstances, the child/NMD could only receive the CalWORKs portion of the rate or receive Temporary Assistance for Needy Families in the receiving state. Recent data shows that there are approximately 300 children/NMDs out-of-state who would be ARC eligible if they were in state.

POLICY UPDATE

In accordance with [Assembly Bill 153](#), the ARC program has been expanded to include payments on behalf of children/NMDs in out-of-state placements with relatives when the children/NMDs are not eligible for AFDC-FC. These placements are eligible for payments effective January 1, 2021. Pursuant to WIC 11461.3(j)(2) the rate paid to children/NMD out-of-state will be the equivalent of the host state's foster care rate. In addition, pursuant to WIC 11461.3(j)(1)(A) and similar to foster homes, the home must be licensed or approved in the receiving state consistent with the requirements of the state in which the home is located. The county placing agency will be responsible for contacting the receiving state to determine these requirements.

All other rules and policies regarding ARC are still in effect. Please see [ACL 15-83](#) and [ACL 16-92](#) for prior guidance regarding the proration methodology.

These cases will be eligible for the Medi-Cal benefits associated with each aid code.

CLAIMING AND ISSUING GUIDANCE

Counties should identify all children living out-of-state with relative caretakers whose circumstances are affected by this policy change and ensure that all necessary steps are completed to begin issuing payments effective January 1, 2021. Each county should issue these payments using the existing Statewide Automated Welfare Systems functionality. Counties should use the existing ARC aid codes and claim these costs to the existing ARC claims for reimbursement. The rate paid to the relative on behalf of the child will be the host state foster care rate applicable to child/NMD. The county will

claim the amount for an AU of one to CalWORKs and the remaining to the ARC claim for reimbursement. Counties will utilize the Nonstandard Payment option to record and issue the non-CalWORKs portion of the payment accordingly. Counties will obtain host state rates in the same manner they do for out-of-state foster care cases.

If you have any questions on ARC policy or need additional guidance regarding the information in this letter, contact the ARC policy mailbox at Kinship.Care@dss.ca.gov.

Sincerely,

Original Document Signed By

ANGIE SCHWARTZ
Deputy Director
Children and Family Services Division