

February 26, 2024

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

**EXECUTIVE SUMMARY**

**ALL COUNTY LETTER NO. 24-08**

The purpose of this All County Letter is to provide an overview of the Child Welfare Services - California Automated Response and Engagement System and the federal fiscal and data reporting requirements necessitating its development.



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GAVIN NEWSOM  
GOVERNOR

February 28, 2024

ALL COUNTY LETTER NO. 24-08

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY CHILD WELFARE DIRECTORS  
ALL CHIEF PROBATION OFFICERS  
ALL TITLE IV-E AGREEMENT TRIBES

SUBJECT: THE CHILD WELFARE SERVICES - CALIFORNIA AUTOMATED  
RESPONSE AND ENGAGEMENT SYSTEM

REFERENCE: [TITLE 45 CODE OF FEDERAL REGULATIONS \(CFR\) SECTION 1355.52](#); [TITLE 45 CFR 1355.58](#); [TITLE IV-E OF THE SOCIAL SECURITY ACT](#); [INSTRUCTIONS FOR COMPLETION OF FORM CB-496](#); [PUBLIC LAW \(PL\) 115-123](#); [FEDERAL REGISTER VOLUME 81 NO. 106](#); [WELFARE AND INSTITUTIONS CODE \(WIC\) §§16585-16589](#); [ALL COUNTY LETTER \(ACL\) 22-23](#); [ALL COUNTY INFORMATION NOTICE \(ACIN\) I-73-21](#); [COUNTY FISCAL LETTER \(CFL\) 21/22-110](#); [FEDERAL REGISTER VOLUME 80 NO. 154](#); [ADMINISTRATION FOR CHILDREN AND FAMILIES COMPREHENSIVE CHILD WELFARE INFORMATION SYSTEM TECHNICAL BULLETIN NO. 1](#); [CALIFORNIA'S FIVE-YEAR PREVENTION PLAN](#)

**PURPOSE**

The purpose of this All County Letter (ACL) is to provide an overview of the federal fiscal reporting requirements for the State's Title IV-E and IV-B programs, including Tribes operating a Title IV-E program with an agreement with the California Department of Social Services (CDSS), and the intersection with the Comprehensive Child Welfare Information System (CCWIS) federal fiscal and data reporting requirements, necessitating the development of new data reporting requirements into the Child Welfare Services - California Automated Response and Engagement System (CWS-CARES). These changes ensure that California will be able to meet current and new federal reporting requirements for child welfare services beginning with Version 1 of the system. The CWS-CARES is California's CCWIS and will meet all federal CCWIS requirements by Version 2 of CWS-CARES.

## **BACKGROUND**

The current Child Welfare Services/Case Management System (CWS/CMS) utilized by Title IV-E agencies across the State is unable to meet the CCWIS federal fiscal and data reporting requirements. Once fully implemented, CWS-CARES, however, will align with these federal standards.

The CWS/CMS, California's legacy system, is unable to provide the level of case specific details that are federally required and cannot be updated to align with the CCWIS federal standards or the State's Title IV-E and IV-B federal reporting. New data elements must be developed in CWS-CARES to ensure the State complies with federal reporting requirements.

With input from stakeholders, the CDSS is developing CWS-CARES to align with the CCWIS federal requirements set forth by the Administration for Children and Families (ACF). The ACF has approved the proposal and implementation plan for CWS-CARES. The CWS-CARES is expected to launch in two versions. Version 1 will replace the legacy CWS/CMS system and allow for some critical new functionality, and the second version will add additional functionality, interfaces, etc. to meet full compliance with federal regulations governing states' CCWIS.

## **FEDERAL REPORTING REQUIREMENTS**

The federal CCWIS regulations established by the ACF include fiscal and data reporting requirements, which outline standards and guidelines for state and Tribal Title IV-E child welfare agencies to adhere to when developing, implementing, and maintaining Title IV-E compliant child welfare systems. These regulations provide transparency and accountability in child welfare operations, and compliance is necessary in order for states to receive enhanced federal funding and support child welfare programs.

Paragraph (c)(1) of [45 CFR § 1355.52](#) requires that a CCWIS maintain certain financial information essential for administering the child welfare program to generate or contribute data for ongoing federal child welfare reports. Furthermore, paragraph (d)(1)(ii) of [45 CFR § 1355.52](#) specifies that the CCWIS must collect data consistently and uniformly and support the efficient, economical, and effective administration of the Title IV-E and IV-B plans.

The CCWIS regulation (c)(2) of [45 CFR § 1355.52](#) also specify that the Title IV-E agency collect data (as described in paragraph (b) to generate, or contribute to, required Title IV-E or Title IV-B federal reports (such as the CB-496), and generate, or contribute to, reports needed by state or Tribal child welfare laws, regulations, policies, practices, reporting requirements, audits, and reviews. To comply with CCWIS regulations, CWS-CARES shall contain all child welfare data, including eligibility and payment information, regardless of where that data is created. Data can be inputted

either via direct entry to CWS-CARES or via a data exchange (interface). The State has determined that the most economical and efficient method for ensuring Federal and State reporting meets all the various regulations will require that these reports be generated from CWS-CARES.

#### **Title IV-E Programs Quarterly Financial Report (Form CB-496)**

Title IV-E Programs Quarterly Financial Report, also known as [Form CB-496](#), is the form required by the ACF to report financial data related to Title IV-E Foster Care, Adoption Assistance, Guardianship Assistance, Prevention Services, and Kinship Navigator Programs. This report is submitted by state agencies responsible for administering the Title IV-E programs to capture financial information and help ensure compliance with federal regulations and guidelines. The primary purposes of the CB-496 form are financial reporting, reimbursement calculation, program oversight and accountability, data analysis and planning, and transparency and reporting.

Currently, the CB-496 is produced by the CDSS using expenditures from the CA 800 Assistance Claims submitted by the counties, as well as manual calculations and methodologies that produce an approximation of the caseload data required for compliance. The estimated reporting totals produced by these methodologies do not meet federal requirements and therefore risk California's ability to continue to receive Title IV-E funds. According to page five of the ACF [Instructions for Completion of Form CB-496](#), data entered into the report cannot contain expenditure estimates and must be actual, verifiable transactions that can be traced back to readily available accounting records and source documentation, or an approved cost allocation plan or indirect rate agreement, as applicable. The Adoption Assistance, Guardianship Assistance, and Prevention Services data currently reported in the CB-496 consist of aggregated data, which cannot be traced back to specific transactions and is therefore inadequate. To comply with the federal requirements, CDSS is developing data fields in CWS-CARES to allow tracking of both case management and required financial data to an individual child level.

Foster care maintenance payments are reported on the CB-496 on lines 1a through 1e. These payments are to be broken out by the child's placement setting category and must be reported into the following placement types as defined by the ACF and the reporting standards on page eighteen of the [Instructions for Completion of Form CB-496](#): Foster Family Homes, Specified Setting Child Care Institutions, Non-specified Setting Child Care Institutions, and Substance Abuse Treatment Facilities. CWS-CARES will include a list of all eligible placements and will crosswalk the placement type with the corresponding CB-496 reporting category. Each payment from the California Statewide Automated Welfare System (CalSAWS) will be received by CWS-CARES via an interface to automatically place the amount of the foster care maintenance payment into the correct CB-496 placement reporting category and will

report it on the correct line. Data elements will also include the amount of the payment, aid code, begin and end dates, etc.

Section E of the CB-496 requires input of the average monthly number of children assisted and the caseload count for the average monthly number of children for whom payments were made and/or administrative costs that were incurred (regardless of funding source) by the Title IV-E agency by placement type. This data is reported on lines 48 through 52 of the CB-496. Definitions for each type of caseload data can be found on pages 41 through 44 of the [Instructions for Completion of Form CB-496](#). When data is received from CalSAWS, CWS-CARES will contain the caseload data and populate the child's record with financial data. The child's record will contain placement information and the placement data in CWS-CARES will determine the appropriate CB-496 placement category.

### **CCWIS Financial Requirements**

[Title IV-E of the Social Security Act](#) allows states, territories, and Tribes to claim partial federal reimbursement for the cost of providing foster care payments on behalf of children who meet federal eligibility criteria. Foster care maintenance payments cover the cost of providing food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance, reasonable travel to the child's home for visitation, and reasonable travel for the child to remain in the school in which the child is enrolled at the time of placement. With institutional care, payments include the reasonable costs of administration and operation of such institution as are required to provide the items described.

The CWS-CARES will be California's CCWIS and federal regulations require that an agency's CCWIS maintain Title IV-E and IV-B data needed for on-going federal child welfare reports; authorizations of services and expenditures; and case management data to support federal audits, reviews, and other monitoring activities ([45 CFR 1355.52\(b\)\(1\)\) and \(c\)\(1\)](#)). Specifically, federal regulations require the Title IV-E Programs (Foster Care, Adoption Assistance, Guardianship Assistance, Prevention Services and Kinship Navigator Programs) Quarterly Financial Report ([CB-496](#)) be generated in the agency's CCWIS or contribute to this reporting. To ensure the most efficient and economical process, this will occur in CWS-CARES ([45 CFR § 1355.52\(c\)\(1\)](#)).

The CB-496 report is required for Title IV-E agencies to report data on candidates for Title IV-E foster care and prevention services for which the agency claims Title IV-E administrative costs ([Federal Register Volume 81: 35450 at 35454-35455](#)). The CB-496 requires payments by federal categorization of placement types. Therefore, CalSAWS payments data by client and placement type are critical to meeting this federal reporting requirement. The interface from CalSAWS will include sending client-

specific, categorized financial payment data to CWS-CARES for foster care maintenance payments to comply with these CCWIS regulations.

### **Current Process**

Today, federal reports, eligibility requests, and communication between the child welfare and eligibility staff is an entirely paper-based business process. Whether it is an initial eligibility request, a change in placement, or a request for a special care increment payment, these processes require the routing of paper documents from one department to another. For the financial process, once a payment is issued from CalSAWS, counties manually aggregate costs to claim or request federal and state reimbursement on a monthly basis. The development of the Foster Care Eligibility Determination (FCED) interface with CWS-CARES will provide a process that supports efficient exchanges of data between CalSAWS and CWS-CARES, reduces duplicate functionality, and will provide users with a more seamless operational process. Separate guidance for Title IV-E agreement Tribes will be released at a later date.

### **Family First Prevention Services Program Act**

In addition to providing California the ability to properly adhere to the CB-496 reporting requirements, CWS-CARES must support counties in reporting child-specific costs<sup>1</sup> for Title IV-E eligible prevention services identified in their Comprehensive Prevention Plans. The CWS-CARES must track the state and federally required data elements and provide oversight required by the Family First Prevention Services Program Act (FFPSA). The CWS-CARES will track the federal reporting requirements outlined in [Technical Bulletin # 1](#) and will include individual family prevention services plans and child-specific costs for eligible prevention services<sup>2</sup>. To accomplish these goals, the CWS-CARES will be the system of record to track information including types of services, requests for candidacy determinations, approvals for service delivery to all eligible clients, and data regarding ongoing safety monitoring and periodic risk assessments. As outlined in the [California's Five-Year Prevention Plan](#), approved by the ACF in April 2023, CWS-CARES will also collect data to enable reporting and evaluation through a robust Continuous Quality Improvement approach to ensuring model fidelity of Title IV-E eligible evidence-based practices and outcomes that inform the Family First Prevention Services program. The CDSS will consult with Chapin Hall, the County Welfare Directors Association, and the Chief Probation Officers of California in the development of the questions and data collection criteria to be tracked and any related processes that will need to be developed. Meeting these FFPSA requirements in the state's CCWIS will allow for Title IV-E to be utilized as a funding stream for FFPSA and for counties to draw down Title IV-E for eligible prevention services. Costs

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<sup>1</sup> Reporting of child specific costs are a requirement of Part 1 of PL [115-123](#).

<sup>2</sup> All County Letter [22-23](#) (pp 12-13)

for non-Title IV-E eligible services will not be required to be tracked on a child-specific basis in Version 1 of CWS-CARES.

### **The CCWIS Data Exchange and Eligibility Requirement**

The CalSAWS has been designated as the state's system of record for eligibility and for issuing foster care maintenance payments.

The CWS-CARES Team is working collaboratively with the CalSAWS Project and consortium to develop a robust bi-directional interface where pertinent data will be exchanged between both systems to support an automated eligibility determination for the foster care programs including Foster Care, Kinship Guardianship Assistance Program (Kin-GAP), and Adoption Assistance Program (AAP), as well as the necessary financial payment data.

The federal CCWIS regulations require CWS-CARES to maintain all child welfare program data required by federal, state, or Tribal Title IV-E law or policy, including data related to eligibility determinations ([45 CFR § 1355.52\(b\)\(1\)\(ii\)](#)).

- Examples of such data from CWS-CARES include, but are not limited to: type of removal, placement setting, and length of time in foster care.
- Examples of such data from CalSAWS include, but are not limited to: age, Aid to Families with Dependent Children - Foster Care eligibility, and aid codes from other eligibility programs such as AAP, Kin-GAP, etc.

A data exchange is an automated, electronic submission or receipt of information, or both, between two automated data processing systems. A CCWIS must be capable of sending data to, and receiving data from, the other system or systems participating in a bi-directional data exchange. The [45 CFR § 1355.52\(e\)](#) of the CCWIS regulations identify eleven mandatory bi-directional exchanges that a Title IV-E agency must have to support the efficient, economical, and effective exchange of relevant data with other information systems and addressed in the [Federal Register Volume 80: at 48213](#). The FCED will automate foster care eligibility determinations that CCWIS requires, to the extent practicable, and will establish a bi-directional data exchange with CWS-CARES. The following five of the eleven mandates align with the FCED:

- Systems that generate the financial payments and claims for Title IV-B and IV-E, if applicable.
- Systems that calculate one or more components of Title IV-E eligibility determination, if applicable.
- Systems external to CCWIS used by Title IV-E agency staff to collect CCWIS data.
- Systems operated under Title IV-A (Temporary Assistance for Needy Families (TANF)).



- Title XIX (Medicaid).

Federal CCWIS regulations also require an automated eligibility determination. State and Tribal Title IV-E agencies are to use the same automated functions or the same group of automated functions for all Title IV-E eligibility determinations, to the extent practicable ([45 CFR § 1355.52 \(g\)](#)). Currently, Title IV-E agreement Tribes do not utilize CalSAWS. The CDSS is exploring options with Title IV-E Tribes and additional guidance will be forthcoming.

### **Failure to Meet Federal CCWIS Requirements**

To avoid the potential loss of federal funding, the FCED solution must comply with federal requirements that a Title IV-E agency must use a single automated function for all Title IV-E eligibility determinations, that contains a robust bi-directional interface between systems and a highly automated eligibility module. CCWIS regulations require the Title IV-E agency's CCWIS to maintain the calculated outcome of the Title IV-E eligibility determination process consistent with [45 CFR § 1355.52\(b\)\(1\)\(ii\)](#). Title IV-E eligibility determinations must use the same automated function or the same group of automated functions (45 CFR § 1355.52(g)(1)). All Title IV-E eligibility determinations are required to be automatically calculated, resulting in a highly automated eligibility module.

Failure to meet CCWIS regulations may result in the State being denied CCWIS certification and held liable to recoupment of all the enhanced federal financial participation (FFP) ([45 CFR § 1355.58\(d\)](#)). The potential federal penalty for not producing the CB-496 in CWS-CARES Version 1 could jeopardize Title IV-E funding that supports child welfare programs.

In addition, if this automated solution is not implemented, eligibility determinations will continue to be a cumbersome paper process for county eligibility staff.

### **HOW THE CDSS WILL MEET THE FEDERAL REQUIREMENTS**

To meet the CCWIS regulations and to improve the efficiency of eligibility determinations and financial management work processes, the State will deliver the following functionality with the implementation of CWS-CARES.

#### **Financial Management**

The bi-directional interface between CalSAWS and CWS-CARES allows accurate and efficient tracking of child welfare costs. CalSAWS is the system of record for all foster care maintenance payments. Interfacing the data (case information, aid code, and client payment information) to CWS-CARES will allow reporting for costs for all rate



payments to families and supplemental rates. This will enable CWS-CARES to report the CB-496 to the ACF in the appropriate federal categorization in the report. Tracking child welfare costs and producing the CB-496 helps bring CWS-CARES into CCWIS compliance ([45 CFR § 1355.52\(b\)\(1\)\(i\) and \(c\)\(1\)](#)).

Creating an interface between CalSAWS and CWS-CARES will continue to support the CDSS to answer Stakeholder, Tribes, and legislative requests for rates, assistance costs per child, and number of youths receiving supplemental rates, such as: specialized care increment, infant supplement, or clothing allowance. Near real-time data exchanges enhance the State's ability to efficiently provide fiscal oversight, monitoring and streamline mandated state and federal reporting (CB-496), which aligns with the federal CCWIS standards.

Establishing a direct interface will support the most efficient, effective, and economical processing of eligibility determinations and faster communication by replacing manual processes. This may assist to further maximize FFP for eligible placements and expenditures. Interfacing CalSAWS and CWS-CARES automated eligibility determinations allows information related to foster care payments, changes in placement, Level of Care assessments and CCWIS required payments/information to be accurately reported at a case level and allows improved communication and timeliness supporting child welfare programs.

### **The CWS-CARES TIMELINE**

Due to the complexity of automated data synchronization between CWS-CARES and the legacy system, CWS/CMS, there will be two major CWS-CARES releases: Version 1 (V1) and Version 2 (V2). The CWS-CARES V1 is scheduled to be implemented in October 2026, and V2 is scheduled to be implemented in April 2028.

#### **The CWS-CARES V1:**

- Delivers an updated child welfare information system that will replace the CWS/CMS as a part of achieving CCWIS compliance.
- Creates a bi-directional interface between CalSAWS and CWS-CARES used to confirm amounts reported as foster care maintenance payments into the CB-496.
- Will produce the CB-496 and provide the federal and state reporting necessary for FFPSA.
  - The County Expense Claim Reporting Information System (CECRIS) will send aggregate reports for all administrative expenditures to
  - CWS-CARES to populate the CB-496.
  - Foster care maintenance payments issued in CalSAWS will be compared manually to the CA-800 forms uploaded to CECRIS by counties. The State, counties, and Tribes will collaborate to develop a methodology for pulling this data to ensure consistent data sets are compared and future guidance will be released.

CWS-CARES V2:

- Extends the financial management functionalities of CWS-CARES V1 to evaluate child and program level costs, manage reimbursements and special accounts such as SSI Grant-Trust.
- Adds additional components and features to meet full CCWIS compliance.
- Continues to enhance interfaces, external system integrations, and bi-directional data exchanges with Child Welfare Contributing Agencies and other financial systems.

**CONTACT INFORMATION**

If you have any questions or need additional guidance regarding the FFPSA program, contact the Family Centered Services and Support Bureau (formerly the Child Welfare Policy and Program Development Bureau) at (916) 651-6160 or at [ffpsapreventionservices@dss.ca.gov](mailto:ffpsapreventionservices@dss.ca.gov). Program questions related to CWS-CARES should be directed to the Child Welfare System Branch at [CWSB-Fiscal@otsi.ca.gov](mailto:CWSB-Fiscal@otsi.ca.gov). If you have any questions or need additional guidance regarding the information in this letter, contact the Fiscal Policy and Analysis Bureau at [fiscal.systems@dss.ca.gov](mailto:fiscal.systems@dss.ca.gov).

Sincerely,

***Original Document Signed By***

DIANNA WAGNER  
Assistant Deputy Director  
Children and Family Services Division

cc: All Federally Recognized Tribes