March 23, 2018

COUNTY FISCAL LETTER (CFL) NO. 17/18-56

TO: ALL COUNTY WELFARE DIRECTORS
    ALL COUNTY FISCAL OFFICERS

SUBJECT: UPDATED CLAIMING IN REGARDS TO FISCAL YEAR 2017-18
         MAINTENANCE OF EFFORT REQUIREMENT FOR THE IN-HOME
         SUPPORTIVE SERVICE PROGRAM

REFERENCES: SENATE BILL 90 (CHAPTER 25, STATUTES OF 2017)
             CFL No. 13/14-01, DATED JULY 16, 2013
             CFL No. 17/18-21, DATED SEPTEMBER 8, 2017
             CFL No. 17/18-40, DATED NOVEMBER 13, 2017
             CFL No. 17/18-44, DATED JANUARY 3, 2018

The purpose of this letter is to update county administration claiming and
reimbursement instructions for the In-Home Supportive Services (IHSS) program. This
letter informs counties of the implementation of three State Use Only (SUO) codes for
the county IHSS Maintenance of Effort (MOE). These SUO codes will be utilized to
ensure each county maximizes the General Fund (GF) available and meets their county
MOE requirements.

**County Administration Claiming and Reimbursement**

As explained in CFL No. 17/18-21, dated September 8, 2017, and CFL No. 17/18-40,
dated November 13, 2017, counties will continue to claim IHSS county administration
expenditures through the County Expense Claim (CEC) using the existing
administration program codes. The CDSS will reimburse the counties for the federal
and state shares of the IHSS county administration expenditures. The state share will
be reimbursed up to the GF allocation for county IHSS administration. The county
share of these expenditures will count towards the IHSS county administration
component of the county IHSS MOE. Any expenditures that exceed the administration
GF allocation will be shifted to county only via SUO 193 and while these county
expenditures will continue to be eligible to draw down federal Title XIX funds, they will
not count towards the services portion of the IHSS MOE. The final MOE amounts will be released in a forthcoming CFL.

Effective with the June 2018 quarter, the SUO codes below will be jointly implemented to ensure each county maximizes the GF available and meets their county MOE requirements.

- SUO 366 (new code): Shifts GF share to county share to ensure the county meets their MOE
- SUO 792 (repurposed code): Shifts MOE overmatch from county to GF if GF is still available within the county allocation
- SUO 193 (current code): Shifts all GF overmatch funds to county funds

For those counties with expenditures that are below their MOE, SUO 366 will shift the GF to county funds to ensure the county meets the MOE. If a county’s expenditures are over its MOE, SUO 792 will shift the excess MOE to GF, up to the allocation amount. Lastly, if a county exceeds its GF allocation, the excess GF will shift to county funds using SUO 193. Attachment I provides scenarios depicting the potential shifts.

During Fiscal Year (FY) 2017-18, the CEC will calculate costs using the statutory sharing ratios and will utilize SUO 193 if a county exceeds its GF allocation. All MOE adjustments will be made during the fourth quarter desk audit process. Adjustments will be made for counties that exceeded the administrative portion of their MOE during the year, prior to the implementation of the SUO codes. In FY 2018-19 and every year thereafter, the process will change to a quarterly adjustment and counties will be held to a quarterly MOE amount.

Public Authority (PA) Administration Claiming and Reimbursement

The CDSS has only billed counties for the IHSS Services component of the MOE which was published in CFL No. 17/18-40. The counties were instructed to claim PA administration costs through the normal claiming process as outlined in CFL No. 17/18-21, which includes the administration allocation for the PA component of the MOE. While prior MOE billings from CDSS included a portion of these costs, this was offset in the billings that CDSS sent starting November 2017, effectively returning to the counties the administration amounts that had been billed.

For information regarding the IHSS services billing, counties may contact Michelle Shields, Fund Accounting and Reporting Section, at Michelle.Shields@dss.ca.gov. Further information regarding the PA Administration claiming and reimbursement will be addressed in a forthcoming All County Letter (ACL). Counties may direct any questions related to the PA Administration claiming and reimbursement process to Danielle Morris, Financial Management Unit, at Danielle.Morris@dss.ca.gov.
Case Management, Information, and Payrolling System (CMIPS) II

As stated in CFL No. 17/18-44, dated January 3, 2018, counties will be billed for the CMIPS II costs. The CMIPS II administration and IHSS services costs will not be billed together. More information regarding the billing of CMIPS II will be made available in a forthcoming CFL.

Counties may direct any questions regarding this CFL to the Fiscal Policy and Analysis Bureau at fiscal.systems@dss.ca.gov.

Sincerely,

Original Document Signed By:

SALENA CHOW, Chief
Fiscal Forecasting and Policy Branch

Attachment I
In-Home Supportive Services County Administration
Maintenance of Effort Scenarios

**Scenario 1:**
- Over General Fund (GF) ↑ Under Maintenance of Effort (MOE) ↓
  1. Shift GF to meet MOE using **State Use Only (SUO) 366**
  2. Shift amounts over GF to County using **SUO 193**.

**Scenario 2:**
- Over GF ↑ Over MOE ↑
  1. Shift amounts over GF to County using **SUO 193**.

**Scenario 3:**
- Under GF ↓ Over MOE ↑
  1. Shift amounts over MOE from County to GF using **SUO 792**.

**Scenario 4:**
- Under GF ↓ Under MOE ↓
  1. Shift GF to meet MOE using **SUO 366**

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*SUO 366: Shifts GF share to county share to ensure the county meets their MOE.*
*SUO 792: Shifts MOE overmatch from county to GF if GF is still available within the county allocation.*
*SUO 193: Shifts all GF overmatch funds to county funds.*

**Note:** *These scenarios are not applicable to Public Authority expenditures.*