

October 30, 2015

COUNTY FISCAL LETTER (CFL) NO. 15/16-29

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY FISCAL OFFICERS  
ALL COUNTY AUDITOR CONTROLLERS  
ALL COUNTY PROBATION OFFICERS  
ALL TITLE IV-E AGREEMENT TRIBES

SUBJECT: FISCAL YEAR (FY) 2015-16 STATE-FUNDED  
COUNTY-OPTIONAL COMMERCIAL SEXUALLY EXPLOITED  
CHILDREN (CSEC) PROGRAM

REFERENCE: [ALL COUNTY LETTER \(ACL\) NO. 15-48, DATED MAY 29, 2015](#); [ACL NO. 15-49, DATED MAY 28, 2015](#);  
[ACL NO. 14-62, DATED SEPTEMBER 3, 2014](#);  
[CFL NO. 14/15-25, DATED OCTOBER 10, 2014](#);  
[CFL NO. 14/15-23E, DATED JANUARY 7, 2015](#);  
[CFL NO. 14/15-23, DATED OCTOBER 1, 2014](#);  
[SENATE BILL \(SB\) 855, Chapter 29, Statutes of 2014](#);  
[HOUSE OF REPRESENTATIVES \(H.R.\) 4980 PREVENTING SEX  
TRAFFICKING AND STRENGTHENING FAMILIES ACT](#);  
[WELFARE AND INSTITUTIONS CODE \(W&IC\) SECTION 300](#);  
[W&IC SECTION 16524.6 – 16524.11](#); FY 2015-16 BUDGET ACT

This CFL provides the County Welfare Departments (CWDs) electing to participate in the FY 2015-16 state-funded county-optional CSEC Program with claiming instructions for activities associated with the CSEC Program. This includes direct service delivery to youth, as outlined in [ACL No. 15-48](#). Claiming instructions for [H.R. 4980](#) CSEC-related activities will be provided in a forthcoming CFL.

## Background

Recent legislation ([SB 855, Chapter 29, Statutes of 2014](#)) amended the [W&IC Section 300](#) to clarify that, under existing law, the CSEC population whose parents or guardians failed or were unable to protect them may fall within the description of 300(b) and be adjudged as dependents of the juvenile court. The W&IC (commencing with [Section 16524.6](#)) established a state-funded county-optional CSEC Program to be administered by the California Department of Social Services (CDSS) for which counties may elect to participate. To access funds under the FY 2015-16 CSEC

Program, CWDs are required to submit a county plan to CDSS pursuant to [W&IC Section 16524.7\(d\)](#). The counties who do not submit a county plan are not eligible for CSEC funds under this program.

The [ACL No. 15-48](#) provided CWDs with instructions for submitting County Plans that will enable access to funding for the FY 2015-16 CSEC Program. Per [ACL No. 15-48](#), the FY 2015-16 state-funded county-optional CSEC Program will be a two-tiered system. Based upon the FY 2015-16 Budget Act, CDSS will allocate CSEC funding to support the counties who are in the initial stages of developing an interagency CSEC response. These counties will be part of Tier I. Counties that have taken substantial steps towards the development of an interagency response to CSEC may be eligible for Tier II funding based upon the prevalence of children who are victims or at risk of commercial sexual exploitation and the county's readiness to serve this population. Information regarding the FY 2015-16 state-funded county-optional CSEC Program allocation is provided in [CFL No. 15/16-22](#).

In accordance with [ACL No. 15-48](#), in order to access CSEC Program funding in FY 2015-16, counties were required to submit the following:

Tier I and Tier II: A County Plan to CDSS by June 30, 2015, describing the county's current approach to serving CSEC, and plans for the future approach, including how the county intends to spend funding provided by the state; and,

Tier II only: By October 1, 2015, or other specified due date, an interagency protocol, such as a Memorandum of Understanding (MOU), that fulfills the statutory requirements of [W&IC section 16524.8](#). While Tier I counties are not required to submit an interagency protocol by this date, these counties are expected to continue developing their interagency protocol to be utilized in serving sexually exploited children as required by [W&IC Section 16524.8](#).

### **Time Study Instructions**

Effective with the September 2015 claiming quarter, Tier I and Tier II counties who are continuing the process of developing protocols necessary to implement the CSEC Program should report their time to Time Study Code (TSC) 9201 (CSEC Protocol and Development) as directed in [CFL No. 14/15-23](#). Both Tier I and Tier II CWDs may claim and be reimbursed up to the basic allocation amount of \$25,000. Tier II counties who fail to submit the required county plan and interagency protocol or other agreement by October 1, 2015, or other due date as specified in [CFL No. 15/16-22](#), will revert to the Tier I category and only be reimbursed up to the basic allocation amount of \$25,000. Tier II counties may begin claiming to their enhanced allocation upon acknowledgement of receipt and approval of interagency protocols by CDSS.

## Case Management

Case management activities associated with the FY 2015-16 state-funded county-optional CSEC Program should be claimed to the existing child welfare services case management TSCs as appropriate.

## Title IV-E Non-Federal Discount Rate

The [CFL No. 14/15-23](#) and [CFL No. 14/15-23E](#) released TSC 9201 (CSEC Protocol and Development) and State-Use-Only (SUO) code 915 ([SUO] NONFED CSEC), respectively. The [CFL No. 14/15-23E](#) instructed counties to apply the Title IV-E non-federal discount rate to TSC 9201 (CSEC Protocol and Development).

The federal Administration for Children and Families (ACF) updated the [Child Welfare Policy Manual](#) (Section 8.1 Title IV-E Administrative Functions/Costs, Question 7) on August 25, 2015, instructing the non-Title IV-E discount rate NOT be applied to eligible Title IV-E administrative expenditures associated with the CSEC program effective the beginning of Federal Fiscal Year (FFY) 2015. These expenditures include expenses for *“developing and implementing policies and procedures to identify, document in agency records, and determine appropriate services for victims of sex trafficking; conducting human trafficking screenings and documenting victims of sex trafficking in agency files; determining appropriate services for individuals identified as such victims, including referrals to services; completing reports required for law enforcement and ACF of children or youth who the agency identifies as being a sex trafficking victim; and developing and implementing protocols to locate and assess children missing from foster care, including screening the child to identify if the child is a possible sex trafficking victim.”*

To rectify the effects of this update on the previously established claiming structure, as defined in [CFL No. 14/15-23](#) and [CFL No. 14/15-23E](#), effective with the December 2014 claiming quarter, the Title IV-E non-federal discount rate will be removed from TSC 9201. The timing of this update did not provide CDSS with sufficient time to provide counties claiming instructions on how to correct the application of the non-federal discount rate before the adjustment claim for the first affected claiming quarter was released. **No county action will be required to reconcile expenses associated with the Title IV-E non-federal discount rate for the December 2014 through September 2015 claiming quarters.** The CDSS Fiscal Systems and Accounting Branch will process adjustments for Title IV-E non-federal discounted costs claimed on the CEC for the December 2014 through September 2015 claiming quarters, on the corresponding adjustment claims. These adjustments will be reflected on the quarterly AA190 reports.

## **CSEC Youth Training and Services**

Expenditures for training and direct services for specialized prevention and intervention services provided to the CSEC population should continue to be claimed to Program Code (PC) 918 (CSEC Youth Training and Services Non-Federal). The program code description (PCD) for PC 918 has been updated to include a more comprehensive list of services that are directly related to the needs of children identified as being a victim of commercial sexual exploitation. Updates to the PCD are **bolded** below.

### *PC 918 (CSEC Youth Training and Services)*

The individual child's case plan shall be the basic guideline for the provisions of the child welfare services. Activities include direct delivery services to commercially sexually exploited children and youth at risk of being trafficked associated with the CSEC Program. This may also include training foster children to help recognize and avoid commercial sexual exploitation; engaging survivors of commercial sexual exploitation to provide support to county staff who serve children who are victims of commercial sexual exploitation and serve as advocates for and perform outreach and support to children who are victims of commercial sexual exploitation; and consulting and coordinating with homeless youth shelters and other service providers who work with children who are disproportionately at risk of, or involved in, commercial sexual exploitation, including but not limited to lesbian, gay, bisexual and transgender youth organizations, regarding outreach and support to children who are victims of commercial sexual exploitation.

Additional specialized prevention and intervention services for children of this population can include, but are not limited to:

- Specialized counseling.
- Tattoo removal.
- Seeking and obtaining specialized housing.
- **Emergency Housing/Shelter Assistance (for example, vouchers, rental or utility deposits, furniture such as beds, couches, dressers, lighting, refrigerators, and other necessary furniture for the health and safety of CSEC youth and their families)**
- Addressing gang affiliation.
- **Reproductive health education/healthy relationships education.**
- **Legal assistance.**
- **Pregnancy/Parenting Services.**
- **Financial education training.**
- **Vocational, life skills and other identified CSEC trainings.**
- **Stipends for participating in identified trainings.**

The SUO code 919 (SUO Overmatch [O/M] CSEC) will be used to shift funds from state to county if a county exceeds its allocation. Costs for SUO code 919 will be funded at 00/00/00/100 (Federal/State/Health/County). Pursuant to [W&IC section 16524.7\(b\)](#), funds allocated for the CSEC Program shall not supplant funds for existing programs.

Questions regarding this CFL or the FY 2015-16 CSEC Program allocation should be directed to the Fiscal Systems Bureau at [fiscal.systems@dss.ca.gov](mailto:fiscal.systems@dss.ca.gov).

Questions regarding the FY 2015-16 CSEC Program should be directed to [CSECPprogram@dss.ca.gov](mailto:CSECPprogram@dss.ca.gov).

Sincerely,

***Original Document Signed By:***

Salena Chow, Acting Chief  
Fiscal Forecasting and Policy Branch