

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814



November 14, 2006

ALL COUNTY INFORMATION NOTICE NO. I-83-06

TO: COUNTY WELFARE DIRECTORS  
COUNTY FISCAL OFFICERS  
COUNTY AUDITORS AND CONTROLLERS  
COUNTY CHIEF PROBATION OFFICERS

SUBJECT: TITLE IV-E CHILD WELFARE WAIVER DEMONSTRATION CAPPED ALLOCATION  
PROJECT STATE GENERAL FUND METHODOLOGY

REFERENCE: ALL COUNTY INFORMATION NOTICE I-86-04, DATED JANUARY 7, 2005  
ALL COUNTY INFORMATION NOTICE I-30-06, DATED APRIL 14, 2006  
COUNTY FISCAL LETTER NO. 05/06-45, DATED MAY 2, 2006  
ERRATA TO COUNTY FISCAL LETTER NO. 05/06-45, DATED MAY 10, 2006  
ALL COUNTY INFORMATION NOTICE I-47-06, DATED JUNE 30, 2006  
ALL COUNTY INFORMATION NOTICE I-47-06E, DATED JULY 7, 2006

The purpose of this letter is to provide counties with the State General Fund (SGF) Methodology for the Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project (CAP). This information applies to counties participating in the CAP, as referenced in All County Information Notice (ACIN) No. I-47-06 issued June 30, 2006.

**Funding Provisions and State General Fund Methodology**

The California Department of Social Services (CDSS) has finalized the SGF Methodology for the CAP. The SGF Methodology would provide funding for the Child Welfare Services (CWS)/Foster Care (FC) program under the waiver demonstration project.

A county participating in the CAP will be guaranteed a funding level over the five years of the project. Under the CAP, a county will receive capped allocations of federal and State CWS/FC funds to provide direct services to children and families without regard to their federal eligibility or placement in out-of-home care.

Pursuant to the federal Waiver Terms and Conditions, federal, State, and county funds currently expended to support the CWS and FC programs must remain in CWS/FC programs. Therefore, any foster care savings realized as a result of the waiver demonstration project must be re-invested into the provision of child welfare services.

**REASON FOR THIS TRANSMITTAL**

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

The SGF will be included in the capped allocation to provide participating counties with a fixed funding model for the five years of the demonstration project. This will provide significant benefits for planning and program operation purposes as participating counties will be implementing strategic program and system improvement changes to support improved outcomes for children and families. This SGF Methodology provides participating counties optimal flexibility in the use of funds to successfully implement the counties' proposed strategies under the CAP.

The individual provisions and Methodology of the CAP SGF allocation are as follows:

#### Foster Care Assistance Payments

Participating counties would receive an allocation each year equal to the county's actual foster care assistance expenditures in State Fiscal Year (SFY) 2005/06. Allocated assistance funds can be used to provide direct services and support, if there is a reduction of assistance expenditures. Unexpended funds will be carried forward to the next SFY. As the number of children receiving foster care benefits decreases, the portion of unused allocated funds can then be reinvested into other CWS/FC service areas, as determined by participating counties.

#### Administrative

The CWS/FC administrative base tied to Title IV-E activities will be SFY 2006/07 SGF allocations excluding Child Welfare Services Outcome Improvement Project (CWSOIP) augmentation funds, with a two percent compounded growth to the base, beginning SFY 2007/08. Please refer to ACIN NO. I-47-06E for a complete list of program codes. Unexpended funds will be carried forward to the next SFY. Training, licensing, and the Statewide Automated Child Welfare Information System (SACWIS) expenditures are also excluded from the capped allocation, as well as any SGF expenditures tied to the matching of other federal funds.

#### Close-out

Counties participating in the CAP will take part in a close-out process. Further instructions on close-out will be provided in a future County Fiscal Letter (CFL) to participating counties, if needed.

#### Other Provisions

- CWSOIP augmentation funds are outside of the CAP. Each participating county will receive these funds through the normal allocation process.
- Participating counties will have flexible use of the SGF in the same manner as the Title IV-E funds.
- Unspent funds from participating counties are rolled forward from one year to the next for reinvestment into the CWS/FC programs.
- Evaluation and development costs are excluded from the capped allocation.

ACIN I-83-06  
Page Three

The CAP State/County Fiscal Workgroup will be developing the claiming instructions for the participating counties. Additional CFLs will be issued regarding the claiming instructions and other fiscal information associated with the waiver demonstration project.

If you have any questions or concerns regarding this ACIN, please contact me at 916-657-2614, or Monisha Avery, Manager of the IV-E Waiver Unit at 916-651-6024 or [IV-EWaiver@dss.ca.gov](mailto:IV-EWaiver@dss.ca.gov) .

Sincerely,

***Original Document Signed By:***

MARY L. AULT  
Deputy Director  
Children and Family Services Division

c: CWDA  
CPOC