



CDSS

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February 13, 2015

ALL COUNTY LETTER NO. 15-20

REASON FOR THIS TRANSMITTAL

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

TO: ALL COUNTY WELFARE DIRECTORS
 ALL COUNTY CALWORKS PROGRAM SPECIALISTS
 ALL COUNTY CALFRESH COORDINATORS
 ALL COUNTY WELFARE TO WORK COORDINATORS
 ALL COUNTY CONSORTIUM PROJECT MANAGERS
 ALL COUNTY CHILD WELFARE SERVICES PROGRAM MANAGERS
 ALL COUNTY PROBATION OFFICERS
 ALL COUNTY ELIGIBILITY SUPERVISORS
 ALL FOSTER CARE MANAGERS
 ALL COUNTY SFIS COORDINATORS
 ALL COUNTY EBT PROJECT MANAGERS
 CHILD WELFARE SERVICES NEW SYSTEM
 TITLE IV-E AGREEMENT TRIBES
 JUDICIAL COUNCIL STAFF

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs): THE APPROVED RELATIVE CAREGIVER (ARC) FUNDING OPTION PROGRAM

REFERENCE: SENATE BILL (SB) 855 (CHAPTER 29, STATUTES OF 2014); WELFARE AND INSTITUTIONS CODE (WIC) SECTION 11461.3; ALL COUNTY INFORMATION NOTICE (ACIN) NO. I-42-14; ALL COUNTY LETTER (ACL) NO. 14-89.

This letter transmits instructions to County Welfare Departments (CWDs) regarding the implementation of the Approved Relative Caregiver (ARC) Funding Option Program (hereinafter referred to as the ARC Program) pursuant to SB 855. The ARC Program gives CWDs the option to make the amount paid to an approved relative caregiver for the care and supervision of a child who is under the jurisdiction of the California juvenile court—and who is *ineligible* for federal Aid to Families with Dependent Children-Foster Care (AFDC-FC)—equal to the basic amount paid on behalf of such a child who is *eligible* for AFDC-FC. The changes created by SB 855 were effective January 1, 2015.

BACKGROUND

State law requires that preferential consideration for placement be given to an approved relative caregiver when a child is removed from the physical custody of a parent. Approved relative caregivers in California must meet health and safety standards that mirror those for licensed foster parents, such as undergoing criminal background and child abuse index checks.

Although placement with a relative is the preferred placement, the funding associated with that placement depends upon whether the child is eligible to receive federal AFDC-FC. While an approved relative may receive AFDC-FC payments on behalf of a *federally* eligible foster child, an approved relative caring for a *non-federally* eligible foster child is ineligible for AFDC-FC. For a non-federally eligible child in foster care, an approved relative may apply to receive CalWORKs benefits on behalf of that child as a non-needy caretaker relative, or may include the related child in the family's assistance unit (AU) if the relative is also in need of CalWORKs. Unlike AFDC-FC, typical CalWORKs grants are not a per-child payment, but are based on the size of the family as a whole, and are less than the AFDC-FC rate.

To address this issue, California has enacted the ARC Program. This program provides funding to give CWDs the option to make per-child, per-month payments equal to the basic foster care rate to approved relative caregivers with whom a non-federally eligible foster child is placed. The child must reside in California and be under the jurisdiction of the California juvenile court.

ELIGIBILITY

CWDs who opt-in to participate in the ARC Program must agree to make per-child, per-month ARC Program payments in an amount equal to the basic rate paid to foster care providers, which varies depending on the age of the child. The foster care rates are subject to change; thus CWDs must ensure that the most current rates are applied when computing the benefit payments. To be eligible for the ARC Program, a child or non-minor dependent (NMD) receiving extended CalWORKs benefits must meet all of the following criteria:

- Be a dependent or ward of the California juvenile court (although a child placed under a voluntary placement agreement may be eligible for the ARC Program for a limited time even if the child is not a dependent or ward).
- Be placed with an approved relative caregiver and reside in California.
Out-of-state placements are not eligible.
- Be federally ineligible under Title IV-E of the Social Security Act.

- Have a completed ARC Program application [ARC 1](#) (Statement of Facts Supporting Eligibility for the Approved Relative Caregiver (ARC) Funding Option Program).

Any ARC-eligible child or NMD may participate in the ARC Program if the county with placement responsibility over the child opts-in to the ARC Program. This includes children currently placed with approved relatives, as well as children placed with approved relatives in the future. NMDs who receive extended foster care benefits are not eligible for the ARC Program. Participation in the ARC Program is not mandatory. Families may choose to receive CalWORKs benefits only.

For additional information regarding these eligibility requirements, please see ACIN I-42-14, dated August 1, 2014, and ACL 14-89, dated December 16, 2014.

FUNDING AND PAYMENTS

Funding for the ARC Program consists of up to three sources:

- Federal, state, and county funds for the CalWORKs portion, including the county share of costs associated with the CalWORKs portion of the ARC payment for all existing and new ARC cases,
- State general funds (ARC portion), and
- County funds. Counties will only be required to share in the general fund (GF) portion of the ARC payment if their individual county exceeds their ARC GF allocation distribution.

Together, these funding sources will be used to fund per-child, per-month payments under the ARC Program *in an amount equal to the basic foster care rate* pursuant to WIC Section 11461. *The ARC payment will include a portion of CalWORKs funds unless the child does not qualify for CalWORKs. If the child does not qualify for CalWORKs, the ARC payment will consist of state general funds appropriated for the ARC Program, until the ARC Program appropriation is depleted, in which county funds will be utilized, in an amount equal to the basic foster care rate.*

The ARC payment is calculated as follows: Apply the regional (county of jurisdiction) CalWORKs exempt Maximum Aid Payment (MAP) for an AU of one toward the ARC payment. For ARC Program purposes, the regional (county of jurisdiction) CalWORKs exempt MAP for an AU of one will also be applied to NMDs. The balance of the ARC payment, up to the equivalent of the basic foster care rate, will come from state general fund resources and potentially county funds as mentioned above. County funds may

also potentially be needed to fund ARC payments if the county-specific ARC allocation is insufficient to fund the payments after the true-up due to caseload growth.

If a child is determined eligible for CalWORKs, the CalWORKs portion of the ARC payment will be the regional (county of jurisdiction), exempt MAP amount for an AU of one. Income will not be subtracted from the MAP. Disregards will not be applied. For example, an ARC payment in January 2015 for an eligible six-year-old child who is placed by Alameda County (Region 1), but lives in Fresno County (Region 2), would consist of the monthly, exempt (Region 1) CalWORKs payment of \$369, plus ARC state general fund resources of \$357, to bring the child's total ARC payment up to the basic foster care rate of \$726 for the child's age group.

For ARC Program purposes, each participating child will be in an AU of one regardless of how many other persons in the family receive CalWORKs, including any siblings of the child. Needy caretaker relatives will be eligible for CalWORKs if the only eligible child is the ARC child (unless the child is a NMD) and will receive the regional (county of residence) exempt/non-exempt rate as applicable. The CalWORKs grant for the relative caregiver will be calculated as normal, following CalWORKs rules. The ARC eligible child is included in the Maximum Basic Standard of Care (MBSAC) for determining financial eligibility. Refer to the chart in Attachment 1 for examples based on the existing foster care rate by age.

Payments for the ARC Program **cannot** begin until the relative caregiver has been approved, meaning the relative caregiver must meet health and safety standards that mirror those for a licensed foster parent, such as undergoing criminal background and child abuse index checks.

Base Caseload

The Legislature made an initial \$30 million appropriation from the state general fund for the ARC Program for the period January 1, 2015 through December 31, 2015. This is an ongoing appropriation that will be adjusted annually by the California Necessities Index (CNI). The appropriation is intended *to fully fund the base caseload of approved relative caregivers as of July 1, 2014*, subject to a "true-up" process. This means that the \$30 million appropriation may be increased if the base caseload exceeds the \$30 million. The term "base caseload" refers to all eligible children placed with an approved relative caregiver as of July 1, 2014. *It is a snapshot as of the day of July 1, 2014.* As such, relative caregiver approvals that were pending as of July 1, 2014, or that occurred after July 1, 2014, are not included in the base caseload. Only relative caregivers who were actually approved as of July 1, 2014 may be included in the base caseload. For further information, please refer to ACL 14-89.

Methodology

The methodology for determining the number of approved relative caregiver placements of eligible children as of July 1, 2014 using the Child Welfare Services/Case Management System (CWS/CMS) was transmitted in County Fiscal Letter (CFL) 14/15-45, dated February 4, 2015.

DETERMINING ELIGIBILITY AND BENEFIT AMOUNT

The ARC Program Application, Income Eligibility and Grant Calculation

In order for an approved relative caregiver to receive the ARC payment on behalf of an eligible child, an ARC Program application (*Statement of Facts Supporting Eligibility for the Approved Relative Caregiver (ARC) Funding Option Program* [ARC 1\(12/14\)](#)), attached, must be fully completed, signed by the relative caregiver, and submitted to the CWD. *Although eligibility for CalWORKs is not a requirement for receipt of the ARC payment, each ARC-eligible child must be assessed for eligibility for CalWORKs in order to determine if CalWORKs funds must be utilized in the ARC payment.*

The child's social worker/probation officer should complete as much of the ARC Program application as possible. The ARC application consists of two parts. Part One establishes the child's eligibility for the ARC Program. Part Two establishes the child's eligibility for CalWORKs and includes income and property requirements mirroring those for AFDC-FC. Eligibility for the CalWORKs portion of the ARC payment is based on the *child's* income and property resources. Income eligibility is determined by applying the AFDC-FC income requirements. Up to \$10,000 in property may be retained. If a child is determined eligible for CalWORKs, the CalWORKs portion of the ARC payment will be the regional (county of jurisdiction), exempt MAP amount for an AU of one and no further computations will be needed. Do not subtract income from the MAP. Do not apply disregards. Typical verification documentation to determine eligibility for the CalWORKs portion of the ARC payment may include birth certificates, SSN, and proof of any income or resources of the child. Calculation of the CalWORKs grant for a caretaker relative who receives CalWORKs benefits for himself/herself and/or other children in the home has not changed and normal CalWORKs rules apply.

For **existing** CalWORKs cases, only Part One must be completed and the application must be signed by the approved relative caregiver. Part Two may be completed by using information found in case records retained by the CWD or in the SAWS 2 Plus, or by attaching a copy of the SAWS 2 Plus application. The beginning date of aid is the date the ARC application is completed and signed by the approved relative caregiver.

For **new** cases, fill out the ARC application only if the relative is non-needy and there are not other children in the home who receive CalWORKs benefits but do not participate in the ARC Program. Fill out the SAWS 2 Plus in addition to the ARC application only if the relative is needy. Needy relatives must continue to follow CalWORKs rules. If the ARC child is the only eligible child for a needy caretaker relative, the needy caretaker relative is still eligible for CalWORKs and must apply for himself/herself and the ARC eligible child using the SAWS 2 Plus and the ARC application. The beginning date of aid for the ARC child is the date the ARC application is completed and signed by the approved relative caregiver.

Payments for the ARC Program **cannot** begin until the relative caregiver has been approved, meaning the relative caregiver must meet health and safety standards that mirror those for a licensed foster parent, such as undergoing criminal background and child abuse index checks. If a child is ARC-eligible, the ARC payment should commence upon the date the child is determined to be ARC eligible. In a rare number of cases, the determination of eligibility for the CalWORKs portion of the ARC payment may still be pending after the child is determined to be ARC-eligible. In order to expedite issuance of payments, these cases should be temporarily identified using an ARC-only aid code (2P or 2R) until the CalWORKs determination is made. After the CalWORKs determination is made, the cases should be identified with the appropriate ARC aid code. A CFL is forthcoming with more specific information on how to properly claim ARC-eligible cases whose CalWORKs eligibility determination is pending.

It is imperative for county child welfare staff and county CalWORKs staff to communicate with each other to identify eligible children, provide verification of eligibility, and determine eligibility timely. CWDs should develop policies and procedures to ensure changes (e.g., child moves outside California, child is no longer in the home) affecting the ARC payment are communicated between Child Welfare Services and CalWORKs so that the correct grant amount is issued.

Retroactivity Option

CWDs have the **option** of making retroactive payments back to January 1, 2015, as long as the CWD implements the ARC Program prior to July 1, 2015. CWDs that implement the ARC Program after June 30, 2015 cannot make retroactive payments.

- **In order to implement the ARC Program prior to July 1, 2015, a CWD would have to opt-in to the program either before or during the month of May 2015—with ARC Program implementation beginning on June 1, 2015.**

The CWD's ability to make retroactive ARC payments will be determined by the program's date of implementation in the county (and not by the county's opt-in date).

For CWDs who opt-in **and** implement the ARC Program prior to July 1, 2015, the beginning date of aid can be adjusted back to January 1, 2015 if the following applies:

- For children **already receiving CalWORKs and who have a completed ARC application**, the CWD has the **option** to issue an ARC payment back to the date of the CalWORKs application, but no earlier than January 1, 2015.
- For children **not already receiving CalWORKs**, but who fill out an ARC application and the CWD has made a CalWORKs determination, go back and claim to the date of the ARC application.

In no instance can the CWD make payments retroactively if a CalWORKs determination, regardless of eligibility, has not been done. Retroactivity back to January 1, 2015 is not a requirement but a CWD option. If the CWD chooses to issue payments retroactive to January 1, 2015, the above factors apply. Electing to issue retroactive payments means payments back to January 1, 2015. A CWD may not choose a different month to start the retroactive payments.

If retroactivity is applied, the CWD must ensure, via manual calculations, that the CalWORKs AU is not overpaid. The examples in Attachment 2 show how to calculate and issue a supplemental payment for the retroactive months.

Clarifications of Opt-In Date, Implementation Date and Beginning Date of Aid

There has been some confusion for CWDs in regard to the opt-in date and the date ARC payments may begin. The clarifications provided below supersede any prior information released by the California Department of Social Services (CDSS) on these topics:

Opt-In Date for the County ARC Program

- The opt-in date is the date that the county notifies the CDSS that it elects to participate in the ARC Program. As a reminder:
 - For hard-copy opt-in letters, the postmark will be considered the date the opt-in letter was received by CDSS.
 - For soft-copy letters that are signed and scanned, the date of the email transmission will be considered the date the opt-in letter was received by the CDSS.

- A county only has to opt-in to the ARC Program once. Participation in the ARC Program is continuous unless and until the county opts-out, or state funding for the ARC Program is reduced, as described in ACL 14-89.
- Counties may now opt-in to the ARC Program for calendar-year 2015 with “good cause,” as follows:
 - If a county opts-in at any time from January 1, 2015 through June 30, 2015 (rather than March 1), the county may use the “good cause” justification for late submittal provided in ACL 14-89: “The CDSS believes that good cause exists for not submitting the opt-in letter by October 1, 2014, due to the complexities involved in resolving policy and operational issues associated with implementation of the ARC Program.”
 - If a county opts-in after June 30, 2015 for calendar-year 2015, the county must provide a county-specific “good cause” justification in its opt-in letter. The CDSS will evaluate these justifications on a case-by-case basis.
- Annually thereafter, nonparticipating counties that opt-in for an upcoming calendar year by October 1 of the preceding year may participate in the ARC Program in the upcoming calendar year.
 - Nonparticipating counties that opt-in for an upcoming calendar year after October 1 of the preceding year must demonstrate good cause in order to participate in the ARC Program in the upcoming calendar year.

Implementation Date for the County ARC Program

- The implementation date is the date that the county actually begins participating in the ARC Program.
- For counties that have not yet opted-in, the county has two options with regard to establishing an implementation date for the ARC Program for calendar-year 2015:
 - If a county does not specify an implementation date in its opt-in letter, it will be assumed that the county is implementing the ARC Program on the first day of the following month. For example, a county that opts-in on May 15, 2015 will implement the ARC Program on June 1, 2015.
 - If a county prefers to implement the ARC Program later than the first day of the following month, the county must specify that date in its opt-in letter.

The county's chosen implementation date must be on the first day of the month. For example, a county may opt-in on March 1, 2015, and choose to implement the ARC Program on May 1, 2015.

- For counties that have already opted-in and have questions about the county's implementation date, please contact the Foster Caregiver Policy and Support Unit at (916) 651-7465 or ARCFO@dss.ca.gov.

Beginning Date of Aid

- ARC payments will be made at the beginning of the month.
- For an individual ARC-eligible child, the beginning date of aid is the date that the ARC application is completed and signed by the approved relative caregiver (date of application).
- The first ARC payment made on behalf of an eligible child will be prorated to the date of application.
 - For example, if an approved relative caregiver applied for the ARC Program on behalf of an eligible child on August 15, 2015, the child's first ARC payment would be prorated to cover August 15, 2015 through August 31, 2015.

ARC Eligibility Requirements

When determining eligibility for the CalWORKs portion of the ARC payment, the following CalWORKs requirements will **not** apply to an approved relative caregiver applying for the ARC Program on behalf of an eligible child:

- Face-to-face interview
- Statewide Fingerprint Imaging System (SFIS). It is considered sufficient that an approved relative caregiver has already been fingerprinted and undergone a criminal records background check as part of the approval process.
- Photo-image of the approved relative caregiver
- Immunization requirements
- School attendance
- Cal-Learn participation

- Welfare-to-Work
- Redeterminations. It is considered sufficient that Foster Care provides monthly visits by the social worker and six-month review hearings.
- Reporting. CalWORKs reporting requirements will not apply as ARC children meet with their social worker on a monthly basis. The county child welfare staff should ensure that county CalWORKs staff are notified of any changes that would render the child ineligible for CalWORKs benefits, such as if the child exits care.

Please note: The caretaker relative must comply with these requirements if he/she or other children in the home receive CalWORKs benefits but do not participate in the ARC Program.

Other Requirements

The statute at WIC Section 11450 prohibits an approved relative caregiver receiving an ARC payment from receiving additional CalWORKs payments for the child. These additional CalWORKs payments are described in Manual of Policies and Procedures (MPP) Section 44-211, and include payments for special needs, emergencies, homeless assistance and pregnancy special needs. Any statutory changes imposed on the CalWORKs grant levels, such as MAP increases, shall also be applied to the CalWORKs portion of the ARC payment. The ARC payment will not be included as income when determining the relative caregiver's or other household member's eligibility for CalWORKs assistance.

An undocumented PRUCOL (Permanently Residing Under Color of Law) child, as specifically defined in MPP Section 42-431.22, may be eligible for CalWORKs. An undocumented child who meets the requirements of MPP Section 42-431.23 may also be eligible for CalWORKs; this section pertains to victims of trafficking, domestic violence, and other serious crimes. Please refer to ACIN I-71-00.

CalFresh

Recipients of ARC funding may also be eligible for CalFresh benefits. For CalFresh budgeting purposes, monies made available through the ARC Program shall be treated in the same manner as foster care payments made to CalFresh households. CalFresh households shall be informed of their option to include in the CalFresh household an ARC-eligible foster child for CalFresh budgeting purposes. That is, ARC-eligible foster children may be considered part of the CalFresh household, with the ARC payment treated as unearned income to the CalFresh household; **OR** ARC-eligible foster children can be considered boarders and excluded for CalFresh budgeting purposes from the

household, with the ARC payment excluded from income consideration. For more information, please refer to MPP Sections 63-402.32 and 63-502.2(o).

COUNTY WITH PAYMENT RESPONSIBILITY AND INTER-COUNTY TRANSFERS (ICT)

Although the county of residence is typically the county with payment responsibility for CalWORKs (with the exception of NMDs), **the county of court jurisdiction will be the county with payment responsibility for the ARC Program.** This includes the CalWORKs portion of the ARC payment, which will apply to the majority of ARC cases. In summary, the county of court jurisdiction (the county with placement and care responsibility over the child or the NMD), and who has opted-in to the ARC Program, will make the ARC payment to the approved relative caregiver or NMD (NMDs receive payments directly). The county of court jurisdiction will make the ARC payment even if the child is placed out of county, as long as the child is placed in California. It does not matter if the county in which the child is placed is an ARC opt-in county or not. The regional MAP amount attributable to the CalWORKs portion of the ARC payment is based on the county of jurisdiction. As a result, an ICT may be necessary to transfer the child's ARC case from the county of residence to the county of court jurisdiction.

For example, a foster child lives in Yolo County with his approved caretaker relative. Sacramento County is the county of court jurisdiction, while Yolo County retains payment responsibility for CalWORKs. Since the county of court jurisdiction retains payment responsibility for the ARC Program, the child's ARC case must be transferred to Sacramento County. The county with court jurisdiction contacts the county of residence and requests an ICT. Case transfer is initiated by using the [CW 215](#) form or via electronic data transfer. Existing CalWORKs ICT procedures apply.

The above example applies to existing CalWORKs cases. New cases would be established by the county of jurisdiction, but CalWORKs cases for needy or non-needy caretaker relatives who receive CalWORKs for themselves and/or a child(ren) who is not participating in the ARC Program would be established by the county of residence.

Needy or non-needy caretaker relatives who receive CalWORKs for themselves and/or a child(ren) who is not participating in the ARC Program will continue to receive CalWORKs benefits from the county of residence.

For cases in which the county decides to opt-out of the ARC Program, (1) the county must give the CDSS at least 120 days' prior written notice that it is opting-out of the program, and (2) the county must give each participating approved caretaker relative at least 90 days' prior written notice that his or her payments will be reduced, including the date the reduction will occur. The county continues to be responsible for making

ARC payments to the caretaker relative for the entire 90-day notice period regardless of when that notice period ends in relation to the 120-day notice period to CDSS. A statewide notice template for counties to use will be developed in the near future. For further information, please refer to ACL 14-89.

PREGNANT OR PARENTING TEENS

ARC recipients are not eligible for Cal-Learn. The parenting teen's child may receive CalWORKs, if eligible. The child would be included in the AU of the needy caretaker relative or be placed in an AU of 1 if the relative is non-needy. This does not apply to NMDs. NMDs can only receive cash aid for themselves.

Pregnant or parenting teens and NMDs have the option to establish their own CalWORKs case at age 18 if otherwise eligible. Teens and NMDs who opt to establish their own CalWORKs case will then be subject to all of CalWORKs' program and reporting rules unless exempt, and will be eligible to receive benefits for both themselves and their child. A pregnant or parenting teen or NMD who establishes their own CalWORKs case will not be eligible for the ARC program

CHILD SUPPORT

Child support assignment and recoupment for the ARC payment will follow CalWORKs processes. To clarify, child support will be recoupable for the entire ARC payment (including the state general fund portion), with the exception of NMDs (youth 18 or older who have graduated and receive extended CalWORKs benefits) and non-MOE countable ARC children. The [CW 2.1NA](#) *Notice and Agreement for Child, Spousal and Medical Support* and the [CW 2.1Q](#) *Child Support Questionnaire* are required if referred to the Local Child Support Agencies (LCSAs). CWDs are reminded that child support cooperation requirements can be exempt in accordance with MPP Section 82-512. A child support referral to the LCSA is not needed if the CWD determines cooperation is not in the best interests of the child, including an increased risk of harm to the child or when cooperation would pose a barrier to family reunification efforts.

OVERPAYMENTS (OP)

The establishment of OPs will follow Foster Care rules for the ARC payment, including the CalWORKs portion, per WIC Section 11466.24. Collection is prohibited if one of the following conditions applies:

- (1) The cost of collection exceeds the amount of the OP that is likely to be recovered by the county.
- (2) The child was temporarily removed from the home and payment was owed to the relative to maintain the child's placement, or the child was temporarily absent from the relative's home, or on runaway status and subsequently returned, and payment was made to the relative to meet the child's needs.
- (3) The overpayment was exclusively the result of a county administrative error or both the CWD and the relative were unaware of the information that would establish that the foster child was not eligible for foster care benefits.
- (4) The relative did not have knowledge of and did not contribute to the cause of the overpayment.

Please refer to ACL 15-07 for more information.

A CFL with additional information regarding the overpayment collection is forthcoming.

ELECTRONIC BENEFIT TRANSFER (EBT) SYSTEM

The ARC Program will be able to utilize the EBT system through the creation of new aid codes, allowing ARC payments to be made on EBT cards by the county of court jurisdiction. If an ARC-eligible child's family currently receives CalWORKs or other benefits, and the county of court jurisdiction is also the county of residence, the child's ARC payments may be consolidated onto the family's existing EBT card. However, if the county of court jurisdiction is different from the county of residence, the child's ARC payment must be issued on a separate EBT card by the county of court jurisdiction. CWDs are reminded that NMDs receive their own EBT cards, regardless of county with payment responsibility.

EBT Benefit Type

A new cash EBT benefit type code is being established. The EBT benefit type code is anticipated to be available in the EBT system on March 20, 2015 and shall be used when issuing ARC payments through the EBT system. The EBT Benefit Type information is:

Benefit Type Name: Approved Relative Caregiver (ARC)

EBT Benefit Type: ARC

See below for associated aid codes.

The CDSS is exploring alternative payment options pending utilization of the EBT system for ARC payments, pending aid code implementation.

ARC AID CODES

The following aid codes are being established for ARC:

- 2S – ARC Funding Option + federal CalWORKs (Region 1 or Region 2)
- 2T – ARC Funding Option + state CalWORKs (Region 1 or Region 2)
- 2U – ARC Funding Option + state CalWORKs (for NMDs, Region 1 or Region 2)
- 2P – ARC only
- 2R – ARC only (for NMDs)

These codes must be entered into the primary Medi-Cal Eligibility Data System (MEDS) aid code field (AC_06).

Until these aid codes are created in the MEDS system and available for use, counties must manually track cases utilizing these aid codes.

Fiscal claiming instructions will be provided in an upcoming CFL. Questions concerning fiscal claiming, reporting, and aid codes should be directed to fiscal.systems@dss.ca.gov.

CONTACTS

Policy related questions concerning the ARC Program should be directed to the Foster Caregiver Policy and Support Unit at (916) 651-7465, or ARCFO@dss.ca.gov. If you have questions regarding this letter, please contact your CalWORKs county consultant directly or call the CalWORKs Eligibility Bureau at (916) 654-1322.

Sincerely,

Original Document Signed By:

TODD R. BLAND
Deputy Director
Welfare to Work Division

Attachments

Calculation of the ARC Payment and CalWORKs Grant

Example ¹	ARC Program	CalWORKs Program	Total
9 year old ARC eligible child lives with needy caregiver and her two children in Region 1.	AU size: 1 (ARC eligible child) CalWORKs \$ 369 + ARC \$ 395 Basic foster \$ 764 care rate	AU size: 3 (needy caregiver and her two children) CalWORKs MAP: \$ 670	\$ 764 ARC + \$ 670 CalWORKs \$ 1434 to needy caregiver
9 year old ARC eligible child lives with needy caregiver and her two children in Region 1. The needy caregiver has \$1000 per month in earned income.	AU size: 1 (ARC eligible child) CalWORKs \$ 369 + ARC \$ 395 Basic foster \$ 764 care rate	AU size: 3 (needy caregiver and her two children) \$1000 earned income - 250 disregard \$ 750 ÷ 2 50% disregard \$ 375 income counted CalWORKs MAP: \$ 670 - \$ 375 CalWORKs grant \$ 295	\$ 764 ARC + \$ 295 CalWORKs \$ 1059 to needy caregiver
13 year old ARC eligible child lives with non-needy caregiver in Region 2.	AU size: 1 (ARC eligible child) CalWORKs \$ 351 + ARC \$ 449 Basic foster \$ 800 care rate	N/A	\$ 800 to non-needy caregiver
17 year old ARC eligible child lives with her 1 year old child and non-needy caregiver in Region 2. The non-needy caregiver does not meet the criteria for an exempt AU.	AU size: 1 (ARC eligible child) CalWORKs \$ 351 + ARC \$ 487 Basic foster \$ 838 care rate	AU size: 1 (child of ARC eligible child) CalWORKs MAP: \$ 315	\$ 838 ARC + \$ 315 CalWORKs \$ 1153 to non-needy caregiver
19 year old ARC eligible NMD lives in Region 1.	AU size: 1 (ARC eligible child) CalWORKs \$ 369 + ARC \$ 469 Basic foster \$ 838 care rate	N/A	\$ 838 to NMD

¹ Assumes the county of residence is the county of jurisdiction.

Example ¹	ARC Program	CalWORKs Program	Total
3 and 5 year old ARC eligible siblings live with needy caregiver and her child in Region 1.	<p><u>3 year old:</u></p> <p>AU size: 1 (ARC eligible child)</p> <p>CalWORKs \$ 369 + ARC \$ 302 Basic foster care rate \$ 671</p> <p><u>5 year old:</u></p> <p>AU size: 1 (ARC eligible child)</p> <p>CalWORKs \$ 369 + ARC \$ 357 Basic foster care rate \$ 726</p>	<p>AU size: 2 (needy caregiver and her child)</p> <p>CalWORKs MAP: \$ 542</p>	<p>\$ 671 ARC + \$ 726 ARC <u>+ \$ 542 CalWORKs</u> \$ 1939 to non-needy caregiver</p>
16 year old ARC eligible child lives with needy caregiver in Region 1. The needy caregiver does not meet the criteria for an exempt AU.	<p>AU size: 1 (ARC eligible child)</p> <p>CalWORKs \$ 369 + ARC \$ 469 Basic foster care rate \$ 838</p>	<p>AU size: 1 (needy caregiver)</p> <p>CalWORKs MAP: \$ 333</p>	<p>\$ 838 ARC <u>+ \$ 333 CalWORKs</u> \$ 1171 to needy caregiver</p>

¹ Assumes the county of residence is the county of jurisdiction.

Calculation of the Supplemental Payment for Retroactive Months

One ARC Child in Mixed CalWORKs AU		
Step 1	Step 2	Step 3
<p>Original CalWORKs AU (Prior to ARC)</p> <p>Caregiver with her own child and her nephew age nine (AU of 3 - Region 1, received CalWORKs payment January 1, 2015)</p> <p style="text-align: center;">↓</p>	<p>New ARC AU of 1 for nine year old nephew (Retroactive to January 1, 2015)</p> <p style="text-align: center;">↓</p>	<p>New CalWORKs AU for Caregiver and her own child (AU of 2 - Region 1)</p> <p>¹Already received January 1, 2015 CalWORKs payment. New payment amount beginning February 1, 2015.</p> <p style="text-align: center;">↓</p>
<p>First determine the portion of the CalWORKs payment that would be attributable to the ARC child in the CalWORKs AU.</p> <p>1) Start with the Maximum Aid Payment (MAP) for the current AU size of 3.</p> <p>2) Subtract the new smaller CalWORKs AU MAP size (current AU minus the ARC child). The difference is the portion of the CalWORKs payment that would have been attributed to that child.</p> <p style="text-align: center;">↓</p>	<p>To ensure that no overpayment occurs, back out the CalWORKs payment already received in the prior AU.</p> <p>Using the example below, the child still receives the full basic foster care rate because he received the \$128 in the former CalWORKs AU.</p> <p style="text-align: center;">↓</p>	<p>The CalWORKs AU will now consist of the caregiver and her own child as an AU of two. The ARC child has been removed and placed into his own AU. No retro funds will be paid to the AU of 2 and no overpayment will be applied because the payment received on behalf of the nephew in Step Two has already been accounted for. The CalWORKs AU will receive a new grant amount the next month as shown below.</p> <p style="text-align: center;">↓</p>
<p>\$670 MAP AU of 3 -\$542 MAP AU of 2 (Caregiver/Child) \$128 ARC child's portion paid to AU</p>	<p>ARC Supplemental Payment for Retro Month:</p> <p>\$764 Basic Foster Care Rate -\$128 prior CalWORKs payment \$636 supplemental SGF payment</p>	<p>New CalWORKs AU of 2: \$542 MAP AU of 2 (Region 1)</p>

¹ This would vary depending on how many months the case was retroactive. This example is for a CalWORKs case that was retroactive from February 2015 back to January 2015. If a case was retroactive from April 2015 back to January 2015, the same steps would apply for each month but the new CalWORKs AU's grant amount would begin May 1, 2015.

Multiple ARC Children in Mixed CalWORKs AU		
Step 1	Step 2	Step 3
<p>Original CalWORKs AU (Prior to ARC)</p> <p>Caregiver with her own child, her nephew age nine and her niece age 13 (AU of 4 - Region 1, received CalWORKs payment January 1, 2015)</p> <p style="text-align: center;">↓</p>	<p>Two new separate ARC AUs of 1 for nine year old nephew and 13 year old niece (Retroactive to January 1, 2015)</p> <p style="text-align: center;">↓</p>	<p>New CalWORKs AU for Caregiver and her own child (AU of 2 - Region 1)</p> <p>²Already received January 1, 2015 CalWORKs payment. New payment amount beginning February 1, 2015.</p> <p style="text-align: center;">↓</p>
<p>First determine the portion of the CalWORKs payment that would be attributable to the ARC children in the CalWORKs AU.</p> <p>1) Start with the MAP for the current AU size of 4.</p> <p>2) Subtract the new smaller CalWORKs AU MAP size (current AU minus one ARC child). The difference is the portion of the CalWORKs payment that would have been attributed to that child.</p> <p>3) Repeat the process for the next child.</p> <p style="text-align: center;">↓</p>	<p>To ensure that no overpayment occurs, back out the payment already received in the prior AU.</p> <p>Using the example below, the children still receive the full basic foster care rate because they received the \$128/\$130 in the former CalWORKs AU.</p> <p style="text-align: center;">↓</p>	<p>The CalWORKs AU will now consist of the caregiver and her own child as an AU of two. The ARC children have been removed and placed into their own separate AUs of 1. No retro funds will be paid to the AU of 2 and no overpayment will be applied because the payment received on behalf of the nephew and niece have already been accounted for in Step Two. The CalWORKs AU will receive a new grant amount the next month as shown below.</p> <p style="text-align: center;">↓</p>
<p>\$800 MAP AU of 4 -\$670 MAP AU of 3 (Caregiver + 2) \$130 1st child's portion paid to AU</p> <p>\$670 MAP AU of 3 (Caregiver + 2) -\$542 MAP AU of 2 (Caregiver/Child) \$128 2nd child's portion paid to AU</p>	<p><u>Child one:</u></p> <p>ARC Supplemental Payment for Retro Month 13 year old:</p> <p>\$800 Basic Foster Care Rate -\$130 prior CalWORKs payment \$670 supplemental SGF payment</p> <p><u>Child two:</u></p> <p>ARC Supplemental Payment for Retro Month Nine year old:</p> <p>\$764 Basic Foster Care Rate -\$128 prior CalWORKs payment \$636 supplemental SGF payment</p>	<p>New CalWORKs AU of 2: \$542 MAP AU of 2 (Region 1)</p>

² This would vary depending on how many months the case was retroactive. This example is for a CalWORKs case that was retroactive from February 2015 back to January 2015. If a case was retroactive from April 2015 back to January 2015, the same steps would apply for each month but the new CalWORKs AU's grant amount would begin May 1, 2015.

STATEMENT OF FACTS SUPPORTING ELIGIBILITY FOR THE APPROVED RELATIVE CAREGIVER (ARC) FUNDING OPTION PROGRAM		COUNTY USE ONLY														
(PART ONE) INSTRUCTIONS: Please complete in ink all of the questions to the left of the heavy black line. If you need more space, attach another sheet of paper. Fill out this form for each eligible child/youth. If you need help filling out this form, please contact the child/youth’s social worker or eligibility worker.		CASE NAME														
1. Approved Relative Caregiver’s Name		CASE NUMBER														
2. Give us all the facts for this child/youth.		WORKER NAME AND NUMBER														
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 2px;">Child/Youth’s Name (First, Middle, Last)</td> <td style="width: 50%; padding: 2px;"> Sex <input type="checkbox"/> Male <input type="checkbox"/> Female </td> </tr> <tr> <td colspan="2" style="padding: 2px;">Address</td> </tr> <tr> <td style="width: 30%; padding: 2px;">Birthdate (Month/Day/Year)</td> <td style="padding: 2px;">Birthplace (City/State/Country)</td> </tr> <tr> <td colspan="2" style="padding: 2px;">Social Security Number</td> </tr> <tr> <td style="padding: 2px;">Citizen of U.S. A.?</td> <td style="padding: 2px;"> <input type="checkbox"/> YES <input type="checkbox"/> NO </td> </tr> <tr> <td style="padding: 2px;">Reside in the State of California?</td> <td style="padding: 2px;"> <input type="checkbox"/> YES <input type="checkbox"/> NO </td> </tr> <tr> <td colspan="2" style="padding: 2px;">Relationship of Child/Youth to the Relative Caregiver</td> </tr> </table>		Child/Youth’s Name (First, Middle, Last)	Sex <input type="checkbox"/> Male <input type="checkbox"/> Female	Address		Birthdate (Month/Day/Year)	Birthplace (City/State/Country)	Social Security Number		Citizen of U.S. A.?	<input type="checkbox"/> YES <input type="checkbox"/> NO	Reside in the State of California?	<input type="checkbox"/> YES <input type="checkbox"/> NO	Relationship of Child/Youth to the Relative Caregiver		DATE RECEIVED
Child/Youth’s Name (First, Middle, Last)	Sex <input type="checkbox"/> Male <input type="checkbox"/> Female															
Address																
Birthdate (Month/Day/Year)	Birthplace (City/State/Country)															
Social Security Number																
Citizen of U.S. A.?	<input type="checkbox"/> YES <input type="checkbox"/> NO															
Reside in the State of California?	<input type="checkbox"/> YES <input type="checkbox"/> NO															
Relationship of Child/Youth to the Relative Caregiver																
3. Is the child/youth currently receiving CalWORKs? <input type="checkbox"/> YES <input type="checkbox"/> NO If “YES”, list the CalWORKs Case No.: _____ and sign below (page two). If “NO”, you must complete Part Two, starting with #4, below.		Verification <input type="checkbox"/> SSN <input type="checkbox"/> Citizen <input type="checkbox"/> Eligible Noncitizen <input type="checkbox"/> California Residency Verification of Dependency Status <input type="checkbox"/> Dependency Order <input type="checkbox"/> Voluntary Placement Agreement _____ (end date) <input type="checkbox"/> SOC 158A <input type="checkbox"/> FC 3 Verification of Federal Funding Status <input type="checkbox"/> Eligible for federal AFDC-FC <input type="checkbox"/> Ineligible for federal AFDC-FC <input type="checkbox"/> SOC 158A <input type="checkbox"/> FC 3														
STATEMENT OF FACTS SUPPORTING CALWORKS ELIGIBILITY (PART TWO, ARC PROGRAM STATEMENT OF FACTS) NOTE: If you need help filling out this form, please contact the child/youth’s social worker or eligibility worker.		Verification <input type="checkbox"/> CalWORKS eligibility confirmed														
4. Does the child/youth have health insurance, including Medi-Cal? <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON’T KNOW If “YES”, list policy number, company name, and name of policy: For Medi-Cal, list the Medi-Cal Case No.:		Verification <input type="checkbox"/> FC 2 <input type="checkbox"/> Verification provided For Medi-Cal, Relative Caregiver chooses: <input type="checkbox"/> Managed Care <input type="checkbox"/> Fee for Service <input type="checkbox"/> FC 2														

5. Does the child/youth get or expect to get any income, such as: YES NO DON'T KNOW
Earnings, Supplemental Security Income/State Supplementary Payment (SSI/SSP), Social Security Benefits, Child Support, Veterans Benefits, etc.
 If "YES", complete below:

TYPE OF INCOME	AMOUNT (before deductions, if any)	WHEN	HOW OFTEN
	\$		

Will this income continue? YES NO
 If "NO", explain any known changes: DON'T KNOW

Verification provided

Income:
 Earned _____
 Unearned _____
 Exempt _____
 FC 2 _____

6. Does the child/youth own any property or have resources, such as: YES NO DON'T KNOW
cash, land, vehicle, motorcycle, bank accounts, trust funds, savings bonds, Native American per capita payments or trust funds, or other items?
 If "YES", complete below:

TYPE OF RESOURCE	ACCOUNT/POLICY NUMBER	NAME, ADDRESS OF BANK, ETC.	CURRENT VALUE
			\$
			\$

Verification provided
 Restricted account
 Exempt
 FC 2

CERTIFICATION

I understand that:

- I understand that giving false or misleading statements or misrepresenting, hiding or withholding facts to establish eligibility is fraud and that I may be subject to penalties under state and federal law if I provide false or untrue information. Fraud can cause a criminal case to be filed against me and/or I may be barred for a period of time (or life) from getting ARC benefits.
- I understand that Social Security Numbers or Immigration Status for household members applying for benefits may be shared with the appropriate government agencies as required by federal law.

I declare under penalty of perjury under the laws of the State of California that the information contained on this Statement of Facts is true, correct, and complete to the best of my knowledge.

SIGNATURE OF APPROVED RELATIVE CAREGIVER _____ **DATE** _____

COUNTY USE ONLY

INELIGIBLE (Reason) _____

ELIGIBLE
 Date Eligibility Conditions Met: _____ Authorization Date: _____

ARC Eligible
 CalWORKs Eligible
 ARC-only Eligible

Signature of County Worker _____ Date _____

Signature of Supervisor _____ Date _____

NOTES: