

January 13, 2011

COUNTY FISCAL LETTER (CFL) No. 10/11-42

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 DEPARTMENTS
ALL COUNTY FISCAL DIRECTORS
ALL COUNTY AUDITOR CONTROLLERS
ALL COUNTY PROBATION OFFICERS

SUBJECT: CLARIFICATION OF ADOPTION ASSISTANCE PROGRAM (AAP)
OVERPAYMENT SHARING RATIO PER SENATE BILL (SB) 84
(CHAPTER 177, STATUTES OF 2007)

REFERENCE: ALL COUNTY LETTER (ACL) No. 06-48, DATED 12/11/06;
ACL No. 09-64, DATED 12/17/09; WELFARE AND INSTITUTIONS
CODE (W&IC) SECTION 11466.23

This CFL provides clarification to counties regarding the sharing ratio to be used for the non-federal share of overpayments for the AAP.

Background

SB 84 provides that the sharing ratio between the state and counties for the non-federal share of overpayments in both Aid to Families with Dependent Children-Foster Care and AAP is 40 percent state and 60 percent county. This law became effective on July 1, 2009. Currently, the AAP overpayment sharing ratio differs from the program cost sharing ratio of 75 percent state and 25 percent county. The California Department of Social Services (CDSS) was subsequently notified the sharing ratio for AAP overpayments was incorrectly described in SB 84.

After extensive discussions between county representatives and CDSS, it was agreed to temporarily postpone implementation of the AAP overpayment recoupment sharing ratios that are established in SB 84, until January 1, 2012. This postponement will allow time for submittal of possible amendments to change the current overpayment sharing ratio. If legislation is not passed by January 1, 2012, to amend the overpayment recoupment sharing ratios, CDSS has no administrative authority to apply a different sharing ratio from what is required by current law. As a result, CDSS would be required to apply the sharing ratios authorized in W&IC section 11466.23.

The CDSS is temporarily implementing a technical adjustment to the Assistance Claim (CA 800) through December 31, 2011 to apply the AAP program cost sharing ratio of 75 percent state and 25 percent county to the overpayment recoupment sharing ratio. If reforming legislation is not enacted by January 1, 2012, CDSS will:

- Apply the overpayment recoupment sharing ratio authorized in SB 84 prospectively and
- Retroactively collect AAP overpayments at the ratio authorized in SB 84 back to the effective date of SB 84, which is July 1, 2009.

If you have any questions regarding this CFL, please direct them to the Fiscal Systems Bureau at fiscal.systems@dss.ca.gov.

Sincerely,

Original Document Signed By:

FRAN MUELLER
Deputy Director
Administrative Division