

October 6, 2011

COUNTY FISCAL LETTER (CFL) NO. 11/12-21

TO: COUNTY WELFARE DIRECTORS
COUNTY FISCAL OFFICERS
COUNTY AUDITOR CONTROLLERS

SUBJECT: PEER QUALITY CASE REVIEW (PQCR) ALLOCATION
METHODOLOGY FOR FISCAL YEAR (FY) 2011-12

This letter is to inform counties of the recently negotiated cost allocation methodology for costs charged to program code (PC) 088 PQCR. This methodology was the result of negotiations with the Federal Division of Cost Allocation for the County Welfare Department Cost Allocation Plan (CCAP). Counties must begin using this new allocation methodology beginning with claims submitted in the September Quarter of Fiscal Year (FY) 2011-12.

For all county claims submitted in FY 2009-10 and FY 2010-11, the California Department of Social Services (CDSS) will use the new PQCR cost allocation methodology for PC 088 and implement a state level adjustment during close-out. Counties will be held harmless during this close-out adjustment.

The federal government is requiring PQCR costs to be allocated to all benefiting programs instead of only Title IV-E. The CDSS developed a new cost allocation methodology to meet this requirement.

The description of this methodology is as follows:

1. Cost allocation must include all programs benefiting from activities and/or services benefitting PQCR. These programs include the Independent Living Program (ILP), Child Welfare Services (CWS), Minor Parent Services (MPS), Promoting Safe Stable Families (PSSF), Child Abuse prevention Intervention and Treatment (CAPIT), Family Preservation Program (FPP), Supportive Transitional Emancipation Program (STEP), Transitional Independent Living Plan (TILP), Supportive and Therapeutic Options Program (STOP), and Emergency Assistance-Emergency Response (EA-ER).

2. The State has concluded a review of PQCR activities. Based on this review, it has been determined that the most accurate and reasonable methodology for allocating the costs of these activities is a methodology based upon a statewide total of counties' social worker time study hours which benefit PQCR activities. The determination of PCs benefitting the PQCR activities was based upon descriptions of the time study codes and discussions with CDSS program staff.
3. The Title IV-E eligible costs will continue to be charged to PC 088 PQCR. The remaining costs are to be charged to PC 828, funded by General Fund.

The CCAP requires the counties to take the following steps in allocating and claiming PQCR costs:

1. Activities should be time studied to Time Study Codes 0881 and 8281 and/or charged to program identifier numbers (PINs) for PC 088 and PC 828.
2. Using the PQCR allocation methodology, re-allocate non-Title IV-E costs according to the percentages in the methodology. Effective July 1, 2011 Assembly Bill (AB) 118 (chapter 40, statutes of 2011) and ABX1 16 (Blumenfield) realigned the funding of CWS and therefore PC 828 is subject to the provisions of AB-118 per CFL 11/12-18 dated September 16, 2011. Per CFL 11/12-18, costs will be covered by the county with realignment funding using the State Use Only (SUO) overmatch codes. Therefore ledger 008 CWS will be set to 0 and costs charged to PC 828 will be covered by the county. The methodology based on FY 2010-11 statewide allocation percentages is shown below:

CODE	PROGRAM NAME	RATIO	PROGRAM
088	Peer Quality Case Review	0.6906	Title IV-E
828	Non IV-E PQCR	0.3094	State General Fund

Questions regarding this CFL should be directed to fiscal.systems@dss.ca.gov.

Sincerely,

Original Document Signed By:

DIANE OKAMOTO, Chief
Fiscal Systems and Accounting Branch