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January 24, 2012

COUNTY FISCAL LETTER (CFL) NO. 11/12-33

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY FISCAL OFFICERS
ALL COUNTY CHILD CARE COORDINATORS

SUBJECT: CLARIFICATION OF CALIFORNIA WORK OPPORTUNITY AND
RESPONSIBILITY TO KIDS (CalWORKs) CHILD CARE
PROGRAM CODES (PC)

REFERENCES: CFL NO. 00/01-53, DATED JANUARY 31, 2001
CFL NO. 00/01-04, DATED JULY 11, 2000
CFL NO. 99/00-44, DATED DECEMBER 20, 1999
CFL NO. 99/00-29, DATED SEPTEMBER 21, 1999
CFL NO. 99/00-27, DATED SEPTEMBER 16, 1999
CFL NO. 98/99-79, DATED JUNE 23, 1999
CFL NO. 98/99-76, DATED JUNE 18, 1999
CFL NO. 98/99-66, DATED MARCH 19, 1999
CFL NO. 98/99-62, DATED MARCH 19, 1999
45 CODE OF FEDERAL REGULATIONS (CFR) 260.31,
261.32(E), AND 265

This letter is to provide clarification of the child care PCs available for use on the County Expense Claim (CEC). Child care programs under CalWORKs are funded by either the federal Temporary Assistance for Needy Families (TANF) Block Grant or the state General Fund (GF). Below is a brief description of each PC, including the fund sharing ratio and direct cost Program Identifier Numbers (PINs):

PC 036 - Two-Parent Families (State Only) Stage One Child Care

This includes costs associated with the provision of child care services for Two-Parent families when both parents are simultaneously participating in an approved CalWORKs work activity. The sharing ratio for this program is 00/100/00/00 (Federal/State/Health/ County). The following direct cost PINs are available for PC 036:

036018	Child Care Services - Unemployed
036031	Contracted Activities - Unemployed
036032	Contracted Activities - Employed
036082	Child Care Services - Employed
036088-91	Support Operating Direct Charge Costs
036092	Casework OT/CTO Costs
036093	Support Staff OT/CTO Costs
036094	Start Up/Nonrecurring Costs

NOTE: Child care payments for unemployed former recipients should also be claimed to this PC.

PC 053 – Safety Net Child Care - Non-Assistance

This includes case management and related activities provided to employed Safety Net families, which include, but are not limited to: determining exemptions; arranging for the participant's entry into the Welfare to Work (WTW) component; referring clients to Tribal TANF for securing child care slots; arranging child care purchase of service contracts; matching participant needs to available services; authorizing/calculating child care payments and registration fees; preparing Notices of Actions; coordinating overpayment grant adjustments with the caseworker; fraud referrals; coordinating or consulting with other child care delivery systems; reviewing and verifying self-certification forms; maintaining records for parental complaints; and referral and verification activities in conjunction with local resource and referral agencies for families who select a license exempt child care provider under CalWORKs. The sharing ratio for this program is 00/100/00/00 (Federal/State/Health/County). The following direct cost PINs are available for PC 053:

053032	Contracted Activities - Employed
053082	Child Care Services - Employed
053088-91	Support Operating Direct Charge Costs
053092	Casework OT/CTO Costs
053093	Support Staff-OT/CTO Costs
053094	Start Up/Nonrecurring Costs

PC 054 – Safety Net Child Care - Assistance

This includes case management and related activities provided to unemployed Safety Net families, which include, but are not limited to: determining exemptions; arranging for the participant's entry into the WTW component; referring clients to Tribal TANF for securing child care slots; arranging child care purchase of service contracts; matching participant needs to available services; authorizing/calculating child care payments and registration fees; preparing Notices of Actions; coordinating overpayment grant adjustments with the caseworker; fraud referrals; coordinating or consulting with other child care delivery systems; review and verifying of self-certification forms; maintaining records for parental complaints; and referral and verification activities in conjunction with local resource and referral agencies for families who select a license exempt child care

provider under CalWORKs. The sharing ratio for this program is 00/100/00/00 (Federal/ State/Health/County). The following direct cost PINs are available for PC 054:

054018	Child Care Services - Unemployed
054031	Contracted Activities - Unemployed
054048	Timed-Out Child Care Pmts/Cntr
054088-91	Support Operating Direct Charge Costs

PC 453 - Stage One Child Care

This includes costs associated with the provision of child care services to those individuals who are newly working or beginning participation in a work activity while receiving TANF assistance payments. Child care services are provided under Stage One until the county determines that the family's child care situation is stable and a Stage Two slot is available. Please note that this PC is for all other families, excluding Two-Parent families, non-federal, and those unable to transfer to Stage Two or Stage Three. The sharing ratio for this program is 100/00/00/00 (Federal/State/Health/County). The following direct cost PINs are available for PC 453:

453018	Child Care Services - Unemployed
453031	Contracted Activities - Unemployed
453032	Contracted Activities - Employed
453082	Child Care Services - Employed
453088-91	Support Operating Direct Charge Costs
453092	Casework OT/CTO Costs
453093	Support Staff OT/CTO Costs
453094	Start Up/Nonrecurring Costs

PC 811 - State Only WTW Teen Parent Child Care

NOTE: State Only WTW Teen Parent Child Care was formerly called State Only Cal-Learn Child Care. Effective July 1, 2011, the CalWORKs Cal-Learn program was suspended for FY 2011-12, pursuant to Senate Bill (SB) 72 (Chapter 8, Statutes of 2011). Counties are required to transition Cal-Learn participants to the CalWORKs WTW program and all Cal-Learn program codes were renamed to WTW Teen Parent. Cal-Learn was implemented under a federal waiver, and as of April 1, 1999, that waiver expired. With the expiration of the federal waiver, sanctioned Cal-Learn teen parents and those cases in which the Assistance Unit (AU) contains a sanctioned Cal-Learn teen parent, are now "state only" cases. The sharing ratio for this program is 00/100/00/00 (Federal/State/Health/County). The following direct cost PINs are available for PC 811:

811018	Child Care Services - Unemployed
811031	Contracted Activities - Unemployed
811032	Contracted Activities - Employed
811082	Child Care Services - Employed
811088-91	Support Operating Direct Charge Costs

811092 Casework OT/CTO Costs
 811093 Support Staff OT/CTO Costs
 811094 Start Up/Nonrecurring Costs

PC 900 - Unable to Transfer Stage I to II

This includes child care costs associated with former recipients and current recipients that remain in Stage One Child Care because they cannot transfer into Stage Two. Continue claiming child care payments for unemployed former recipients to PC 036. The sharing ratio for this program is 100/00/00/00 (Federal/State/Health/County). The following direct cost PINs are available for PC 900:

900018 Child Care Services - Unemployed
 900031 Contracted Activities - Unemployed
 900032 Contracted Activities - Employed
 900082 Child Care Services - Employed
 900088-91 Support Operating Direct Charge Costs
 900092 Casework OT/CTO Costs
 900093 Support Staff OT/CTO Costs
 900094 Start Up/Nonrecurring Costs

PC 903 - Non-Federal Child Care

The state continues to provide state-funded aid to recent non-citizen entrants (RNEs) who are not federally eligible for TANF assistance. This population is defined as individuals who meet the federal requirements of a qualified alien but entered the U.S. on or after August 22, 1996, or meet the eligibility requirement of an alien as described in CDSS Eligibility and Assistance Standards (EAS) Manual 42-431. The sharing ratio for this program is 00/100/00/00 (Federal/State/Health/County). The following direct cost PINs are available for PC 903:

903018 Child Care Services - Unemployed
 903031 Contracted Activities - Unemployed
 903032 Contracted Activities - Employed
 903082 Child Care Services - Employed
 903088-91 Support Operating Direct Charge Costs
 903092 Casework OT/CTO Costs
 903093 Support Staff OT/CTO Costs
 903094 Start Up/Nonrecurring Costs

PC 905 - Stage Two Child Care

This is funded through the California Department of Education (CDE) and serves those individuals who are working or participating in a work activity while on aid once it is determined that they are in a stable situation, and those transitioning off aid due to increased employment. PC 905 permits counties who are Alternative Payment Program (APP) providers to identify their Stage Two Child Care costs, via the child care function on the CEC. The CDE is the responsible State agency for administering Stage Two

Child Care, which includes reimbursement of costs associated with securing child care slots. Stage Two is funded through the Child Care and Development Fund (CCDF), with state and local Maintenance of Effort (MOE) requirements. Since Stage Two Child Care is funded through CDE, there is no need to identify the costs as "assistance" or "non-assistance". The sharing ratio for this program is 00/00/00/100 (Federal/State/Health/County). The following direct cost PINs are available for PC 905:

905018	Child Care Services - Unemployed
905031	Contracted Activities - Unemployed
905088-91	Support Operating Direct Charge Costs
905093	Support Staff OT/CTO Costs
905094	Start Up/Nonrecurring Costs

PC 907 - Stage Three Child Care

This is funded through CDE and serves those who are transitioning off aid and the working poor. PC 907 permits counties who are APP providers to identify all Stage Three Child Care costs via the child care function on the CEC. The CDE is the responsible state agency for administering and reimbursing Stage Three Child Care. Stage Three is funded through the CCDF with state and local MOE requirements. Since Stage Three Child Care is funded through CDE, there is no need to identify the costs as "assistance" or "non-assistance". The sharing ratio for this program is 00/00/00/100 (Federal/State/Health/County). The following direct cost PINs are available for PC 907:

907018	Child Care Services - Unemployed
907031	Contracted Activities - Unemployed
907088-91	Support Operating Direct Charge Costs
907092	Casework OT/CTO Costs
907093	Support Staff OT/CTO Costs
907094	Start Up/Nonrecurring Costs

PC 909 - WTW Teen Parent Child Care

NOTE: WTW Teen Parent Child Care was formerly called Cal-Learn Child Care. Effective July 1, 2011, the CalWORKs Cal-Learn program was suspended for FY 2011-12, pursuant to SB 72 (Chapter 8, Statutes of 2011). Counties are required to transition Cal-Learn participants to the CalWORKs WTW program and all Cal-Learn program codes were renamed to WTW Teen Parent. The WTW Teen Parent program is for custodial teen parents under the age of 19 who have not obtained a high school diploma or the equivalent. PC 909 captures the costs of providing child care for those WTW Teen Parent participants who are receiving TANF assistance payments. The sharing ratio for this program is 100/00/00/00 (Federal/State/Health/County). The following direct cost PINs are available for PC 909:

909018 Child Care Services - Unemployed
 909031 Contracted Activities - Unemployed
 909032 Contracted Activities - Employed
 909082 Child Care Services - Employed
 909088-91 Support Operating Direct Charge Costs
 909092 Casework OT/CTO Costs
 909093 Support Staff OT/CTO Costs
 909094 Start Up/Nonrecurring Costs

PC 912 - Non-Federal WTW Teen Parent Child Care

Non-Federal WTW Teen Parent Child Care is available to capture activities related to the provision of child care services for recent non-citizen entrants who remain eligible under the CalWORKs WTW Program as “state only” cases. The sharing ratio for this program is 00/100/00/00 (Federal/State/Health/County). The following direct cost PINs are available for PC 912:

912018 Child Care Services - Unemployed
 912031 Contracted Activities - Unemployed
 912032 Contracted Activities - Employed
 912082 Child Care Services - Employed
 912088-91 Support Operating Direct Charge Costs
 912092 Casework OT/CTO Costs
 912093 Support Staff OT/CTO Costs
 912094 Start Up/Nonrecurring Costs

PC 906 - Child Care Capacity Building Program

With the implementation of CalWORKs, it became necessary to expand the availability of child care statewide with the recruitment of additional licensed child care providers, and to provide quality improvement training for both licensed and license-exempt child care providers. The continuing focus of the Capacity Building Program is on recruitment, providing incentives for participants to become licensed, quality improvement, supportive efforts to improve communications with providers, and ongoing coordination. The sharing ratio for this program is 100/00/00/00 (Federal/State/Health/ County). The following direct cost PINs are available for PC 906:

906031 Contracted Activities - Unemployed
 906088-91 Support Operating Direct Charge Costs
 906092 Casework OT/CTO Costs
 906093 Support Staff OT/CTO Costs
 906094 Start Up/Nonrecurring Costs

PC 901 - Child Care Health and Safety Self Certification

License-exempt child care providers must self-certify that they meet the health and safety requirements of the CCDF. The self-certification process is used to gather information from child care providers confirming that they meet the minimum health and

safety standards. The CCDF health and safety requirements apply to all child care programs. Aunts, uncles, and grandparents of the child in care are exempt from these requirements. The sharing ratio for this program is 100/00/00/00 (Federal/State/Health/County). The following direct cost PINs are available for PC 901:

901031	Contracted Activities - Unemployed
901032	Contracted Activities - Employed
901088-91	Support Operating Direct Charge Costs
901092	Casework OT/CTO Costs
901093	Support Staff OT/CTO Costs
901094	Start Up/Nonrecurring Costs

PC 902 - Child Care Trustline

The Trustline system is a registry of license-exempt child care providers who have had their backgrounds checked by the California Department of Justice to ensure they do not have disqualifying criminal convictions and/or records of substantiated child abuse. License-exempt child care providers are required to be Trustline registered in order to be eligible for payment (either directly or through reimbursement to the parent) if they care for the children of a CalWORKs eligible family. Providers who are the aunts, uncles, or grandparents of the child in care are exempt from the Trustline requirement. The sharing ratio for this program is 100/00/00/00 (Federal/State/Health/County). The following direct cost PINs are available for PC 902:

902031	Contracted Activities - Unemployed
902032	Contracted Activities - Employed
902088-91	Support Operating Direct Charge Costs
902092	Casework OT/CTO Costs
902093	Support Staff OT/CTO Costs
902094	Start Up/Nonrecurring Costs

PC 160 - Child Care Development Program

The Child Care and Development Program is a subsidy program for low-income working families administered by CDE with participating counties via a contract. The funds are available to reimburse the CWD for costs directly related to the provision of services set forth in each county's individual agreement with CDE. The sharing ratio for this program is 00/00/00/100 (Federal/State/Health/County). The following direct cost PINs are available for PC 160:

160018	Child Care Services - Unemployed
160088-91	Support Operating Direct Charge Costs
160092	Casework OT/CTO Costs
160093	Support Staff OT/CTO Costs
160094	Start Up/Nonrecurring Costs

Federal Reporting Requirements

As provided in 45 CFR 265, counties are required to report expenditures for child care as either Assistance (unemployed) or Non-Assistance (employed). The key factor for distinguishing the difference is the employment status of the recipient. Expenditures for recipients who are not employed are considered "Assistance". Expenditures for employed recipients are considered "Non-Assistance". The 45 CFR 260.31 definition of Assistance and Non-Assistance expenditures is shown below.

Assistance

Includes cash payments, vouchers, and other forms of benefits which are designed to meet a family's ongoing need (i.e. food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses) when these benefits:

- Are provided in the form of payments by a TANF agency or other agency on its behalf, to individual recipients.
- Are conditioned on participation in work experience or community service (or any other work activity under 45 CFR 261.30).
- Include supportive services such as transportation and child care provided to families who are **not employed** unless excluded below.

Non-Assistance

Includes non-recurrent and short-term benefits that:

- Are designed to deal with a specific crisis or episode of need.
- Will not extend beyond four months.
- Are work subsidies (i.e. payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training).
- Are supportive services such as child care and transportation to families that **are employed**.
- Are services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support.
- Are transportation benefits provided under a Job Access or Reverse Commute project to an individual who is not otherwise receiving assistance.

NOTE: The use of TANF funds for child care "assistance" for unemployed families (except for one-time, short-term diversion) initiates the federal 60-month time limit.

As a reminder, per CFL NO. 00/01-53, counties should not claim TANF funds for Safety Net, Two-Parent families, RNEs, or unemployed former recipients. These populations can be identified through the aid codes or tracked in the consortia systems. A Two-Parent family receiving federally-funded child care assistance, where at least

one adult is not disabled or caring for a severely disabled child, must participate in work activities for a total of at least 55 hours per week (45 CFR 261.32[e]).

When necessary, counties must manually adjust child care administrative expenditures to distinguish between Assistance (unemployed) and Non-Assistance (employed) costs to ensure claiming is made to the appropriate Type of Expense codes. Child care costs that are not properly claimed may be excluded.

Please send any questions or issues regarding this letter to Elani Flores, Fiscal Policy Analyst, at Elani.Flores@dss.ca.gov by February 8, 2012, so they can be addressed at the next Financial Analysis and Data Systems meeting. Subsequent questions after that date should be directed to: Fiscal.Systems@dss.ca.gov.

Sincerely,

Original Document Signed By:

FRAN MUELLER
Deputy Director
Administration Division