STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY

DEPARTMENT OF SOCIAL SERVICES
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March 20, 2015

COUNTY FISCAL LETTER (CFL) NO. 14/15-52

TO: ALL COUNTY WELFARE DIRECTORS
ALL CHILD WELFARE SERVICES PROGRAM MANAGERS
ALL COUNTY ELIGIBILITY SUPERVISORS
ALL FOSTER CARE MANAGERS
ALL COUNTY FISCAL OFFICERS
ALL CONSORTIA PROJECT MANAGERS
ALL CONSORTIUM REPRESENTATIVES
CHILD WELFARE SERVICES NEW SYSTEM
ALL COUNTY CALWORKS PROGRAM SPECIALISTS

SUBJECT: APPROVED RELATIVE CAREGIVERS FUNDING OPTION
PROGRAM CLAIMING INSTRUCTIONS

REFERENCE: ALL COUNTY LETTER (ACL) NO. 15-20, DATED FEBRUARY 13, 2015; CFL NO. 14/15-45, DATED FEBRUARY 4, 2015; ACL NO. 14-89, DATED DECEMBER 16, 2014; ACL NO. 14-58, DATED SEPTEMBER 22, 2014; ACL NO. 14-44, DATED JULY 28, 2014; SENATE BILL (SB) 855 (CHAPTER 29, STATUTES OF 2014); WELFARE AND INSTITUTIONS CODE (W&IC) SECTION 11461.3

This CFL provides counties with instructions for the claiming of the Approved Relative Caregiver (ARC) Program costs and disseminates the new ARC assistance claim. For further instruction on the implementation, county opt-in instructions and eligibility requirements of the ARC Program please refer to ACL No. 14-89, and ACL No. 15-20.

Background

The ARC Program was established in order to make the amount paid to **approved** relative caregivers with dependent children who are ineligible for Aid to Families with Dependent Children-Foster Care (AFDC-FC) payments equal to the amount paid on behalf of children who are eligible for AFDC-FC. To define, total ARC _payment_ means the total payment received by an approved relative caregiver, regardless of the funding source. ARC General Fund (ARC/GF) means the portion of the ARC payment that is funded by the amount of state general funds appropriated solely for the ARC Program.

ARC Eligibility Date

ARC payments shall be issued only to eligible ARC cases where the approved relative caregiver has submitted a signed application for ARC. As clarification to the date of ARC eligibility information provided in ACL 15-20, a case is considered eligible for ARC on the date the **approved** relative caregiver signs the ARC application or on the date that the relative is approved as meeting health and safety standards, whichever date is later. The home of the relative caregiver must be approved to meet health and safety standards that mirror those for a licensed Foster Care parent before the case can be considered an approved relative placement. Until the home of the relative caregiver is approved, the case is not eligible for ARC.

The ARC Program process for cases whose relative placements are pending approval and who are already approved for CalWORKs eligibility is still being developed. More information will be published under separate cover.

ARC Funding and Payments

The total ARC payment will be comprised of the applicable regional CalWORKs Maximum Aid Payment (MAP) and the remainder will be funded with ARC/GF, as described in ACL No. 14-89. Counties will be required to share in the ARC/GF portion of the total ARC payment if the ARC/GF fund source is exhausted. Further information about the ARC/GF preliminary base calculation for each individual county will be provided in a forthcoming CFL.

The total ARC payment made to approved relative caregivers will be equivalent to the basic Foster Care rate paid to federally eligible relative caregivers. The AFDC-FC Basic Foster Care Rate is determined by the age of the dependent child as displayed below. Current AFDC-FC basic Foster Care rates can be found in ACL No. 14-44, dated July 28, 2014.

Table One

AFDC-FC Basic Foster Care Rate				
Birth - 4	5 - 8	9 - 11	12 - 14	15 - 20
$671[1]	$726[1]	$764[1]	$800[1]	$838[1]

Per ACL No. 14-58, dated September 22, 2014, typically the CalWORKs MAP amount is determined by whether the county of residence is a Region 1 or a Region 2 county. However, for the ARC Program, the CalWORKs portion of the ARC payment will be based on the regional exempt MAP amount in the county of jurisdiction. The ARC child is considered a CalWORKs exempt Assistance Unit (AU) of 1 for purposes of determining the CalWORKs MAP amount.

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[1] AFDC-FC rate is current through June 30, 2015.

Table Two

CalWORKs MAP	
Region 1	Region 2
MAP Exempt $369[2]	MAP Exempt $351[2]

The total ARC payment made to the ARC AU will be equal to the basic Foster Care rate (Table One) and will include the CalWORKs MAP amount for the county of court jurisdiction (Table Two [if applicable]). The funding share of an AU's grant will vary based on CalWORKs eligibility, the age of the child, whether the county of jurisdiction is Region 1 or Region 2. Please see ACL 14-58 for increases to the CalWORKs MAP amounts, effective April 1, 2015. Future changes to the CalWORKs MAP will be issued in subsequent ACLs.

Assistance Claiming Instructions

Effective with the March 2015 claiming month, five new aid codes will be available for use on the CA 800 ARC claim (Attachment I), which will be utilized to capture assistance costs associated with the ARC Program. The ARC claim will be available for download from the California Department of Social Services' (CDSS) Extranet. Attachment II provides instructions for completing the ARC claim, which must be submitted monthly, within 20 calendar days after the end of the previous month. All counties that have opted in must submit a monthly claim, even if they have no ARC cases for that month.

Aid Codes

Five aid codes have been established to track and claim ARC Program costs. Until the codes are available in the Medi-Cal Eligibility Determination System (MEDS), counties are requested to maintain the pertinent case/recipient data to allow retroactive identification of cases by aid code in the MEDS system. Three of these aid codes (2S, 2T and 2P) include funds that are countable toward the State's Temporary Assistance for Needy Families' Maintenance of Effort (MOE) requirement. The new aid codes and funding for the ARC Program will be the following:

2S - ARC Funding Option + federal CalWORKs

2T - ARC Funding Option + State CalWORKs

2U - ARC Funding Option + State CalWORKs (for Non-Minor Dependents)

2P - ARC Funding only (State General Fund)

2R - ARC Funding only (State General Fund [Non-Minor Dependents])

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[2] This CalWORKs MAP amount is current through March 31, 2015.

Please note that these aid codes are assigned based on eligibility for CalWORKs and whether or not the ARC case is for a non-minor dependent. Because these aid codes are not currently available in MEDS, counties must ensure that grant payments are issued in such a way that ARC cases do not lose their Medi-Cal eligibility.

Retroactive Claiming Option

Counties that implement the ARC Program by June 30, 2015, may elect to make retroactive ARC payments for eligible ARC recipients back to January 1, 2015. The retroactive payments should apply only to approved relative caregivers who currently have the ARC-eligible child in their placement. Approved Relative Caregivers who no longer have the ARC-eligible child in their placement may not receive retroactive payments for the months the child was in their placement.

These retroactive payments will be entirely funded with ARC/GF and are a county-option, not a requirement. If a county chooses to issue retroactive ARC payments, please notify CDSS in writing via an email with the subject line noting "Retroactivity Option" to the ARC mailbox at ARCFO@dss.ca.gov. If a county chooses to opt in and does not implement the ARC Program until after June 30, 2015, the county cannot elect to make retroactive payments. If implementing after June 30, 2015, the county must begin payments with the county's actual ARC Program implementation date.

Please refer to ACL No. 15-20 for clarification on opting in to the ARC Program (page seven), the county implementation date (page eight), instructions on determining recipient eligibility (page six) and the calculation of the retroactive ARC payment (Attachment II).

If a county elects to make retroactive ARC payments, there must be calculations performed outside of the claim to ensure that the AU is not drawing down cash aid in excess of the basic Foster Care rate for months that a CalWORKs payment has already been made. See Attachment II of ACL No. 15-20 for guidance on how county staff would determine the retroactive grant amount. Senate Bill 855 (Chapter 29, Statutes of 2014) provided a five percent increase to CalWORKs MAP levels. On April 1, 2015, CalWORKs MAP amounts will increase and CWDs must remain cognizant of this change while performing manual calculations and completing the ARC claim. When calculating retroactive ARC payments, CalWORKs MAP levels must be calculated in accordance with the CalWORKs MAP applicable to the retroactive month.

Retroactive ARC payments will be entirely funded with 100 percent ARC/GF. Counties are instructed to claim retroactive payments on *Line 2 – Current Month Supplemental Payroll* of the ARC claim. Retroactive ARC payments will not be funded with CalWORKs and as such, no amount should be entered on *Line 14 – CalWORKs Portion.*

CalWORKs Share

The CA 800 ARC claim has several unique components. The total AU count entered in

Line 13 - Assistance Units should include the number of AUs who received a full ARC payment during the month and also the number of AUs who received a partial month payment. In order to reflect the appropriate CalWORKs share of the total ARC payment, the county must complete a two-step, manual calculation. The CWD should first take the number of AUs that receive the full ARC payment and multiply it by the applicable Region 1 or Region 2 CalWORKs MAP for the county of jurisdiction. Enter the resulting amount on *Line 14 - CalWORKs Portion*. The number of AU used for this calculation should be entered on *Line 13*.

After completing the calculation for ARC cases that have received a full payment and inputting that amount on *Line 14 - CalWORKs Portion*, next, CWDs should compute the prorated cases' CalWORKs portion and add this amount to *Line 14 - CalWORKs Portion*. Please see 'Proration of the ARC Grant' section for further details. The CWDs should remain cognizant of the fact that the prorated month of partial aid and the full month of aid may need to be calculated using different CalWORKs MAP amounts. The number of AU used for this calculation should be added into *Line 13*.

For step-by-step guidance, please see the below table in order to ensure that the appropriate amount of CalWORKs funding and the correct AU count are captured on the ARC claim. Retroactive months should not be included in *Line 13 - Assistance Units or Line 14 - CalWORKs Portion*.

On *Line 13 - Assistance Units*, input AU count for cases that received a full payment for the month. These cases are typically considered "ongoing" rather than "new" cases.	Multiply that AU count by the regional CalWORKs MAP amount applicable to the claiming month and input this amount on *Line 14 - CalWORKs Portion*.	Determine the number of AUs receiving a prorated ARC payment for the month, typically considered a "new" case, and add this number to the existing count on *Line 13 - Assistance Units.*	Calculate the amount of CalWORKs funds included in total prorated ARC payment.[3] Enter the amount on *Line 14 - CalWORKs Portion*.

Proration of ARC Payment

The policy decision to prorate the ARC payments is discussed in ACL No. 15-20 under the 'Beginning Date of Aid' section on page nine. Consistent with CalWORKs regulations, for the first month of cash assistance the ARC payment made to a recipient will be prorated back to the date the approved relative caregiver signs the ARC application for the ARC Program or the date the relative is approved, whichever is later. Proration of the total ARC payment applies to both the ARC/GF portion and the CalWORKs portion, if applicable to the aid code. To draw down the funds attributable to CalWORKs, the county should enter the

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[3] CWDs should remain cognizant of CalWORKs MAP increases when completing manual calculations.

prorated CalWORKs portion on *Line 14 - CalWORKs Portion*. ARC recipients that receive a prorated first month payment should be included as an AU count on *Line 13 - Assistance Units* in addition to the AUs with full months of cash assistance payments.

Prorating the CalWORKs portion will function in several ways. It will depend on whether the case is new and has not previously received aid for that month in the CalWORKs Program. If the case is an existing CalWORKs case prior to being eligible for ARC, proration will depend on whether the CalWORKs AU included other CalWORKs recipients. Proration will also depend on whether or not the county is choosing to utilize the retroactivity option described on page four of this CFL. Additionally, it will depend on whether there is a CalWORKs Inter-County Transfer involved between the county of residence and the county of jurisdiction for the ARC case.

For **new cases**, the county should prorate the CalWORKs MAP for that month based on the number of days in the month the child is eligible for the ARC Program. For example, a new ARC case in aid code 2S, eligible for 18 days of February 2015 should have a percent-to-total ratio applied to the CalWORKs MAP for February. This amount should be summed into the amount on *Line 14 - CalWORKs Portion*.

For **existing CalWORKs cases**, the county must perform manual calculations to account for the CalWORKs aid payment already paid to the existing CalWORKs AU for that month. In certain CalWORKs cases, such as an AU of one in aid code 3R, the CalWORKs MAP will have already been fully paid for that month. In other CalWORKs cases, the ARC case may be entitled to an additional CalWORKs portion for the initial month. The proration should be done in such a way that ensures there is an appropriate share of CalWORKs dollars utilized in the total (prorated) ARC payment and also ensures the total (prorated) ARC payment summed with the payment already received in the CalWORKs Program does not exceed the basic Foster Care rate for that month. The prorated CalWORKs amount should be summed into the amount on *Line 14 - CalWORKs Portion*.

The general guidance provided above will be supplemented with examples of proration for a variety of case situations. This supplemental guidance will be provided under separate cover.

Pending CalWORKs Determinations

When a child is ARC-eligible, the ARC payment should commence upon the date the child is determined to be ARC eligible, which includes being in an approved placement. In a rare number of cases, the determination of eligibility for CalWORKs may still be pending after the child is determined to be ARC-eligible. In order to expedite issuance of ARC payments, cases with pending CalWORKs eligibility determinations should be temporarily identified using aid code 2P or 2R, as applicable, until the CalWORKs determination is made. After the CalWORKs determination is complete, cases should be identified with the appropriate ARC aid code and adjustments should be made to *Line 14 - CalWORKs Portion*, to properly reflect the applicable amount of CalWORKs funds that the case was eligible for during the pending determination time period.

The ARC Program policy for pending CalWORKs cases is discussed in ACL No. 15-20 under 'The ARC Program Application, Income Eligibility and Grant Calculation' section on page six.

Overpayments

In consultation with the County Welfare Directors Association, overpayments for the ARC Program will be addressed under separate cover.

Administrative Claiming Instructions

Eligibility activities conducted for these cases will continue to be claimed via current CalWORKs eligibility Program Codes (PCs). County case workers and social workers should continue claiming case management for the associated Foster Care activities to the Foster Care administration PCs.

If you have questions regarding this letter, please direct them to fiscal.systems@dss.ca.gov.

Sincerely,

Original Document Signed By:

LILIA A. YOUNG, Chief
Fiscal Forecasting and Policy Branch

Attachments

Attachment I

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

SUMMARY REPORT OF ASSISTANCE EXPENDITURES
CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs)
 APPROVED RELATIVE CAREGIVER (ARC)

County	Date (Month/Year)
Claim Contact	Telephone

Sharing Ratio

Aid Code	2S	2T and 2U	2P and 2R
Fed/State/County 2011	0.9286		
State/County 2011		0.9048	
County	0.0238	0.0476	
ARC			1.0000
AB 85 MAP Increase	0.0476	0.0476	

	CalWORKs Federal	CalWORKs State	CalWORKs State (Non-Minor Dependents)	ARC Only	ARC Only (Non-Minor Dependents)	Total
Aid Code	**2S**	**2T**	**2U**	**2P**	**2R**	
Current Month						
1 Main Payroll						-
2 Current Month Supplemental Payroll						-
3 Current Month Cancellation Contra Roll						-
4 Prior Month Supplemental Payroll						-
5 Current Month Adjustment						-
6 **Subtotal (Lines 1 - 5)**	-	-	-	-	-	-
Prior Month						
7 Prior Month Cancellation Contra Roll						-
8 Recoveries of Aid						-
9 Prior Month Negative Adjustment						-
10 Prior Month Positive Adjustment						-
11 **Subtotal (Lines 7 - 10)**	-	-	-	-	-	-
12 **TOTAL AID PAYMENTS, Current + Prior Months**	-	-	-	-	-	-
13 **Assistance Units**						-
14 **CalWORKs Portion**						-
15 **ARC Portion**	-	-	-	-	-	-

Region 1   369
Region 2   351

Sharing Ratio Formula

Aid Code	2S	2T and 2U	2P and 2R
Fed/State/County 2011	0.975/105%=92.86%		
State/County 2011		0.95/105%=90.48%	
County	0.025/105%=2.38%	0.05/105%=4.76%	
			1.0000
AB 85 MAP Increase	0.05/105%=4.76%	0.05/105%=4.76%	1.0000

5.00%
AB85 MAP Increase   Cumulative Total
Effective April 2014   5%   5%

SUMMARY BY FUNDING	ARC (State)	State/County 2011*	Fed/State/County 2011*	County	AB85 MAP Increase (State)**	Total
16 CalWORKs Federal (2S)			-		-	-
17 CalWORKs State (2T)	-	-		-	-	-
18 CalWORKs State (2U) - Non-Minor Dependents	-	-		-	-	-
19 ARC (2P)	-					-
20 ARC (2R) - Non-Minor Dependents	-					-
Total	-	-	-	-	-	-

* As it relates to CalWORKs Maintenance of Effort (MOE) and the Realignment Family Support subaccounts

** As it relates to Child Proverty Supplemental subaccount

Last Modified: 1/19/2015

INSTRUCTIONS FOR FORM CA 800 ARC
SUMMARY REPORT OF ASSISTANCE EXPENDITURES
APPROVED RELATIVE CAREGIVER

General Information
1. Enter county name, and month and year of claim in space provided.
2. Enter name and telephone number of county staff person to be contacted if there are any questions regarding the claim.
3. This form is pre-programmed to round all amounts to the nearest dollar.

Current Month
For each column:
4. Lines 1 through 5: Enter the amounts shown on the integrated payroll summary. For non-integrated payrolls, enter the grand totals shown for each payroll. Retroactive ARC payments should be detailed on Line 2 and an AU count should not be included on Line 13. Only current month adjustments should be entered on Line 5.
5. Line 6: Subtotal of Lines 1 through 5. This amount will calculate automatically.

Prior Month
For each column:
6. Line 7: Enter the amounts shown on the integrated payroll summary. For non-integrated payrolls, enter the grand totals shown for each contra-roll.
7. Line 8: Enter the total of all cash recovered in this month for aid paid in a prior month. This includes cash abatements or repayments of overpayments received during this report month and must be a negative number. Do not add a number to the Assistance Units line (line 13) when including cash abatements or repayments of overpayments received on this line.
8. Line 9: Enter the total of all prior month negative adjustments which decrease money amounts that were claimed in a prior month summary report.
9. Line 10: Enter the amounts shown on the separate listing for prior month positive adjustments which were or should have been claimed on a prior month Summary Report.
10. Line 11: Subtotal of Lines 7 through 10. This amount will calculate automatically.

Total
11. Line 12: Total Aid Payments, current and prior months. This amount will calculate automatically.

Assistance Unit
12. Line 13: Enter the number of Assistance Unit(s). This must be an unduplicated count that represents only the number of AUs that received a full aid payment or a partial (pro-rated) payment during the month. Retroactive months should not be included in Line 13. There should only be one AU count for a case during the claiming month.

CalWORKs Portion
13. Line 14: Enter the total CalWORKs Portion of the amount listed on Line 1 for all payments made under aid codes 2S, 2T and 2U. This includes the CalWORKs portion of all pro-rated payments and the CalWORKs portion attributable to the AU counts in Line 13.

ARC Portion
14. Line 15: Total ARC share. This amount will calculate automatically.

Summary by Funding
14. Lines 15 through 19: This form will calculate the ARC, state/county 2011, federal/state/county 2011, county and AB85 Map Increase shares automatically by aid code.