

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



March 30, 2007

COUNTY FISCAL LETTER (CFL) 06/07-28

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY FISCAL OFFICERS
ALL COUNTY AUDITOR CONTROLLERS
ALL COUNTY PROBATION OFFICERS

SUBJECT: CLAIMING INSTRUCTIONS RESULTING FROM THE FEDERAL
DEFICIT REDUCTION ACT LIMITATIONS FOR TITLE IV-E
REIMBURSEMENT OF ADMINISTRATIVE COSTS

REFERENCE: CFL NO. 05/06-44, DATED APRIL 18, 2006; FEDERAL
PROGRAM INSTRUCTION ACYF-CB-PI-06-06 DATED
AUGUST 23, 2006; CFL 92/93-02, DATED JULY 1, 1992.

This CFL provides County Welfare Departments (CWDs) and County Probation Departments (CPDs) with claiming instructions to comply with the restrictions for the reimbursement of Title IV-E administrative costs brought about by the passage of the Deficit Reduction Act (DRA) as signed into law February 8, 2006.

At this time, these claiming instructions are effective for a retroactive period beginning April 1, 2006 through the June 30, 2007 quarter. A subsequent CFL will be issued for claiming instructions prospectively, effective July 1, 2007.

DRA IMPLEMENTATION

Title 4, Section 472 i(1)(B) of the Social Security Act limits Title IV-E reimbursement of administrative costs to a period of not more than one calendar month when a child moves from a facility not eligible for payments under this part into a foster family home or child care institution licensed or approved by the State. Federally ineligible facilities are non-foster care settings including juvenile detention facilities, forestry camps, training schools, public institutions that accommodate more than 25 children, and medical and mental health hospitals. CWDs and CPDs may not claim administrative costs for Title IV-E reimbursement while a child is in a non-foster care setting with the exception of one calendar month immediately preceding a child's placement into a federally eligible facility (licensed foster family home, approved relative home, or licensed group home not operated primarily for the detention of delinquent children). For purposes of this CFL, a child in this situation will be referred to as "an otherwise Title IV-E eligible child."

California Department of Social Services (CDSS) has received federal guidance regarding the parameter for claiming costs for "one calendar month," as required by the DRA. The child may be counted as federally eligible beginning the first day of the month which immediately precedes the month in which the child is placed in a federally eligible facility.

Examples

An otherwise Title IV-E eligible child who had been hospitalized beginning September 1, 2006, is moved from the hospital to a licensed foster family home on January 25, 2007. Federal Financial Participation (FFP) may be claimed beginning December 1, 2006 through January 25, 2007, and for as long as the child remains federally eligible and in a federally eligible facility.

An otherwise Title IV-E eligible child is removed from home on November 15, 2006, is immediately placed into a county's federally ineligible receiving shelter, and remains in that shelter until December 2, 2006, at which time the child is moved to a licensed foster family home. Administrative costs associated with the otherwise Title IV-E eligible child can be claimed beginning November 15, 2006.

An otherwise Title IV-E eligible child is transitioning from a detention facility to a Title IV-E eligible foster care placement. Administrative costs associated with the child, e.g., case management, may be claimed for the calendar month that immediately precedes the month in which the child moves to the licensed facility. For example, if the child is moved from a detention center to a licensed group home on January 15, 2007, administrative costs associated with the child may be claimed beginning December 1, 2006.

RETROACTIVE AND CURRENT YEAR CLAIM ADJUSTMENT – COUNTY WELFARE DEPARTMENTS

CFL No. 05/06-44 instructed counties to flag cases opened on or after February 8, 2006 that may be impacted by the DRA. In order to account for the one calendar month limitation for Title IV-E reimbursement for these cases, counties must submit an adjustment claim for the June, September, and December 2006 quarters to amend the federal/nonfederal caseload count. Counties will be allowed to use the same data source to amend the federal/nonfederal caseload count in the adjustment claims as was used in the original claim (i.e., CA 800 or CA 237 FC) and may use a mid-month or three month total.

Cases that were flagged and determined to be non-federally eligible based on the new federal restrictions are to be subtracted from the previously reported federal caseload count, and added to the previously reported non-federal caseload count in the June, September, and December quarter adjustment claims. Each county's federal discount rate will be adjusted as necessary, based on their revised federal/nonfederal ratio. This same methodology must be used for both the March and June 2007 quarters.

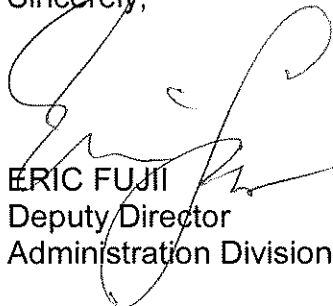
RETROACTIVE AND CURRENT YEAR CLAIM ADJUSTMENT – PROBATION

CPDs must submit revised invoices to the CWDs for the June, September, and December 2006 quarters that make the necessary claim adjustments to account for cases that were flagged based on the requirements of the DRA. CPDs must work closely with CWDs to ensure that eligible administrative costs are only claimed for federal reimbursement for the last calendar month prior to the child moving from a federally ineligible to eligible facility. These same adjustments must be made and reported in the March and June 2007 quarter invoices submitted to the CWDs.

Per an agreement between CDSS, County Welfare Directors Association, and Chief Probation Officers of California, and in view of the time constraints in meeting the April 2, 2007 due date for the June 2006 adjustment quarter claim, we are extending the due date for this adjustment quarter to Monday, April 9, 2007.

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

Sincerely,



ERIC FUJII
Deputy Director
Administration Division

c: County Welfare Directors Association
Chief Probation Officers of California