



CDSS

WILL LIGHTBOURNE  
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY  
**DEPARTMENT OF SOCIAL SERVICES**  
744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



EDMUND G. BROWN JR.  
GOVERNOR

December 31, 2012

COUNTY FISCAL LETTER (CFL) NO. 12/13-24

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY FISCAL OFFICERS  
ALL COUNTY AUDITOR CONTROLLERS  
ALL COUNTY PROBATION OFFICERS  
ALL TITLE IV-E AGREEMENT TRIBES

SUBJECT: FOSTER CARE TITLE IV-E NON-FEDERAL DISCOUNT RATE  
CLARIFICATION

REFERENCE: ALL COUNTY LETTER (ACL) 12-64, DATED DECEMBER 3, 2012  
CFL NO. 12/13-17, DATED OCTOBER 8, 2012  
CFL NO. 11/12-53, DATED JUNE 29, 2012  
CFL NO. 11/12-50, DATED APRIL 24, 2012  
CFL NO. 10/11-64, DATED MAY 2, 2011  
CFL NO. 07/08-31E, DATED MARCH 27, 2008  
CFL NO. 07/08-31, DATED DECEMBER 13, 2007

This letter clarifies instructions for calculation of the Title IV-E non-federal discount rate that is used to determine the amount of administrative costs associated with non-federally eligible foster care cases. A recent federal review identified findings associated with how cases are reported in the development of the Title IV-E non-federal discount rate. To correct the findings, the California Department of Social Services (CDSS) has revised the instructions for developing the Title IV-E non-federal discount rate. The revised instructions are outlined below.

In addition, a template is attached for use by County Welfare Departments (CWDs) to link all of the adjustments made to the persons counts reported on the County Expense Claim (CEC) with those reported on the Foster Care County Assistance Claims (CA 800s) and other county reports used to capture the persons counts. This template provides a standardized format to capture uniform documentation for how the Title IV-E non-federal discount rate was calculated for reporting and record-keeping purposes.

**Title IV-E Non-Federal Discount Rate Calculation**

The Title IV-E non-federal discount rate is the state’s federally-approved methodology for allocating costs to the benefiting programs. Each county must calculate its own Title IV-E non-federal discount rate on a quarterly basis using the approved methodology outlined in this CFL. This methodology must be applied uniformly statewide to meet federal cost allocation plan requirements for consistent and equitable treatment of costs as required by the Office of Management and Budget Circular A-87, Attachment A, Part C.f.

Counties may choose one of two options for calculating the Title IV-E non-federal discount rate used on the CEC:

- 1) Use a single county rate based on combined CWD and County Probation Department (CPD) foster care cases.
- 2) Calculate separate rates for CWDs and CPDs based on their respective foster care populations.

Under both options, the CWD is responsible for reporting the ratio calculation. The CWD will provide the quarterly Title IV-E non-federal discount rate to the CPD, which may then apply the Title IV-E non-federal discount rate to eligible costs prior to submitting invoices to the CWD or have the CWD apply the Title IV-E non-federal discount rate on the CPD's behalf before costs are claimed on the CEC.

The Title IV-E non-federal discount rate is computed as follows:

**Numerator:** Unduplicated Title IV-E eligible cases (see below for description).

**Divided by**

**Denominator:** Total of all Title IV-E eligible and Non-Title IV-E eligible cases, including Emergency Assistance-Foster Care, State-Only Foster Care, County/Tribe-only Foster Care and any other open child welfare case managed by the social worker, as described in the section titled "Composition of Cases/Cost Data" below.

As outlined in [CFL No. 07/08-31](#), the CA 800s must be the data source used for reporting the federal foster care (Aid Codes 42 and 49), state-only foster care (Aid Codes 40 and 43) and emergency assistance foster care (Aid Code 5K) caseload information on the CEC.

To reflect the entire universe of foster care children, counties are required to maintain records and report the count of all county-only and non-Title IV-E funded foster care cases (for example, Aid Codes 45 or 9X), including prior month adjustments, in a manner similar to the methodology used for Aid Codes 42, 49, 40, 43 and 5K.

**Composition of Cases/Cost Data**

A. Title IV-E eligible cases include:

- All Title IV-E eligible placements, including prior month adjustments as reported in the total persons count cells on the county's monthly CA 800s listed below:
  - The CA 800FC FED form for Aid Code 42.
  - The CA 800FC EFC TEMP FED form for Aid Code 49.
  - The RBS FC / EFC FED form for the appropriate Aid Code 42 or 49.

A case paid under more than one aid code during a single month may be counted on the federally-eligible persons counts as long as the case was Title IV-E eligible for at least one day during the month. The Title IV-E eligible persons count must be unduplicated; no case should be counted under more than one aid code for the same case-month.

Payments on the case should be separately reported under each aid type for the portion of the month the case was eligible under that aid type. These counts will exclude counts of children placed in unapproved non-related extended family member placements for any length of time pending approval.

- The following cases can also be reported as federally-eligible:
  - Wraparound is an alternative to group home placement and should be claimed as indicated above. For a federally-eligible child in a Title IV-E eligible placement, the county can claim the actual placement costs on the CA 800FC FED. These cases should be counted as federally-eligible in the Title IV-E non-federal discount rate calculation.
  - Emergency Assistance cases paid for children that were otherwise determined to be eligible for Title IV-E funding and are placed with unapproved relatives for no more than four months pending approval of the home, excluding unapproved non-related extended family members<sup>1</sup>. This includes any applicable prior month adjustments in this category recognized during the reporting period that are included on the CA 800A FED and RBS FC / EFC FED forms for Aid Code 5K. Only the portion of 5K cases meeting the above criteria and appearing on the persons count cells in either form are eligible to be reported as federally-eligible cases.
  - Foster Care cases paid with county funds for children that were otherwise determined to be eligible for Title IV-E funding and placed with unapproved relatives for no more than four months pending approval of the home, excluding unapproved non-related extended family members. This includes any applicable prior month adjustments in this category recognized during the reporting period.
  - All other cases paid with Supplemental Security Income funds for children otherwise determined to be eligible for Title IV-E funding. This includes all applicable prior month adjustments recognized during the reporting period.

B. Non-federal cases include:

- Non-federally-eligible cases, including all prior month adjustments, as reported in the total persons count cells on the county's monthly CA 800s listed below:
  - The CA 800FC NONFED form for Aid Code 40.
  - The CA 800FC EFC TEMP NONFED form for Aid Code 43.
  - The RBS FC / EFC NONFED form for the appropriate Aid Code 40 or 43.

<sup>1</sup> Instructions on non-related extended family members applied in accordance with the definition of relative cited in 45 CFR 233.90(c)(1)(v) and [ACL 12-64](#).

This includes any cases where the child is placed with an unapproved relative for more than four months pending approval of the home, including unapproved non-related extended family members pending approval for any length of time.

- If a child in Wraparound is not Title IV-E eligible and/or is *not* in an eligible Title IV-E placement, the county should not claim the actual placement costs on the CA 800FC FED. The child should be counted as non-federally-eligible in the Title IV-E non-federal discount rate calculation.
- Emergency Assistance foster care placements for non-federally-eligible cases (including prior month adjustments not otherwise counted in the above bullets) that are reported on the CA 800A FED or RBS FC / EFC FED for Aid Code 5K in the persons count cells in either form. This includes any cases where the child is placed with an unapproved relative for more than four months pending approval of the home, including unapproved non-related extended family members pending approval for any length of time.
- County-funded foster care placements tracked separately (i.e., Aid Code 45 and/or 9X, etc.), which include non-related extended family members pending approval of the home. Examples of county-funded foster care placements include Permanently Residing Under the Color of Law (PRUCOL) children placed with relatives, undocumented children with no PRUCOL, children whose placement costs exceed the amount that can be paid through foster care funding sources, children placed in “for profit” facilities, children remaining in placement due to jurisdiction termination, etc.

#### C. Reconciliation between the CA 800 Persons Count and the CEC Persons Count

- The template included in this CFL must be filled out quarterly and submitted with the CEC. This template links the persons counts reported on the CA 800 assistance claim forms with what is reported on the CEC. The template will also be made available through the all-county email that transmits the CEC template each quarter.

To complete the attached template:

- Part A, Items 1-4:  
Enter the number of federally-eligible foster care cases as they appear during the quarter in the county’s CA 800FC FED form for Aid Code 42, the CA 800FC EFC TEMP FED form for Aid Code 49 and the RBS FC / EFC FED form for the appropriate Aid Code 42 or 49. Complete items two through four as described previously in “Composition of Cases/Cost Data,” Section A. Include source information for items three and four in the appropriate column.
- Part B, Items 5-8:  
Enter the number of non-Title IV-E eligible cases as described previously in “Composition of Cases/Cost Data,” Section B. Entering persons counts for the non-federal foster care cases is done the same way as the federal cases and should be entered in the non-federal cells. Include source information in the appropriate column for items seven and eight.
- Subtract non-dependent non-related legal guardian (NRLG) cases from the non-Title IV-E eligible cases below Part A and Part B.

- Effective with the December 2012 quarter, counties must submit the attached “AFDC Foster Care – Federal and Non-Federal Persons Count” template with the quarterly CEC claim. If probation cases are not included in the total persons count, the county must submit a separate template identifying how the probation Title IV-E non-federal discount rate is calculated. Receipt of this reconciliation document is required before the county’s CEC will be processed.

D. Additional information for calculating the Title IV-E non-federal discount rate:

- Cases involving minor parents in foster care placed with their child(ren) should be reflected as one count.
- Cases paid under the Seriously Emotionally Disturbed program for children who have been placed in out-of-home care by an individualized education program team are not counted because the program has been moved to the California Department of Education and the cases no longer receive case management services from a CWD social worker.
- Costs for the Kinship Guardianship Assistance Payment (Kin-GAP) Program, Federal Kin-GAP (Fed-GAP) and NRLG cases will be charged directly to the benefiting program. Case counts for these populations will not be included in the Title IV-E non-federal discount rate calculation. For further claiming information for these programs, please refer to [CFL No. 10/11-64](#), [CFL No. 11/12-50](#), [CFL No. 11/12-53](#) and [CFL No. 12/13-17](#).
- Persons counts from the CA 800s must be adjusted on a separate worksheet to reflect unduplicated counts.
- Persons counts must reflect the total count for the three months of the reporting quarter. Previously, counties had the option of using data for one month of the quarter or a total of the three months of the quarter.
- The CWDs must enter the Title IV-E persons count totals from the template into the CEC Expenditure Schedule, DFA 325.1 Line AD Federal Count for Aid to Families with Dependent Children-Foster Care (AFDC-FC) Persons. The total non-federal persons count from the template is entered on Line AE Non-Federal Count for AFDC-FC Persons on the same schedule.

E. The Title IV-E non-federal discount rate is applied to the following Title IV-E Program Codes (PCs) for the Foster Care program through the CEC:

PC	DESCRIPTION
007	Relative/Nonrelative Home Approval Process
037	Child Welfare Services Outcome Improvement Project
088	Peer Quality Case Review (PQCR)
126	Shasta's Children's Programs Consortia
137	Substance Abuse(SA)/Human Immunodeficiency Virus (HIV) Infant-Foster Parent Training
145	Child Welfare Services (CWS) Training

<b>PC</b>	<b>DESCRIPTION</b>
147	CWS – Court Related
148	CWS – Case Management
155	Licensing/Foster Family Home
177	Family Preservation Program (FPP) – Pre-Placement Preventive Case Management
179	FPP Case Management Foster Care
359	CWS/LiveScan/California Law Enforcement Telecommunications System Background Checks
504	Assembly Bill (AB) 2129 Foster Parent Training
506	AB 2129 Foster Parent Recruitment
523	SA/HIV Infant – Foster Parent Recruitment
557	CWS – Case Management System (CWS–CMS) Staff Development
562	Kinship and Foster Care Emergency Funds
575	CWS – Training Admin
577	Monthly Visits – Group Home Placements
730	Public Law (PL) 110-351 IV-E Training – Foster Care
732	Increase Family Case Planning
733	Increase Relative Search and Engagement
839	Extended Foster Care (EFC) Training
841	EFC Court Related Activities
842	EFC Case Management
843	EFC Group Home Monthly Visits (CWD)

F. The Title IV-E non-federal discount rate is applied to the following probation PCs prior to being claimed the CEC:

<b>PC</b>	<b>DESCRIPTION</b>
004	Probation PQCR
119	Public Agency IV-E Pass Through
127	Probation IV-E – Case Management
128	Probation IV-E – Pre-placement Prevention
130	Probation IV-E – Training
131	Probation IV-E – Licensing
576	Probation IV-E – Training Administration
579	Monthly Visits/Group Homes – Probation
844	EFC Group Home Monthly Visits – Probation

<b>PC</b>	<b>DESCRIPTION</b>
845	EFC Public Agency IV-E Pass-Through
851	EFC Probation IV-E – Case Management
852	EFC Probation IV-E – Pre-placement Prevention
854	EFC Probation IV-E – Training
855	EFC Probation IV-E – Training Administration

**Title IV-E Tribal Governments**

Tribal governments must follow the same procedures as outlined for CWDs.

If you have any questions regarding this CFL, please direct them to your assigned Fiscal Policy Bureau analyst or the Fiscal Systems Bureau at [fiscal.systems@dss.ca.gov](mailto:fiscal.systems@dss.ca.gov).

Sincerely,

***Original Document Signed By:***

Fran Mueller  
Deputy Director  
Administration Division

Attachment

**California Department of Social Services  
AFDC Foster Care - Federal and Non-Federal Persons Count**

<b>COUNTY:</b> _____	<b>PROBATION CASES INCLUDED?:</b>	Yes/No	If no, county must submit a separate template with probation cases.
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Part A

Quarter: _____						
Item No.	Title IV-E eligible cases	Source of Persons Count	Persons Count			
			Month 1	Month 2	Month 3	Quarter Total
1	Total federally eligible placements (Aid Codes 42 and 49)	CA 800FC FED & CA 800FC EFC TEMP FED & RBS FC / EFC FED				
2	Total Emergency Assistance (EA) cases paid for children placed with an unapproved relative for no more than 4 months (Aid Code 5K)	Eligible portion of CA 800A FED & RBS FC / EFC FED				
3	Total foster care cases paid with all-county funds for children who are placed with an unapproved relative for no more than 4 months					
4	Total of all other federally eligible cases paid with pass through Supplemental Security Income funds					
<b>TOTAL:</b>						

Part B

Item No.	Non-Title IV-E cases	Source of Persons Count	Persons Count			
			Month 1	Month 2	Month 3	Quarter Total
5	Total non-Title IV-E placements (Aid Codes 40 and 43)	CA 800FC NONFED & CA 800FC EFC TEMP NONFED & RBS FC / EFC NONFED				
6	Total EA cases paid for children placed with an unapproved relative for more than 4 months or EA cases placed with a NREFM, pending approval of the home (Aid Code 5K)	Portion of CA 800A FED & RBS FC / EFC FED				
7	Total foster care cases paid with all-county funds for children who are placed with an unapproved relative for more than 4 months or EA cases placed with a NREFM, pending approval of the home					
8	Total of other foster care cases paid with all-county funds (i.e., Permanently Residing Under the Color of Law [PRUCOL] children placed with relatives, undocumented child with no PRUCOL, etc. This may include aid codes 9X or 45, etc.)					
<b>TOTAL:</b>						

<b>Non-Title IV-E Cases:</b>	
Less non-dependent non-related legal guardian (NRLG) cases:	
<b>Total Non-Title IV-E Cases</b>	

<b>Non-Fed Ratio</b> (total of non-Title IV-E cases less non-dependent NRLG cases/total of all cases):
<b>Fed Ratio</b> (1 - Non-Fed Ratio):