September 30, 2019

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

COUNTY FISCAL LETTER NO. 19/20-36

The purpose of this County Fiscal Letter is to notify the counties and other stakeholders of updates and changes to claiming instructions effective with the December 2019 quarter or the date otherwise stated. Notable updates include the rebasing of the In-Home Supportive Services (IHSS) Maintenance of Effort, IHSS Electronic Visit Verification, Home Visiting Program material goods, and California Work Opportunity and Responsibility to Kids - Outcomes and Accountability Review activities.

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

KIM JOHNSON
DIRECTOR

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GOVERNOR

September 30, 2019

COUNTY FISCAL LETTER (CFL) NO. 19/20-36

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY FISCAL OFFICERS
ALL COUNTY AUDITOR CONTROLLERS
ALL COUNTY PROBATION OFFICERS
ALL TITLE IV-E AGREEMENT TRIBES
ALL COUNTY ELECTRONIC BENEFIT TRANSFER PROJECT MANAGERS

SUBJECT: COUNTY WELFARE DEPARTMENT (CWD) COUNTY EXPENSE CLAIM (CEC) TIME STUDY AND CLAIMING INSTRUCTIONS FOR THE DECEMBER 2019 QUARTER

This CFL provides counties time study and claiming instructions for the October through December 2019 quarter, which includes information and reminders regarding the following functions/programs:

The Program Code Descriptions (PCDs) and Support Staff Time Reporting (SSTR) instructions for county use during the October through December 2019 quarter are as follows:

Section	**Revised Quarter**
Social Services	12/19
CalWORKs	12/19
Other Public Welfare	12/19
Child Care	03/17
Non-Welfare	09/05
Staff Development	09/07
Electronic Data Processing	06/18
Support Staff Time Reporting Instructions	06/06
Direct-to-Program (DTP)/Function Support Staff Codes	06/18
Direct Service Delivery Codes	06/18
General Time Study Instructions	03/17
Type of Expense (TOE) Codes	06/18

For the latest version of the PCD manual, please go to the following link: http://www.cdss.ca.gov/inforesources/Letters-Regulations/Letters-and-Notices/County-Fiscal-Letters.

Please note that any changes to the PCDs and/or SSTR instructions may be shown in bold for addition of new language and strikeout for deletion of language.

I. Social Services

A. Rebased County IHSS MOE

Pursuant to Welfare and Institutions Code (W&IC) 12306.16, the IHSS MOE has been rebased effective July 1, 2019, for Fiscal Year (FY) 2019-20. As part of this change, the county IHSS MOE is limited to only IHSS services expenditures and no longer includes IHSS Administration. Therefore, counties will now receive a capped General

Fund (GF) allocation for administrative expenditures. The sharing ratios for existing IHSS administrative Program Codes (PCs) have been revised reflect a 100 percent General Fund (GF) sharing ratio for county administration and public authority administration costs. Any costs exceeding a county's GF allocation will be shifted to county only funds. Updated claiming instructions and the revised sharing ratios are available in CFL No. 19/20-22, dated September 4, 2019.

B. IHSS Electronic Visit Verification (EVV)

The 21st Century Cures Act, released December 2013, federally mandated that all states establish an EVV system for all Medicaid personal care and home health care services that require an in-home visit by a provider, by January 1, 2020. California has developed an electronic time study system to comply with this federal requirement. Counties shall claim administrative costs associated with the implementation of EVV separately from administrative costs associated with existing ongoing IHSS casework. This will facilitate an evaluation of the costs associated with this change, such as training or direct costs associated with implementing EVV. Claiming and allocation information regarding the IHSS EVV implementation can be found in CFL No. 19/20-29, dated September 13, 2019.

C. County Probation Departments – FPP

The TOE 059 (Probation Expense) was inadvertently opened for the PCs listed below for the FPP. County Probation Departments claiming TOE Code 059 (Probation Expense) to the PCs listed below are instructed to claim allowable FPP activities to PC 127 (Probation Title IV-E Case Management), or PC 128 (Probation Title IV-E Pre-Placement Prevention) as appropriate, pursuant to CFL No. 15/16-02, dated August 28, 2015. Effective with the September 2019 quarter, TOE Code 059 will no longer be open under the following PCs:

- PC 168 (FPP – Health Related)
- PC 175 (FPP – Services/Non-Federal)
- PC 177 (FPP – Pre-Placement Prevention Case Management)
- PC 179 (FPP – Case Management: Foster Care)

D. Promoting Safe and Stable Families

The Public Law 115-123, the Bipartisan Budget Act of 2018, was signed into law on February 9, 2018. The Act included significant changes to child welfare and foster care and is known as the Families First Prevention Services Act (FFPSA). The FFPSA contained amendments to the definitions of “family support services” and “family reunification services” for the Promoting Safe and Stable Families (PSSF) program under Title IV-B, Subpart 2 of the Social Security Act, expanding the types of services for which states may use their PSSF funds.

The revised definition removes the previously existing time limitation from the PSSF definition of family reunification services, and it now includes services and activities provided to a child who has been returned home in order to ensure the strength and stability of the reunification, for a period of 15 months beginning on the date the child returns home.

The target population includes children that are removed from their home and placed in a foster family home or a child care institution; parents or primary caregivers of such child, in order to facilitate reunification; and children that have been reunified, but only during the 15-month period that begins on the date that the child returns home. For more information regarding the FFPSA and PSSF changes, please refer to All County Information Notice I-32-19.

Effective March 2019, counties may now use their PSSF funds for services under the expanded definitions of “family support services” and “family reunification services” contained in WIC Sections 16601 and 16604. The revised title and PCD for PC 676 (PSSF Time Limited Family Reunification) has been revised as follows:

CODE 6761 PSSF ~~TIME LIMITED~~ FAMILY REUNIFICATION

This includes activities that are provided to a child who is removed from the child’s home and placed in a foster family home or a childcare institution **or a child who has been returned home and to the parents or primary caregiver of the child, in order to facilitate the reunification of the child safely and appropriately within a timely fashion and to ensure the strength and stability of reunification.** These services are also for the parents or primary caregiver of such a child, in order to facilitate reunification of the child safely and appropriately.~~,~~ during the 15-month period that begins on the date that the child ~~is considered to have entered foster care~~ **returns home**.

Services include **but are not limited to:** individual, group and family counseling; inpatient, residential or outpatient substance abuse treatment services; mental health services; assistance to address domestic violence; temporary child care and therapeutic services for families, including crisis nurseries; and transportation to and from any of the above services.

E. Child Welfare Services – Court Related Activities

Effective with the September 2019 quarter, CWDs will now have the ability to claim contracted costs to Program Code 1471 (CWS – Court Related Activities [Pre-Placement Program]) and 1472 (CWS – Court Related Activities [Family Maintenance Program]) using TOE code 31 (Contracted activities). This TOE code will allow counties that have no County Counsel to secure the services of contracted attorneys to prepare a case for court for foster children at imminent risk of removal, or for children who are not in out-of-home placement but whose case record indicates that without case management or preventative services, out of home care would be necessary. At this time CDSS will only allow for contracting attorneys under PC 147.

The following PC will now have access to TOE code 31 (Contracted Activities):

- PC 147 CWS – (Court-Related Activities)

The most recent description of TOE code 31 may be found in CFL No. 12/13-33.

II. CalWORKs

A. Home Visiting Program (HVP)

Through the passage of Senate Bill (SB) 80 (Chapter 27, Statutes of 2019), the CalWORKs Home Visiting Initiative has been renamed the CalWORKs HVP. The titles of the following PCs have been revised to reflect the new name as follows:

Program Code	Former Title	Revised Title
422	Home Visiting Initiative – Federal	Home Visiting Program – Federal
424	Home Visiting Initiative – Non-Federal	Home Visiting Program – Non-Federal
426	Home Visiting Initiative – Non-Federal Non-MOE	Home Visiting Program – Non-Federal Non-MOE

B. HVP Material Goods

The Family Engagement and Empowerment Division recently published guidance regarding the use of the one-time $500 material goods funds associated with the HVP (refer to the All County Welfare Director's Letter dated April 25, 2019). Outlined on pages three and four of the previously mentioned ACWDL, counties, in coordination with home visitors and CalWORKs staff, may establish processes to provide $500 during the course of home visiting services for the purchase of material goods. The material goods can be used for a program participant's household related to care, health, and safety of the child and family, which shall not exceed five hundred dollars ($500). Material goods include, but are not limited to: child safety kits, car seats, appliance repairs, adaptive equipment for children with disabilities, and resources related to child and family language and literacy needs. These resources are not intended to be an incentive for clients to participate, but rather a response to the specific needs of the client. The CFL No. 18/19-49, dated January 30, 2019, provides a list of Program Identifier Numbers (PINs) for each PC associated with the HVP. Costs incurred as a result of providing goods to an HVP participant through the one-time $500 material goods funds, should be claimed to a PIN that utilizes TOE code 68 (Direct Costs) and is associated with the PC for the population to which the client belongs.

C. CalWORKs – Outcomes and Accountability Review (Cal-OAR)

Effective with the September 2019 quarter, the Cal-OAR initiative was implemented. The Cal-OAR initiative consists of three main components: performance measures, a CalWORKs County Self-Assessment (Cal-CSA) process, and a county CalWORKs System Improvement Plan (Cal-SIP) that includes a peer review component. County expenditures related to the Cal-CSA, the Cal-SIP, and the Cal-SIP Progress Report should be claimed to PC 434 (CalWORKs Outcomes and Accountability Review). Counties may use DTP code B47 to charge support staff costs related to the Cal-OAR program. This code may be used to report support staff costs in this way irrespective of whether the county has time study hours recorded to Time Study Code (TSC) 4341 in any given claiming quarter. Specifics regarding the Cal-OAR claiming instructions were released through CFL No. 19/20-17, dated September 4, 2019.

III. Other Public Welfare

A. Reminder Regarding EBT Reconciliation and Implementation of a State Account Tied to the SNB and TNB Programs

As a reminder, counties are required to reconcile funds entered into, exiting, and remaining in the EBT system each day. This reconciliation should include amounts reported through the Statewide Automated Reconciliation System application that correspond to issuances under the recently implemented SNB and TNB programs. Due to the addition of the TNB program, counties shall calculate a caseload ratio among program benefits that are issued via EBT in order to distribute costs associated with issuances of such benefits. As SNB issuances do not generate any additional costs, they should not be included in the calculation. Effective with the September 2019 claiming quarter, PIN 442025

(SNB/TNB – Issuance) should be used to capture the TNB share of EBT issuance costs. Specifics regarding the guidance for EBT reconciliation and updated instructions for claiming costs related to EBT issuances can be found in CFL No. 19/20-11, dated September 3, 2019.

IV. Child Care

No changes.

V. Non Welfare

No changes.

VI. General

A. CEC Data Reporting Reminder

The following is a reminder of the data sources to be used to capture the case counts that are reported on the DFA 325.1 (Expenditure Schedule) in the CEC when calculating ratios used for cost shifts. These cost shifts are used to equitably distribute eligibility and case management activity costs between the CalWORKs Two-Parent Families, Public Assistance CalFresh (PACF) and California Food Assistance Program (CFAP) program. Please refer to CFL No. 17/18-25, dated September 29, 2017, and CFL No. 17/18-25E, dated December 29, 2017, for more information.

Please note that CFL No.17/18-25E has pertinent revisions to the reporting requirements. Additional information regarding corrections to the PACF ratio due to issues with the CalFresh caseloads will be forthcoming.

B. County ICRs

The California Department of Social Services (CDSS) has developed ICRs for use by counties during FY 2019-20 in the enclosed Attachment entitled "FY 2019-20 ICR."

The ICRs are used to identify overhead costs associated with support staff that perform activities for non-welfare programs with no equivalent casework hours. The CDSS' Fiscal Analysis and Allocations Unit develops ICRs based on actual indirect costs (i.e., Travel, Space, Space – County Cost Allocation Plan [CCAP], Other Operating Costs, Public Agencies CCAP and Public/Private Agencies Direct Billed) that were reported as generic by each county for the four quarters of FY 2017-18. The total indirect costs are divided by the total direct salary and benefit costs (caseworker, administrative/clerical support, and Electronic Data

Processing [EDP] staff salaries and benefits). The resulting percentages are each county's individual ICR. The County Welfare Departments (CWDs) have the option of either using the predetermined ICR developed by CDSS or developing their own ICR specific to allocable support staff.

A county ICR must be developed in accordance with "A Guide for State, Local and Indian Tribal Government-Cost Principles and Procedures for Developing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government" (OMB CFR section 200.416) and is subject to audit. The ICRs are applied only to the salaries and benefits of support staff performing activities for non-welfare programs with no equivalent casework hours. Costs associated with support staff performing activities for non-welfare programs with equivalent casework hours are allocated through the CEC.

When applying either the predetermined ICR or one developed by the county, these salaries and benefits plus resulting overhead are reported as Direct Costs on the CEC using PIN 805068 (Non-welfare Programs – Direct Costs) or PIN 806068 (Non-welfare Programs-Non EDP – Direct Costs) and must be removed from the corresponding salary and support operating cost pools. Counties are reminded that all non-welfare program costs must be reported to the Non-welfare function, either as a direct charge through these PINs or through TSCs 8051 (Non-welfare Programs) and 8061 (Non-welfare Programs-Non EDP). These costs will be used to draw down the appropriate share of overhead based on the time study ratios for caseworkers performing non-welfare activities.

C. County Cash Claiming/Reporting

The CDSS recently issued an update to the cash claiming requirements, outlined in CFL No. 19/20-05.

Both the CEC and the CA 800 automated assistance claims operate on a cash claim basis. For a cost to be claimable as an expenditure, two conditions must be met:

- A payment must have been issued by the county either to
  - another party for goods/services, or
  - a client as a benefit, and
- The goods/services must have been received by the county or the service period/period of eligibility for which the benefit was issued to the client must have begun.

Both of these requirements must be satisfied in order for the expenditure to be considered eligible to be claimed. Costs should be claimed based on the latter of the two dates. Once an expenditure has met this criteria, counties should not defer claiming the cost and should report the cost in the quarter in which it meets the cash claiming requirements. The requirement to claim costs on a cash basis does not remove a county's responsibility to comply with Generally Accepted Accounting Principles for county financial statements that are used for purposes other than CEC claiming. Please see CFL No. 19/20-05 for additional examples of cash claiming situations.

Adjustment claims for the quarterly CEC must be submitted in a timely manner (nine months from the last day of the original quarter) to ensure the time limit for claiming federal funds is met. Adjustment claims should only include corrections to the original quarter submission and cannot include corrections for any other quarters. Due dates for these claims are provided annually in advance in every March quarterly CFL. As outlined in Manual of Policies and Procedures (MPP) Section 25-965.38, counties are required to maintain supporting documentation for all claims and must retain this documentation for three years. However, it is recommended that counties retain this documentation for a minimum of five years (refer to CFL No. 19/20-05).

D. Late County Expense Claim Submissions

Due to policy enforcement by the federal Administration for Children and Families (ACF), CDSS needs to report CEC data within 45 days after the quarter ends (TANF-ACF-PI-2014-02). The ACF requires CEC data for nationwide budgeting and distribution of federal funds. As a result, CDSS is unable to accept late CECs without jeopardizing federal funding for California. In limited circumstances a county may request an extension. Such requests must be received by CDSS at least two weeks before the due date and will need to be requested in writing from the County Welfare Director. Requests for an extension should be sent to:

California Department of Social Services
Accounting and Fiscal Systems Branch
Attn: County Claims Unit
744 P Street, MS 9-4-76
Sacramento, CA 95814

E. Debarment and Suspension

Pursuant to federal regulations, CWDs must be in good standing with the federal government to receive federal funds. To ensure that CWDs are not debarred or suspended from federal financial assistance programs by any federal department or agency, CDSS must verify the CWD is not listed on the federal Excluded Parties Listing System prior to issuance of any federal funds.

To ensure accuracy of the verification, CDSS requires submissions of the CWD's exact legal name of the entity and Employer Identification Number (EIN) or Tax Identification Number (TIN) as submitted to the Internal Revenue Service when applying for an EIN or a TIN. If a CWD is operating under multiple names or identification numbers, each name and identification number must be submitted. The CFL No. 18/19-86, dated June 28, 2019, details the submittal of the EIN/TIN.

F. Federal Fund Monitoring Responsibilities

As a reminder, counties have certain responsibilities for monitoring the expenditures of federal funds. Please refer to CFL No. 18/19-86, dated June 28, 2019, for a description of federal requirements and a link to the terms and conditions for each federal grant administered by CDSS. New terms and conditions will be posted to that link on an ongoing basis.

G. Advanced Planning Documents

As a reminder, Advanced Planning Documents must be submitted for all Automated Data Processing expenditures in accordance with the Administration for Children and Families Action Transmittal (AT) #: OISM-ACF-AT-93-3, dated January 3, 1993. These instructions supersede requirements stated in MPP Section 28-105.

If counties have any questions regarding this CFL, please direct them to fiscal.systems@dss.ca.gov.

Sincerely,

Original Document Signed By

SALENA CHOW, Chief
Fiscal Forecasting and Policy Branch

Attachment

FY 2019-20 INDIRECT COST RATE (ICR)
Data from FY 2017-18 County Expense Claims

COUNTIES	**ICR**
ALAMEDA	0.23
ALPINE	1.01
AMADOR	0.40
BUTTE	0.24
CALAVERAS	0.34
COLUSA	0.68
CONTRA COSTA	0.38
DEL NORTE	0.27
EL DORADO	0.31
FRESNO	0.14
GLENN	0.24
HUMBOLDT	0.33
IMPERIAL	0.21
INYO	0.41
KERN	0.16
KINGS	0.18
LAKE	0.20
LASSEN	0.35
LOS ANGELES DPS	0.19
MADERA	0.31
MARIN	0.40
MARIPOSA	0.43
MENDOCINO	0.35
MERCED	0.14
MODOC	0.33
MONO	0.39
MONTEREY	0.19
NAPA	0.33
NEVADA	0.48
ORANGE	0.19
PLACER	0.44
PLUMAS	0.30
RIVERSIDE	0.09
SACRAMENTO-DHA	0.21
SAN BENITO	0.34
SAN BERNARDINO	0.20
SAN DIEGO	0.25
SAN FRANCISCO	0.16
SAN JOAQUIN	0.12
SAN LUIS OBISPO	0.20
SAN MATEO	0.23
SANTA BARBARA	0.14
SANTA CLARA	0.21
SANTA CRUZ	0.22
SHASTA	0.30
SIERRA	0.47
SISKIYOU	0.19
SOLANO	0.23
SONOMA	0.19
STANISLAUS	0.19
SUTTER	0.14
TEHAMA	0.10
TRINITY	0.27
TULARE	0.30
TUOLUMNE	0.21
VENTURA	0.20
YOLO	0.20
YUBA	0.24
LOS ANGELES DCS	0.19
SAC-DHHS-CHILD	0.35
SAC-DHHS-ADULT	0.25
SMATEO DP AGING	0.19
PLACER-ASOC	0.33
STATEWIDE	**0.21**