



CDSS

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**DEPARTMENT OF SOCIAL SERVICES**

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EDMUND G. BROWN JR.  
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REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

December 16, 2014

ALL COUNTY LETTER 14-89

TO: ALL COUNTY WELFARE DIRECTORS  
 ALL CHIEF PROBATION OFFICERS  
 ALL CHILD WELFARE SERVICES PROGRAM MANAGERS  
 ALL COUNTY ELIGIBILITY SUPERVISORS  
 ALL FOSTER CARE MANAGERS  
 ALL ADMINISTRATIVE LAW JUDGES  
 TITLE IV-E AGREEMENT TRIBES  
 ALL CONSORTIUM PROJECT MANAGERS  
 CHILD WELFARE SERVICES NEW SYSTEM  
 ALL COUNTY CALWORKS PROGRAM SPECIALISTS  
 ALL COUNTY SFIS COORDINATORS  
 ALL COUNTY EBT PROJECT MANAGERS  
 JUDICIAL COUNCIL STAFF

SUBJECT: APPROVED RELATIVE CAREGIVER (ARC)  
 FUNDING OPTION PROGRAM

REFERENCE: SENATE BILL (SB) 855 (CHAPTER 29, STATUTES OF 2014);  
 SB 873 (CHAPTER 685, STATUTES OF 2014); WELFARE AND  
 INSTITUTIONS CODE (W&IC) SECTIONS 309, 361.4, 10950,  
 11401, 11401.1, 11450, 11461, 11461.3, AND 16519.5; HEALTH  
 AND SAFETY CODE SECTION 1522; MANUAL OF POLICIES  
 AND PROCEDURES (MPP) SECTIONS 42-211, 42-431.22, AND  
 63-502.14; ALL COUNTY LETTER (ACL) 11-51, 12-25, 12-49, 14-  
 28, AND 14-39; ALL COUNTY INFORMATION NOTICES (ACIN)  
 I-42-14 AND I-71-00

This ACL provides counties with information and instructions regarding the Approved Relative Caregiver (ARC) Funding Option Program (hereinafter referred to as the ARC Program) enacted by SB 855. The SB 855 is the budget trailer bill signed into law by Governor Brown on June 20, 2014; the ARC Program provisions are contained in W&IC section 11461.3. The purpose of this program is to make the amount paid to an

approved relative caregiver for the care and supervision of a child who is under the jurisdiction of the California juvenile court—and who is *ineligible* for Aid to Families with Dependent Children-Foster Care (AFDC-FC)—equal to the basic amount paid on behalf of such a child who is *eligible* for AFDC-FC.

## **BACKGROUND**

State law requires that preferential consideration for placement be given to an approved relative caregiver when a child is removed from the physical custody of a parent. It is estimated that 36 percent of all foster children in the state are in the care of a relative. An approved relative caregiver in California must meet health and safety standards that mirror those for a licensed foster parent, such as undergoing criminal background and child abuse index checks.

Although placement with a relative is the preferred placement, the funding associated with that placement depends on whether the child is eligible to receive federal AFDC-FC. While an approved relative may receive AFDC-FC payments on behalf of a *federally* eligible foster child, an approved relative caring for a *non-federally* eligible foster child is ineligible for AFDC-FC. For a non-federally eligible child in foster care, an approved relative may apply to receive California Work Opportunity and Responsibility to Kids (CalWORKs) benefits on behalf of the child. Unlike AFDC-FC, typical CalWORKs grants are not a per-child payment, but are based on the size of the family as a whole, and are less than the AFDC-FC rate.

To address this disparity, California has enacted the ARC Program. This program provides funding to enable participating counties to make payments equal to the basic foster care rate to approved relative caregivers with whom a non-federally eligible foster child is placed. Such a child must reside in California and be under the jurisdiction of the California juvenile court.

## **INTRODUCTION TO COUNTY ARC RESPONSIBILITIES**

The ARC Program is a county optional program that operates on a calendar-year basis. A county that elects to participate in the ARC Program must agree to pay all approved relative caregivers with whom an eligible child is placed a per-child, per-month rate equal to the basic rate paid to foster care providers pursuant to W&IC section 11461(g). This rate is intended to pay for the care and supervision of the eligible child. The county agrees to make these payments for the duration of the county's participation in the ARC Program, including during required notice periods if a county is no longer going to participate in the program.

A county that elects to participate in the ARC Program is required to notify the California Department of Social Services (CDSS) in writing of its decision on or before October 1, 2014, *unless CDSS determines that good cause exists to extend the deadline pursuant to W&IC section 11461.3(c)(1)*. County participation for the upcoming calendar year would be effective January 1, 2015.

For this initial year of the ARC Program, CDSS *has* determined that good cause exists for extending the October 1, 2014, deadline for counties to elect to participate in the program. The new deadline(s)—for calendar-year 2015 only—is the first day of any month starting December 1, 2014 until March 1, 2015, with participation in the county to commence at the start of the month following notification. For example, if a county notifies CDSS on January 1, 2015, that it wishes to participate in the ARC Program, county participation would commence on February 1, 2015.

The new deadline(s) will give CDSS more time to provide implementation instructions for the ARC Program and the counties more time to evaluate all available information before deciding whether to participate. In the interim, counties have submitted non-binding letters of interest to CDSS.

Please refer to the Opt-In Provisions section for instructions and more information.

## **ELIGIBILITY CRITERIA FOR CHILDREN**

To be eligible for the ARC Program, a child must meet all of the following criteria:

- The child must reside in California. *That is, the child must be placed with an approved relative caregiver in California.* Out-of-state placements are not eligible for the ARC Program.
- The child must be a dependent or ward of the California juvenile court pursuant to W&IC sections 11461.3(b)(2)(B) and 11401(b), (c), or (e), with one exception pertaining to voluntary placement agreements (see third bullet below). Of special note, this includes the following:
  - *A probation ward* who meets ARC Program eligibility requirements.
  - *A nonminor dependent* (NMD) pursuant to W&IC section 11401(e) (see below).
  - *A child who has been removed from his or her home as the result of a voluntary placement agreement and has been adjudged a dependent child of the court on the grounds that he or she is a person described by section 300, as specified in W&IC 11401(b)(1).* However, under W&IC sections 11461.3(b)(2)(B) and 11401(c), a child who is *not* a dependent or ward of the juvenile court—but who has been voluntarily placed by his or her parent or guardian, with the county child welfare department or the county probation department having

responsibility for placement and care—can participate in the ARC Program under a voluntary placement agreement for 180 days (six months) pursuant to W&IC section 11401.1(b). After that, the child may continue in the ARC Program if the county files the appropriate petition on behalf of the child, making the child a dependent or ward of the juvenile court.

- The child must not be federally eligible under Title IV-E of the Social Security Act while placed with an approved relative caregiver pursuant to W&IC section 1461.3(b)(1)(C).
- An ARC Program application, including all necessary related information and documentation, must be completed for each child. If this is not done, an otherwise eligible child cannot participate in the ARC Program. Although CalWORKs eligibility is not a requirement of the ARC Program, a CalWORKs eligibility determination must be completed for each child to determine if CalWORKs funds can be part of the child's ARC payment. Please refer to the CalWORKs and Implementation of the ARC Program section of the ACL. In addition, please refer to the attached form [ARC 1](#) (Statement of Facts Supporting Eligibility for the Approved Relative Caregiver (ARC) Funding Option Program), which is hereinafter referred to as the ARC Program application.

NMDs and ARC payments. An NMD participating in the ARC Program is eligible to receive funding up to age 21.

Undocumented children. An undocumented child may be eligible for the ARC Program if all ARC requirements are met. In addition, an undocumented PRUCOL (Permanently Residing Under Color of Law) child, as specifically defined in MPP section 42-431.22, may be eligible for CalWORKs. An undocumented child who meets the requirements of MPP section 42-431.23 may also be eligible for CalWORKs; this section pertains to victims of trafficking, domestic violence, and other serious crimes. Please refer to [ACL 06-60](#).

Participation of eligible children. Any ARC-eligible child may participate in the ARC Program. This includes eligible children currently placed with an approved relative, as well as any eligible children placed with an approved relative in the future. However, a family may choose not to participate in the ARC Program and continue to receive only CalWORKs benefits instead.

## **REQUIREMENTS FOR RELATIVE CAREGIVERS**

A relative caregiver with whom an eligible child is placed must be approved pursuant to W&IC sections 309(d), 361.4, or 16519.5 (Resource Family Approval (RFA)). The approved relative caregiver must reside in California. Relative approval standards, including RFA standards, remain the same under the ARC Program.

A “relative” is defined in W&IC section 319(f)(2) as:

. . . an adult who is related to the child by blood, adoption, or affinity within the fifth degree of kinship, including stepparents, stepsiblings, and all relatives whose status is preceded by the words “great,” “great-great,” or “grand,” or the spouse of any of these persons, even if the marriage was terminated by death or dissolution.

As clarification, approved nonrelative extended family members (NREFMs) are *not* eligible to participate in the ARC Program; non-federally eligible children placed with an approved NREFM receive an AFDC-FC payment. Please note that the expanded definition of “relative” described in ACL 14-28—under which NREFMs are considered “fictive” relatives or kin—*only* applies to the federal Kinship Guardianship Assistance Payment Program pursuant to W&IC section 11391(c).

### **OPT-IN PROVISIONS**

As noted, CDSS has determined that good cause exists to extend the October 1, 2014, deadline for a county to elect to participate in the ARC Program (or “opt-in”) for calendar-year 2015 only. Counties that opt-in for this initial year of program operation must do the following:

- Notify CDSS in writing of the county’s decision to opt-in to the ARC Program by the first day of any month starting December 1, 2014 until March 1, 2015, with participation in the county to commence at the start of the month following notification.
- Use the attached opt-in letter template to notify CDSS.
- If the opt-in letter is submitted after December 1, 2014, include a “good cause” justification in the letter. The CDSS believes that good cause exists for not submitting the opt-in letter by October 1, 2014, due to the complexities involved in resolving policy and operational issues associated with implementation of the ARC Program. Opt-in letters submitted after March 1, 2015, for calendar-year 2015 will be evaluated for good cause on a case-by-case basis.
- Submit required caseload data to CDSS separately from the opt-in letter. Instructions for pulling and submitting the caseload data will be transmitted to counties in a forthcoming departmental letter.

Any county that does not opt-in for the initial year of the ARC Program may elect to participate in any future year by submitting an opt-in letter to CDSS by no later than October 1 for the upcoming calendar year, as specified in W&IC section 11461.3(c)(1).

Once a county has opted-in to the ARC Program, the county will not have to opt-in again in subsequent years. A county's participation in the program is continuous unless and until the county "opts-out" of the program, or state funding for the ARC Program is reduced, as described below.

### **OPT-OUT PROVISIONS**

A county can opt-out of the ARC Program at any time. (Please refer to the attached opt-out letter template that counties must use.) However, a county that decides to opt-out must meet the following notification requirements:

- Notice to CDSS. The county must give CDSS at least 120 days' prior written notice that it is opting-out of the program.
- Notice to caregivers. The county must give each participating approved relative caregiver at least 90 days' prior written notice that his or her payments will be reduced, including the date the reduction will occur. A statewide notice template for counties to use will be developed in the near future.

The county must continue to make ARC payments to participating approved relative caregivers *for the duration of both of these notice periods*. For example, a county cannot give timely notice to CDSS, then provide a delayed notice to caregivers 60 days later and expect the county's financial obligation to caregivers to end when the 120-day notice period to CDSS expires. The county continues to be responsible for making ARC payments to relative caregivers for the entire 90-day notice period regardless of when that notice period ends in relation to the 120-day notice period to CDSS.

A county that opts-out of the ARC Program can later opt-in again by following the opt-in procedures described above.

### **State Budget Reduction: Automatic Opt-Out**

Current law authorizing the ARC Program provides for an automatic opt-out for participating counties if state funding for the ARC Program is reduced. Funding for the program is contingent upon an annual appropriation of funds. If the appropriation for the ARC Program is reduced, no matter how small the reduction may be, CDSS will presume that all counties have opted-out of the program effective the January 1 following the enactment of the state budget. Under these circumstances, a participating county has two options:

- If the county wants to continue to provide ARC payments to participating approved relative caregivers, it must notify CDSS in writing of its intent to opt-in—using the

attached opt-in letter template—within 60 days of the enactment of the state budget authorizing the reduction.

- If the county wants to let the automatic opt-out stand, the county must give each participating approved relative caregiver at least 90 days' prior written notice that his or her payments will be reduced, including the date the reduction will occur. Again, the county must continue to make ARC payments for the duration of the notice period.

The CDSS will notify all counties if a state budget is enacted that authorizes a reduction in the ongoing state general fund appropriation for the ARC Program. Pursuant to W&IC section 11461.3(d)(2), CDSS will confirm in the notification that all counties have opted-out of the program unless a county notifies CDSS in writing of its intent to opt-in within 60 days of the enactment of the state budget. The CDSS notification will include the date by which counties must opt-in to ensure compliance with the required 60-day time frame.

Unlike the ARC Program, which operates on a calendar-year basis, California's state budget is enacted on a fiscal-year basis. The deadline for a county to opt-in to the program under normal circumstances is by no later than October 1. However, if a state budget includes a reduction to the appropriation for the ARC Program that triggers an automatic opt-out for participating counties, the October 1 opt-in date would likely change. For example, if such a state budget is enacted by July 1, the beginning of the state fiscal year, a county would be automatically opted-out unless the county chose to opt-in within 60 days of July 1 (i.e., by August 30 or the next business day, not by October 1). This opt-in date may vary based on the actual date that the state budget is enacted in any given fiscal year.

#### Overall County Opt-Out Issue

If a county opts-out of the ARC Program for any reason, including due to caseload increases, the county opts-out of the program entirely. Existing cases cannot remain in the ARC Program (i.e., be grandfathered in) once the opt-out is effective.

**Instructions regarding the submittal of required county opt-in and opt-out letters, using the attached templates, are provided at the end of this ACL.**

## **FUNDING FOR THE ARC PROGRAM**

### Funding Sources

By law, funding for the ARC Program is comprised of up to three sources:

- Federal, state and county CalWORKs funds, including—for all ARC cases—the county share of costs associated with the CalWORKs portion of the ARC payment;
- State general funds (\$30 million for calendar-year 2015, as described below); and
- County funds if the other two funding sources are insufficient to make the ARC payment.

Together, these funding sources will be used to fund per-child, per-month payments under the ARC Program *in an amount that is equal to the basic foster care rate pursuant to W&IC section 11461*. In other words, the amount that an ARC-eligible child receives (or would receive) per month from CalWORKs will be applied toward the child's monthly ARC payment. The balance of the child's monthly ARC payment, up to the equivalent of the basic foster care rate, will come from state general fund resources specifically appropriated for the ARC Program (and potentially from county funds, as mentioned above). For example, an ARC payment in January 2015 for an eligible nine-year-old child who lives in Monterey County—which is in CalWORKs Region 1 (the higher-cost counties)—would consist of the following: a CalWORKs Region 1 monthly payment of \$369, plus ARC state general fund resources of \$395, to bring the child's total ARC payment up to the basic foster care rate of \$764 for the child's age group.

Although CalWORKs funds may be part of the ARC payment, a child does not have to be eligible for CalWORKs to participate in the ARC Program. Please refer to CalWORKs and Implementation of the ARC Program below.

### California Necessities Index (CNI)/CalWORKs Adjustments

Each calendar year the ARC Program's base state general fund appropriation will be adjusted by an annual CNI rate used for the Local Assistance program estimates in the final appropriation for the Governor's Budget. However, the CNI increase to the average foster care rate, which is used for the ARC payment, will not be reflected until July 1 of each year pursuant to W&IC sections 11461.3 and 11461(g). The state general fund share of the ARC payment will be adjusted based on changes to statute for the CalWORKs exempt Maximum Aid Payment (MAP) levels.



### Supplemental Allowances

The ARC Program authorizes per-child, per-month payments up to the basic foster care rate, as specified in W&IC section 11461.3. It does *not* authorize any supplemental allowances to the rate.

### **STATE GENERAL FUND APPROPRIATION AND BASE CASELOAD AMOUNT**

As part of SB 855, the Legislature made a \$30 million appropriation from the state general fund for the ARC Program for the period January 1, 2015 through December 31, 2015. This is an ongoing appropriation that will be adjusted annually by the CNI. The Legislature intended this appropriation *to fully fund the base caseload of approved relative caregivers as of July 1, 2014*, subject to the “true-up” process described below. Funds from this appropriation will be distributed to counties participating in the ARC Program via county-specific allocations using a methodology that is currently being developed.

The SB 855 did not include an additional funding source for administrative costs to implement the ARC Program. Instructions regarding administrative costs associated with the ARC Program will be provided in a forthcoming County Fiscal Letter (CFL).

The \$30 million appropriation from the state general fund is not part of the 2011 realignment. Thus, a county that opts-in to the ARC Program will receive its full allocation of 2011 realignment funds in addition to its share of ARC funds.

Further, Title IV-E California Well-Being Project (Project) counties (waiver counties) may participate in the ARC Program as long as their cases are not eligible for federal Title IV-E or state AFDC-FC foster care funds and the county has opted-in. The ARC Program is separate from the Project. Therefore, counties participating in the Project that opt-in to the ARC Program will receive their normal allocation of federal waiver dollars. The CalWORKs and state general funds associated with the ARC Program will be provided as a non-waiver allocation.

### One-Time Opportunity to Adjust State General Fund Appropriation: True-up

The new law provides for a one-time opportunity to ensure that the ongoing state general fund appropriation for the ARC Program is sufficient to fund the base caseload of approved relative caregivers as of July 1, 2014. This process is called the true-up. The true-up is scheduled in law to occur on or before October 1, 2015. To the extent that the state general fund appropriation is insufficient to fund the base caseload—as jointly determined by CDSS and the County Welfare Directors Association (CWDA), and as approved by the California Department of Finance—the amount of the ongoing state general fund appropriation will be increased pursuant to W&IC section 11461.3(e)(1)(B).

Such an increase would be made retroactively for all counties that participate in the ARC Program in calendar-year 2015 and prospectively for all participating counties in the future.

Once the adjusted amount of the ongoing state general fund appropriation for the ARC Program is determined on or before October 1, 2015, it will not be adjusted again except for the annual CNI adjustment, based on W&IC section 11461.3. New legislation would be required to increase or decrease the amount of the appropriation.

### Methodology

Since there is only a one-time opportunity to adjust the ongoing state general fund appropriation for the ARC Program, it is important for each county to provide CDSS with reliable data regarding the number of eligible children placed with an approved relative caregiver as of July 1, 2014, even if a county is not currently choosing to opt-in. *Funds for the ARC Program will be allocated to participating counties based on the maximum number of approved relative caregiver placements of eligible children in the county as of July 1, 2014, using a methodology and timing currently being developed by CDSS in consultation with CWDA and other representatives of county human services agencies.* Please also see Required/Requested County Data below. More information about the methodology will be provided in a forthcoming departmental letter.

### Base Caseload

Related to the preceding information, questions have arisen regarding the definition of “base caseload,” including which cases are included and who is eligible for the ARC Program going forward. Regarding the base caseload, the phrase used in W&IC section 11461.3 is “to fully fund the base caseload of approved relative caregivers as of July 1, 2014.” Thus, the term “base caseload” refers to all eligible children placed with an approved relative caregiver as of July 1, 2014. *It is a snapshot as of the day of July 1, 2014.* As described in earlier sections of this ACL (Eligibility Criteria for Children and Requirements for Relative Caregivers), the term “base caseload” is further defined as follows:

- Includes any *non-federally* eligible child under Title IV-E of the Social Security Act who is under the jurisdiction of the California juvenile court and who is placed with an approved relative caregiver residing in California. (The term “approved” means the relative caregiver has gone through the assessment process and has met required approval standards that mirror those for licensed foster parents, or has met RFA approval standards. Please see W&IC sections 309(d), 361.4 and 16519.5.)

- Includes probation wards placed with an approved relative caregiver; children placed with an approved relative caregiver through a voluntary placement agreement pursuant to W&IC sections 11401(b), (b)(1), and (c); and NMDs as described in W&IC section 11401(e).
- May include an undocumented child if all ARC eligibility requirements are met. For more information about eligibility and undocumented children, please refer to Eligibility Criteria for Children.
- Does not include probate guardianship cases.
- *ONLY consists of eligible children placed with an approved relative caregiver as of July 1, 2014.* Relative caregiver approvals that were pending as of July 1, 2014, or that occurred after July 1, 2014, are not included. Neither are pending approvals of relative caregivers with whom a probation ward is placed and pending RFA approvals. None of these cases can be included in the base caseload unless the relative caregivers were actually approved as of July 1, 2014.
- For purposes of determining the base caseload, includes in the baseline calculation all ARC-eligible children placed with an approved relative caregiver regardless of whether the child is receiving a CalWORKs payment or not.

## **REQUIRED/REQUESTED COUNTY DATA**

To accurately determine whether the \$30 million state general fund base ARC funding amount needs to be adjusted on or before October 1, 2015, it is necessary to obtain caseload data as of July 1, 2014 for all counties regardless of whether a county is opting-in or not. This will ensure adequate funding for the ARC Program. To aid in this effort, CDSS is developing a template for capturing county caseload data that all opt-in counties will be required to complete and return to CDSS. This template and related instructions will be transmitted to counties separately.

Counties that do not elect to participate in the ARC Program for calendar-year 2015 will also be asked to complete and return the template to CDSS. Even if a county does not opt-in this year, the county may want to opt-in to the program in a subsequent year. Thus, it is in the best interests of all counties to submit county caseload data to CDSS. There will only be one opportunity to adjust the ongoing state general fund appropriation for the ARC Program. More accurate data will allow for a more accurate adjustment of the ARC appropriation.

The CDSS has received numerous inquiries about how the data submitted by the counties will be reviewed and utilized. The data provided by counties will be compared with state data. Variances will be discussed and resolved based on agreements reached between CWDA, the counties and CDSS.

**The due date(s) for county submission of this data to CDSS is still being determined and will be conveyed to counties along with the template and related instructions.**

### **END-OF-YEAR ARC PROGRAM REIMBURSEMENT PROVISIONS**

It was the Legislature's intent to fully fund the base caseload of approved relative caregivers as of July 1, 2014, while optimizing the use of CalWORKs funds. However, if the county-specific ARC caseload exceeds the baseline caseload as of July 1, 2014 (i.e., the county experiences an overall increase in its ARC-eligible relative placements after July 1, 2014), *the county is solely responsible for continuing to make full ARC payments to eligible relative caregivers pursuant to W&IC section 11461.3(c)(3)*. The law does provide for some fiscal relief. If in any calendar year the entire amount of the ARC Program appropriation has not been fully expended, the unexpended funds may be used to reimburse some or all of the costs for those counties that have paid funds to cover amounts exceeding the county's allocation, using an agreed-upon methodology to redistribute the funds. The CDSS' authority to approve county requests for reimbursement will be limited to the amount of available unspent funds. A future CFL will explain the process CDSS will use to address these requests pursuant to W&IC section 11461.3(e)(3).

### **EXEMPTION FROM THE STATE-HEARING PROCESS**

Under W&IC section 10950, an approved relative caregiver cannot appeal any reduction in his or her per-child, per-month payment that occurs as a result of a county opting-out of the ARC Program. This includes any reduction in payments following the presumed opt-out of counties in the event of a state-budget reduction. However, if there is a reduction in payments to an approved relative caregiver as a result of some other determination unrelated to a county opting-out of the ARC Program, the caregiver retains his or her existing appeal rights.

### **CALWORKS AND IMPLEMENTATION OF THE ARC PROGRAM**

The ARC payment will include a portion of CalWORKs funds unless the child does not qualify for CalWORKs. Although CalWORKs is one of the funding sources for the ARC Program, eligibility for the CalWORKs Program is not a requirement for receipt of the ARC payment. An otherwise eligible child who does not meet the CalWORKs income and property requirements specified on the ARC Program application can still participate in the ARC Program. However, each ARC-eligible child must be assessed for CalWORKs eligibility in order to determine if CalWORKs funds can be utilized in the child's ARC payment. For more information, please refer to Children Who Do Not Qualify for CalWORKs below.

### The CalWORKs Requirements and Relative Caregivers

**The CDSS notes that the following CalWORKs requirements will not apply to an approved relative applying for the ARC Program on behalf of an eligible child:**

- Statewide Fingerprint Imaging System (SFIS) requirements. It is considered sufficient that an approved relative caregiver has already been fingerprinted and undergone a criminal records background check as part of the approval process pursuant to W&IC section 361.4 and Health and Safety Code section 1522.
- Face-to-face interview requirement
- Requirement for a photo-image of the approved relative caregiver

**Despite this, if the caretaker relative or other children in the home receive CalWORKs benefits but do not participate in the ARC Program, the caretaker relative must comply with SFIS, face-to-face interview and photo-imaging requirements.**

### The ARC Program Application and Other Eligibility Information

As noted, in order for an approved relative caregiver to receive the ARC payment on behalf of an eligible child, an ARC Program application must be fully completed, signed by the relative caregiver, and submitted to the county. The ARC Program application consists of two parts: the first part establishes the child's eligibility for the ARC Program and the second part establishes the child's eligibility for CalWORKs. Because the county should already have this information from the AFDC-FC determination, the forms [FC 2](#) (Statement of Facts Supporting Eligibility for AFDC-Foster Care (FC)) and [SOC 158A](#) (Foster Child's Data Record and AFDC-FC Certification) may be used as documentation. Please refer to the attached form [ARC 1](#) (ARC Program application).

Income and property requirements mirroring those for Temporary Assistance to Needy Families (TANF) are included on the ARC Program application. **All TANF income, property, and citizenship rules remain the same and will apply to the ARC Program.** For ARC Program purposes, compliance with these requirements is evaluated in the same way that TANF evaluates them.

For CalWORKs eligibility, children must meet the requirements regarding citizenship specified in [ACIN I-71-00](#).

CalWORKs Assistance Unit (AU)

**For ARC Program purposes, each participating child will be in an AU of one regardless of how many other persons in the family receive CalWORKs, including any siblings of the child.**

The CalWORKs Portion of the ARC Payment: CalWORKs Regions 1 and 2

The amount of the CalWORKs portion of an eligible child's ARC payment will depend on where the child lives. There are two CalWORKs regions in California: Region 1 consists of the higher-cost counties and Region 2 consists of the rest of the state. The CalWORKs MAP rate is slightly higher for Region 1 than for Region 2. Although the amount of the CalWORKs portion of the ARC payment will vary from Region 1 to Region 2, each child participating in the ARC Program will receive an ARC payment equal to the basic foster care rate regardless of the child's county of residence.

For CalWORKs Region 1 (the higher-cost counties), the MAP for an ARC-eligible child's CalWORKs portion of the ARC payment will be \$369 per month from January 2015 through March 2015. The amount will increase to \$387 per month on April 1, 2015, when the MAP increases by five percent.

Counties in Region 1 consist of Alameda, Contra Costa, Los Angeles, Marin, Monterey, Napa, Orange, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, and Ventura.

For CalWORKs Region 2 (the rest of the state), the MAP for an ARC-eligible child's CalWORKs portion of the ARC payment will be \$351 per month from January 2015 through March 2015. The amount will increase to \$369 per month on April 1, 2015.

Counties in Region 2 consist of Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Imperial, Inyo, Kern, Kings, Lake, Lassen, Madera, Mariposa, Mendocino, Merced, Modoc, Mono, Nevada, Placer, Plumas, Riverside, Sacramento, San Benito, San Bernardino, San Joaquin, Shasta, Sierra, Siskiyou, Stanislaus, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yolo and Yuba.

Effect of ARC Program on CalWORKs Payments

An approved relative caregiver receiving ARC payments on behalf of an eligible child is not eligible to receive additional CalWORKs payments on behalf of the same child under W&IC section 11450. These additional CalWORKs payments are described in MPP section 42-211, and include payments for special needs, emergencies, homeless assistance, and pregnancy special needs. Any statutory changes imposed on the

CalWORKs grant levels, such as changes to the MAP levels, shall also be applied to the CalWORKs portion of the ARC payment.

To the extent permitted by federal law, payments received by an approved relative caregiver from the ARC Program cannot be considered income for purposes of determining other public benefits (except for CalFresh in some circumstances). Thus, the ARC payment will not be included as income when determining the relative caregiver's or other household members' eligibility for CalWORKs assistance.

Recipients of ARC funding may also be eligible for CalFresh benefits. For CalFresh budgeting purposes, monies made available through the ARC Program shall be treated in the same manner as foster care payments made to CalFresh households. CalFresh households shall be informed of their option to include in the CalFresh household an ARC-eligible foster child for CalFresh budgeting purposes. That is, ARC-eligible foster children may be considered part of the CalFresh household, with the ARC payment treated as unearned income to the CalFresh household; OR ARC-eligible foster children can be considered boarders and excluded for CalFresh budgeting purposes from the household, with the ARC payment excluded from income consideration. For more information, please refer to MPP sections 63-402.32 and 63-502.2(o).

## **COUNTY WITH PAYMENT RESPONSIBILITY**

Although the county of residence is typically the county with payment responsibility for CalWORKs (except for NMDs), **the county of court jurisdiction will be the county with payment responsibility for the ARC Program.** This includes the CalWORKs portion of the ARC payment, which will apply in the vast majority of ARC cases. Thus, the county of court jurisdiction—the county with placement and care responsibility over the child or the NMD—will make the ARC payment. The county of court jurisdiction will continue to make the ARC payment even if the child is placed out of county, as long as the child is placed in California; it does not matter if the county in which the child is placed is an ARC opt-in county or not. As a result, for certain cases, an Inter-County Transfer may be necessary to transfer the case from the county of residence to the county of court jurisdiction. This issue will be addressed in greater detail in a forthcoming CalWORKs ACL.

Needy or non-needy caretaker relatives caring for a child(ren) who is not participating in the ARC Program, but who is receiving CalWORKs, will continue to receive their CalWORKs benefits from the county of residence.

## **ELECTRONIC BENEFIT TRANSFER (EBT) SYSTEM**

The goal in utilizing the EBT system for ARC payments is to make implementation of the ARC Program as seamless as possible. The EBT system is a payment system for CalWORKs, CalFresh, and other benefits. The ARC Program will be able to utilize the EBT system through the creation of a new benefit type and new aid codes, allowing ARC payments to be made on EBT cards by the county of court jurisdiction.

If an ARC-eligible child's family currently receives CalWORKs or other benefits, *and the county of court jurisdiction is also the county of residence*, the child's ARC payments may be consolidated onto the family's existing EBT card. However, *if the county of court jurisdiction is different from the county of residence*, the child's ARC payments must be issued on a separate EBT card by the county of court jurisdiction.

The CDSS notes that the EBT system may not be available to issue ARC payments by January 1, 2015. In light of this, CDSS is exploring alternative payment options pending utilization of the EBT system for ARC payments. At the same time, CDSS is working with the Office of Systems Integration and the Statewide Automated Welfare System (SAWS) consortium to determine how ARC payments can be handled through the EBT system. For more information about the EBT system, please access [www.ebtproject.ca.gov](http://www.ebtproject.ca.gov).

## **PAYMENTS AND OVERPAYMENTS**

### Date of Issuance of ARC Payments

The CalWORKs payments are issued at the beginning of the month through the EBT system. The ARC payments will also be issued at the beginning of the month. This is consistent with CalWORKs statute and with the goal of consolidating ARC payments and other benefits onto an existing or a single EBT card where feasible. The W&IC section 11265.46 requires CalWORKs benefits for the foster care population to be issued prospectively.

### Date of Issuance if CalWORKs Determination Is Pending

If a child is ARC-eligible, but the determination of eligibility for the CalWORKs portion of the ARC payment is pending, the ARC payment should still commence upon the date the child is determined to be ARC eligible. Once CalWORKs eligibility is determined, CalWORKs eligibility and the ARC payment will be retroactive to the date of the ARC Program application, and the county can make the necessary funding adjustments (e.g., retroactively apply CalWORKs funds to the ARC payment). This will optimize the use of CalWORKs funds in the ARC Program, which was the intent of the Legislature.



### ARC Payment Offset

The ARC payment would be offset by any social security income that an ARC-eligible child or NMD receives. Counties should follow the offset rules in MPP section 44-100.

### ARC Overpayments

The issue of ARC overpayments and will be discussed in a forthcoming departmental letter.

## **AID CODES FOR MEDI-CAL ELIGIBILITY**

Five new aid codes for Medi-Cal eligibility have been assigned to the ARC Program:

- 2S – ARC Funding Option + federal CalWORKs;
- 2T – ARC Funding Option + state CalWORKs;
- 2U – ARC Funding Option + state CalWORKs (for NMDs);
- 2P – ARC Funding only (state general fund); and
- 2R – ARC Funding only (state general fund) (for NMDs).

## **EBT AUTOMATION**

A new EBT benefit type code is under development at this time and is not yet available to be used. The new benefit type is expected to be available sometime in the second quarter of 2015. Once the development process is completed, the SAWS consortia and the counties will be notified in order to allow programming of the benefit type code.

If you have any questions regarding the ARC benefit type, please contact the EBT Operations Helpdesk at 916-263-6600.

## **CHILDREN WHO DO NOT QUALIFY FOR CALWORKS**

The ARC Program seeks both to optimize the use of CalWORKs funds and to provide ARC payments to all eligible children. However, if the CalWORKs income and property sections of the ARC Program application make the child ineligible for the CalWORKs portion of the ARC payment, the child can still participate in the ARC Program. In cases where the child is ineligible for CalWORKs, the child's ARC payment will consist entirely of state general funds appropriated for the ARC Program in an amount equal to the basic foster care rate pursuant to W&IC section 11461(g). County funds may also potentially be needed to fund such ARC payments if the county-specific ARC allocation is insufficient to fund the payments after the true-up.

Since ARC payments cannot be made through the EBT system in time for the January 1, 2015 ARC Program implementation date, a county will have to make the above ARC payments through a manual county process until the automated process can be implemented. As noted earlier, CDSS is exploring alternative payment options pending utilization of the EBT system for ARC payments.

## **TRIBES AND THE ARC PROGRAM**

Although SB 855 is silent on whether tribes are opt-in entities, any Indian child who meets all of the ARC requirements is eligible for ARC payments in the same way as any other child. Moreover, tribes—whether Title IV-E tribes or not—will have an interest in assuring that any of their children covered by the Indian Child Welfare Act (ICWA) are provided any potential benefits from the ARC Program if the county responsible for the child's case has chosen to opt-in and the child is otherwise ARC eligible. Counties that have ICWA-covered children should therefore reach out to and collaborate with tribes to inform them of the new program and how it might benefit their children.

## **CHILD SUPPORT PROVISIONS**

The CDSS is currently working with the California Department of Child Support Services to resolve key child support issues regarding the ARC Program. These issues will be addressed in a forthcoming ACL.

## **OUTREACH**

There are several ways for relative caregivers to be informed about the ARC Program, as follows:

- Educational brochure. To assist with county outreach efforts, [PUB 468](#) (Approved Relative Caregivers Funding Option Program) has been prepared as an informational brochure for relative caregivers. For a camera-ready copy of this brochure, contact the CDSS Forms Management Unit at [fmudss@dss.ca.gov](mailto:fmudss@dss.ca.gov).
- Monthly visits. Upon initial implementation of the ARC Program, social workers are encouraged to discuss the ARC Program with approved relative caregivers, and to give them copies of the brochure and the ARC Program application, during monthly social worker visits. Social workers are also encouraged to assist approved relative caregivers with filling out the application, providing information already gathered in the AFDC-FC determination process (e.g., on the forms [FC 2](#), [SOC 158A](#)), verifying information if necessary, and submitting the application to the county's CalWORKs eligibility unit.
- Prospective relative caregivers and newly eligible children. For this population, it is anticipated that information about the ARC Program will be incorporated into the

normal procedures that counties follow when prospective relative caregivers receive orientations and related children in foster care are initially evaluated to determine which funding source is the most appropriate for them.

- Other avenues. Counties may wish to distribute copies of the aforementioned brochure and ARC Program application to local organizations that provide kinship services. Advocacy or caregiver newsletters and websites may be other avenues to explore to spread the word about the ARC Program.

While there is no requirement for counties to notify relative caregivers about the ARC Program prior to its implementation, counties interested in participating in the program are encouraged to let local relative caregivers know about it as soon as possible.

## **CHECKLIST AND SUMMARY OF KEY PROGRAM PROVISIONS**

For ease of reference, following is a checklist of county responsibilities under the ARC Program, as well as a summary of other key program provisions:

### County Responsibilities

- Notify CDSS in writing of the county's intent to opt-in to the ARC Program by no later than October 1 for the upcoming calendar year (except for calendar-year 2015). Once a county has opted-in to the program, the county will not have to opt-in again in subsequent years.
- Provide CDSS with caseload data.
- Make per-child, per-month ARC payments to approved relative caregivers on behalf of ARC-eligible children in an amount equal to the basic foster care rate paid to AFDC-FC providers for the duration of the county's participation in the program, even if the funds allocated to the county are insufficient to make all eligible ARC payments. (Counties may seek reimbursement for county funds used to make eligible ARC payments if in any given calendar year the entire amount of the ARC Program appropriation has not been fully expended.)
- Ensure that a child deemed ARC-eligible meets all of the following criteria: 1) is a dependent or ward of the California juvenile court, or is placed under a voluntary placement agreement; 2) is *not* federally eligible under Title IV-E of the Social Security Act; and 3) resides in California. A completed ARC Program application must also be submitted on behalf of the child.
- Ensure that all relative caregivers with whom an ARC-eligible child is placed reside in California and are approved pursuant to W&IC sections 309(d), 361.4, and/or 16519.5.

- If the county decides to opt-out of the program, give CDSS at least 120 days' prior written notice and approved relative caregivers at least 90 days' prior written notice. Continue to make ARC payments for the duration of both notice periods.
- If a presumed opt-out of all counties occurs as the result of a state-budget reduction for the ARC Program and the county decides to opt-in, notify CDSS within 60 days of the enactment of the state budget. If a county decides not to opt-in, give approved relative caregivers at least 90 days' prior written notice and continue to make ARC payments for the duration of the notice period.

#### Other Program Provisions

- Funding is derived from CalWORKs funds, an ongoing state general fund appropriation for the ARC Program, and county funds if the other two funding sources are insufficient to fund ARC payments. (Counties are also responsible for the county share of costs associated with the CalWORKs portion of the ARC payment.)
- The ongoing state general fund appropriation for the ARC Program is intended to fully fund the base caseload of approved relative caregivers as of July 1, 2014, and will be adjusted annually by the CNI reflected in the annual Governor's Budget appropriation.
- There will be a one-time opportunity to adjust the current \$30 million ongoing state general fund appropriation for the ARC Program to ensure that the base caseload of approved relative caregivers as of July 1, 2014, is fully funded. This "true-up" must occur on or before October 1, 2015.
- The ARC Program funds will be allocated to participating counties based on the number of approved relative caregiver placements in the county as of July 1, 2014.
- Any reduction in ARC payments that occurs as the result of a county opting-out is exempt from the state-hearing process under W&IC section 10950.

#### **OPT-IN AND OPT-OUT LETTER TEMPLATES AND MAILING INSTRUCTIONS**

As mentioned previously, attached are letter templates that counties must use to opt-in or opt-out of the ARC Program. Letters may be transmitted to CDSS in one of two ways:

- Hard copy. Hard-copy letters may be sent to CDSS. If this method is chosen, the following applies:
  - For the purpose of determining whether a county opt-in letter is received in a timely manner, an opt-in letter will be considered received by CDSS based on the date of the postmark on the envelope.

- For the purpose of determining when the 120-day notice period to CDSS of the county's decision to opt-out begins, the date the opt-out letter is dated by the county will be considered the first day of the 120-day notice period as long as the letter is received by CDSS within ten calendar days. The county can choose a later date for the 120-day notice period to begin, but cannot choose an earlier date.

Please send hard copies of letters to the following address:

**California Department of Social Services  
Attention: Foster Caregiver Policy and Support Unit  
744 P Street, MS 8-13-78  
Sacramento, CA 95814**

- Soft copy. Signed, scanned copies of letters may be sent to CDSS via e-mail at [ARCFO@dss.ca.gov](mailto:ARCFO@dss.ca.gov). If this method is chosen, the following applies:
  - For both opt-in and opt-out letters, the date of the e-mail transmission will be considered the date the letter was received by CDSS.
  - For an opt-out letter, the date of the e-mail transmission will be considered the first day of the 120-day notice period to CDSS of the county's decision to opt-out, unless the county indicates in the letter that the notice period will begin on a later date.
  - A hard copy of the original scanned, signed letter must be received by CDSS within ten calendar days.

Notices to caregivers. If a county opts-out of the ARC Program, the county must also send CDSS a copy of the written notice it sends to participating approved relative caregivers. The copy of this notice must be received by CDSS within ten calendar days of the date the notice is dated by the county. As indicated earlier, a statewide notice template for counties to use will be forthcoming.

### **ARC PROGRAM QUESTIONS AND ANSWERS (Q&As)**

Since the enactment of SB 855, CDSS has received many questions regarding the ARC Program. Although many of these questions have been answered in this ACL, attached is a document containing outstanding Q&As to assist in understanding the nuances of the ARC Program.

## **CONTACT INFORMATION**

If you have policy-related questions concerning the ARC Program, please contact the Foster Caregiver Policy and Support Unit at (916) 651-7465 or [ARCFO@dss.ca.gov](mailto:ARCFO@dss.ca.gov). Questions concerning fiscal claiming, reporting and aid codes should be directed to [fiscal.systems@dss.ca.gov](mailto:fiscal.systems@dss.ca.gov). Questions concerning CalWORKs policy should be directed to the CalWORKs Eligibility Bureau at (916) 654-1322.

Sincerely,

***Original Document Signed By:***

GREGORY E. ROSE  
Deputy Director  
Children and Family Services Division

Attachments

## APPROVED RELATIVE CAREGIVER (ARC) FUNDING OPTION PROGRAM

### QUESTIONS AND ANSWERS (Q&As)

Following are Q&As that were not addressed in the All County Letter (ACL). Additional information will be provided in forthcoming departmental letters.

**1) Auditing. What type of state/federal monitoring/auditing will the ARC Program be subject to?**

*To be determined. Discussions are ongoing about what type of monitoring/auditing should be conducted for this type of funding program.*

**2) CalWORKs. Will families have the option to stay on CalWORKs?**

*Yes, as noted in the ACL, families may choose not to participate in the ARC Program and to continue to receive CalWORKs benefits only. However, if a family is caring for an ARC-eligible child, a county representative who is familiar with the family's situation should educate the family about the advantages of an ARC payment for the child versus a straight CalWORKs payment. For example, the family may want to consider the following factors: The ARC payment will be considerably higher than the straight CalWORKs payment. In addition, the ARC payment will not be included as income when determining the relative caregiver's or other household members' eligibility for CalWORKs assistance.*

**3) Closed cases. Do relatives with closed cases qualify to participate in the ARC Program?**

*It is unclear what is meant by "closed cases." There are several possibilities, as follows:*

*If the term "closed case" refers to a closed CalWORKs case (e.g., the approved relative caregiver previously declined CalWORKs), then the answer is yes, the child can still participate in the ARC Program if the child meets ARC eligibility requirements. The child can qualify for the ARC Program regardless of whether or not he or she qualifies for CalWORKs. However, if the child does qualify for CalWORKs, then CalWORKs can be used to fund a portion of the child's ARC payment.*

*If the term "closed case" pertains to a child who is no longer a dependent or ward of the juvenile court, then the answer is no, the child cannot participate in the ARC Program. However, children who exit foster care to guardianship with a relative or adoption may be eligible to receive funding, respectively, through the Kinship Guardianship Assistance Payment Program or the Adoption Assistance Program.*

*Finally, an approved relative caregiver cannot be paid retroactively for care that has already been provided to an ARC-eligible child.*

**4) Federal foster care amounts. What is the federal basic foster care rate?**

*Foster care rates are adjusted yearly according to the California Necessities Index. Following are the federal basic foster care rates for Fiscal Year 2014-15:*

- *Birth to four years of age: \$671*
- *Five to eight years of age: \$726*
- *Nine to 11 years of age: \$764*
- *Twelve to 14 years of age: \$800*
- *Fifteen to 20 years of age: \$838*

*The ARC Program does not utilize Title IV-E federal foster care funds. However, ARC payments must be equal to the federal basic foster care rates described above.*

**5) Financial aspects. Please provide a description of the financial side of the ARC Program, including statistical reporting and claim requirements. What changes need to occur in order to process the changes in the funding?**

*Answers will be provided in forthcoming departmental letters.*

**6) Fiscal report. Which fiscal report will include the ARC Program?**

*Assuming this question is in regard to an assistance claim, the answer will be provided in a forthcoming County Fiscal Letter (CFL).*

**7) Foster Family Agencies (FFA). How will this approved funding affect FFA placements?**

*The ARC Program should not affect FFA placements. The FFAs typically derive their funding from Aid to Families with Dependent Children-Foster Care (AFDC-FC). A certified foster parent or a licensed caregiver would receive a full AFDC-FC payment on behalf of a foster child in their care. For more information about FFAs, please access [www.childsworld.ca.gov/pg1346.htm](http://www.childsworld.ca.gov/pg1346.htm).*

**8) Methodology. Will counties be provided with a block of funds on January 1 of each year, or will the counties claim monthly and be reimbursed from an allocation?**



*This information will be provided in a forthcoming CFL.*

- 9) **Methodology.** How will funds be distributed? As part of realignment, or as a CalWORKs allocation or a separate allocation?

*It will be a separate allocation.*

- 10) **Statewide Automated Welfare System (SAWS) funding.** Is there funding for the SAWS system to implement this program?

*Any programming changes to SAWS necessary to implement the ARC Program is considered a workload change and should be prioritized against other existing programming changes within the SAWS baseline budget. Additional funding to complete the ARC programming changes may be requested through the next budget cycle and is subject to the state budget approval process.*

- 11) **Special needs.** Are ARC Program payments higher for children with special needs?

*No. As indicated in the ACL, the ARC Program does not include a Specialized Care Increment. In addition, the monthly ARC payment itself is not higher for a child with special needs.*

- 12) **State-funding reduction.** If state funding is reduced but a county wants to continue to participate, would the payment be a 100 percent local cost, or just the difference between the CalWORKs grant and the foster care rate?

*If there is a budget reduction and the county wants to continue to participate in the ARC Program, the county will need to use local funds to make up the loss of state general funds. A state-budget reduction to the ARC Program would automatically trigger the opt-out of all participating counties unless a county chooses to opt-in again within 60 days of the enactment of the state budget. Such an opt-in county would likely continue to receive some ARC funds. The magnitude of the county reduction in ARC funds would depend on the magnitude of the state-budget reduction. In this situation, to cover a monthly ARC payment, the county would continue to use available ARC funds to the extent possible together with CalWORKs funds (the CalWORKs portion of the payment is not capped). If that was not sufficient to cover the monthly ARC payment, the county would be responsible for funding the rest of the payment up to the equivalent of the basic foster care rate.*

COUNTY LETTERHEAD

**APPROVED RELATIVE CAREGIVER FUNDING OPTION PROGRAM:  
COUNTY OPT-IN LETTER TEMPLATE  
(Counties must use this template if they choose to opt-in.)**

DATE

California Department of Social Services  
Attention: Foster Caregiver Policy and Support Unit  
744 P Street, MS 8-13-78  
Sacramento, CA 95814

To Whom It May Concern:

SUBJECT: APPROVED RELATIVE CAREGIVER FUNDING OPTION PROGRAM

The purpose of this letter is to inform the California Department of Social Services (CDSS) that \_\_\_\_\_ County elects to participate in the Approved Relative Caregiver (ARC) Funding Option Program (hereinafter referred to as the ARC Program). By choosing to participate in this optional program, \_\_\_\_\_ County agrees to the terms and conditions of the program, as described in Welfare and Institutions Code (W&IC) section 11461.3. In addition, for calendar-year 2015 only, \_\_\_\_\_ County agrees to separately provide county caseload data necessary for CDSS to determine the amount of funding that the county is eligible to receive.

For calendar-year 2015 (for opt-in letters submitted after December 1, 2014), \_\_\_\_\_ County believes that good cause exists for not submitting the opt-in letter by October 1, 2014, due to the complexities involved in resolving policy and operational issues associated with implementation of the ARC Program.

For calendar-year 2015 (for opt-in letters submitted after March 1, 2015), \_\_\_\_\_ County believes that good cause exists for not submitting the opt-in letter in a timely fashion due to \_\_\_\_\_

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Participation Agreements

In submitting this letter to CDSS, \_\_\_\_\_ County acknowledges that it understands and agrees to all of the following conditions for participating in the ARC Program and for accessing related state funds pursuant to W&IC section 11461.3:

## COUNTY LETTERHEAD

- 1) A county that opts-in to the ARC Program will participate continuously in the program unless the county decides to opt-out, or state funding for the ARC Program is reduced, as described in number six below. A county that opts-out may opt-in again by notifying CDSS in writing of its decision to participate in the ARC Funding Option Program by October 1 of the year before participation begins. Participation begins on January 1 of the following year.
- 2) The county agrees to make per-child, per-month ARC Program payments to approved relative caregivers on behalf of eligible children in an amount equal to the basic rate paid to foster care providers pursuant to W&IC section 11461(g). To be eligible, a related child must meet all of the following criteria: a) reside in California; b) be a dependent or ward of the California juvenile court, or be placed by a voluntary placement agreement; and c) not be federally eligible under Title IV-E of the Social Security Act. The county agrees to make these payments for the duration of the county's participation in the program.
- 3) To participate in the ARC Funding Option Program, the county must ensure that all relative caregivers with whom eligible children are placed are approved pursuant to W&IC sections 309(d), 361.4 or 16159.5 (Resource Family Approval).
- 4) The county will comply with paragraph number two above even if the allocated state and federal funds are insufficient to make all eligible payments to approved relative caregivers.
- 5) If a county decides to opt-out of the program, the county must give CDSS at least 120 days' prior written notice. The county must also give each participating approved relative caregiver at least 90 days' prior written notice that his or her payments will be reduced, including the date the reduction will occur. In addition, the county must comply with paragraph number two above for the duration of both notice periods.
- 6) Funding for the ARC Program is contingent upon an annual appropriation of funds. If the appropriation for the ARC Program is reduced, no matter how small the reduction may be, CDSS will presume that all counties have opted-out of the program. If a county would like to continue to provide ARC Program funding, it must notify the CDSS of its intent to opt-in within 60 days of the enactment of the state budget authorizing the reduction. Counties that do not opt-in must give each participating approved relative caregiver at least 90 days' prior written notice that his or her payments will be reduced, including the date the reduction will occur. In addition, these counties must comply with paragraph number two above for the duration of this notice period.

## COUNTY LETTERHEAD

### ARC Program Provisions

The county also understands and agrees to the following provisions of the ARC Program:

- Funding for the ARC Program is comprised of California Work Opportunity and Responsibility to Kids (CalWORKs) funds, an ongoing state general fund appropriation for the ARC Program, and potentially county funds if the other funding sources are insufficient to cover all eligible ARC payments. (Counties are also responsible for the county share of costs associated with the CalWORKs portion of the ARC payment.)
- Funds are allocated to participating counties based on the number of approved relative caregiver placements in the county as of July 1, 2014, using a methodology and timing developed by CDSS in consultation with county human services agencies and their representatives.
- If in any calendar year the entire amount of the funding appropriated by the State for the ARC Program has not been fully expended, a county that has paid funds to cover amounts that exceeded the county's allocation may ask CDSS to be reimbursed for those expenses. The CDSS' authority to approve these requests will be limited by the amount of available unspent funds.
- Any reduction in payments to an approved relative caregiver that occurs as the result of a county's decision to opt-out of the program is exempt from the state-hearing process under W&IC section 10950.
- An approved relative caregiver receiving payments on behalf of an eligible child under this program is not eligible to receive additional CalWORKs payments on behalf of the same child under W&IC section 11450.
- To the extent permitted by federal law, payments received by an approved relative caregiver from the ARC Funding Option Program cannot be considered income for the purpose of determining other public benefits.

### STANDARD COUNTY CLOSING WITH CONTACT INFORMATION

Sincerely,

SIGNATURE  
TITLE

**APPROVED RELATIVE CAREGIVER FUNDING OPTION PROGRAM:  
COUNTY OPT-OUT LETTER TEMPLATE**  
*(Counties must use this template if they choose to opt-out.)*

DATE

California Department of Social Services  
Attention: Foster Caregiver Policy and Support Unit  
744 P Street, MS 8-13-78  
Sacramento, CA 95814

To Whom It May Concern:

SUBJECT: APPROVED RELATIVE CAREGIVER FUNDING OPTION PROGRAM

The purpose of this letter is to inform the California Department of Social Services (CDSS) that \_\_\_\_\_ County elects to opt-out of the Approved Relative Caregiver (ARC) Funding Option Program, also known as the ARC Program, effective \_\_\_\_\_ (120 days from the date on this letter or later).

In deciding to opt-out of the program by this letter, \_\_\_\_\_ County is giving CDSS at least 120 days' prior written notice. \_\_\_\_\_ County will also give each participating approved relative caregiver at least 90 days' prior written notice that his or her payments will be reduced, including the date the reduction will occur. We understand that ARC payments must continue to be made during the notice periods, even if those notice periods run consecutively compared to concurrently.

We also agree to forward CDSS a copy of the notice sent to participating approved relative caregivers when it is available.

We further understand that \_\_\_\_\_ County may opt-in again by notifying CDSS in writing of its decision to participate in the ARC Program by October 1 of the year before participation begins. Participation begins on January 1 of the following year.

If you have any questions, please contact \_\_\_\_\_ at \_\_\_\_\_.

STANDARD COUNTY CLOSING WITH CONTACT INFORMATION.

Sincerely,

SIGNATURE  
TITLE

<b>STATEMENT OF FACTS SUPPORTING ELIGIBILITY FOR THE APPROVED RELATIVE CAREGIVER (ARC) FUNDING OPTION PROGRAM</b>		<b>COUNTY USE ONLY</b>														
<b>(PART ONE)</b>  <b>INSTRUCTIONS:</b> Please complete in ink all of the questions to the left of the heavy black line. If you need more space, attach another sheet of paper. Fill out this form for each eligible child/youth. If you need help filling out this form, please contact the child/youth’s social worker or eligibility worker.		<b>CASE NAME</b>														
<b>1. Approved Relative Caregiver’s Name</b>		<b>CASE NUMBER</b>														
<b>2. Give us all the facts for this child/youth.</b>		<b>WORKER NAME AND NUMBER</b>														
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 2px;">Child/Youth’s Name (First, Middle, Last)</td> <td style="width: 50%; padding: 2px;">                     Sex  <input type="checkbox"/> Male <input type="checkbox"/> Female                 </td> </tr> <tr> <td colspan="2" style="padding: 2px;">Address</td> </tr> <tr> <td style="padding: 2px;">Birthdate (Month/Day/Year)</td> <td style="padding: 2px;">Birthplace (City/State/Country)</td> </tr> <tr> <td colspan="2" style="padding: 2px;">Social Security Number</td> </tr> <tr> <td style="padding: 2px;">Citizen of U.S. A.? <input type="checkbox"/> YES <input type="checkbox"/> NO</td> <td style="padding: 2px;">Noncitizen Status</td> </tr> <tr> <td style="padding: 2px;">Reside in the State of California? <input type="checkbox"/> YES <input type="checkbox"/> NO</td> <td></td> </tr> <tr> <td colspan="2" style="padding: 2px;">Relationship of Child/Youth to the Relative Caregiver</td> </tr> </table>		Child/Youth’s Name (First, Middle, Last)	Sex <input type="checkbox"/> Male <input type="checkbox"/> Female	Address		Birthdate (Month/Day/Year)	Birthplace (City/State/Country)	Social Security Number		Citizen of U.S. A.? <input type="checkbox"/> YES <input type="checkbox"/> NO	Noncitizen Status	Reside in the State of California? <input type="checkbox"/> YES <input type="checkbox"/> NO		Relationship of Child/Youth to the Relative Caregiver		<b>DATE RECEIVED</b>
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Reside in the State of California? <input type="checkbox"/> YES <input type="checkbox"/> NO																
Relationship of Child/Youth to the Relative Caregiver																
<b>3. Is the child/youth currently receiving CalWORKs?</b> <input type="checkbox"/> YES <input type="checkbox"/> NO  If “YES”, list the CalWORKs Case No.: _____ and sign below (page two).  If “NO”, you must complete Part Two, starting with #4, below.		Verification <input type="checkbox"/> SSN <input type="checkbox"/> Citizen <input type="checkbox"/> Eligible Noncitizen <input type="checkbox"/> California Residency  Verification of Dependency Status <input type="checkbox"/> Dependency Order <input type="checkbox"/> Voluntary Placement Agreement _____ (end date) <input type="checkbox"/> SOC 158A <input type="checkbox"/> FC 3  Verification of Federal Funding Status <input type="checkbox"/> Eligible for federal AFDC-FC <input type="checkbox"/> Ineligible for federal AFDC-FC <input type="checkbox"/> SOC 158A <input type="checkbox"/> FC 3														
<b>STATEMENT OF FACTS SUPPORTING CALWORKS ELIGIBILITY</b> <b>(PART TWO, ARC PROGRAM STATEMENT OF FACTS)</b>  <b>NOTE:</b> If you need help filling out this form, please contact the child/youth’s social worker or eligibility worker.		Verification <input type="checkbox"/> CalWORKS eligibility confirmed														
<b>4. Does the child/youth have health insurance, including Medi-Cal?</b> <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON’T KNOW  If “YES”, list policy number, company name, and name of policy:  For Medi-Cal, list the Medi-Cal Case No.:		Verification <input type="checkbox"/> FC 2  <input type="checkbox"/> Verification provided  For Medi-Cal, Relative Caregiver chooses: <input type="checkbox"/> Managed Care <input type="checkbox"/> Fee for Service  <input type="checkbox"/> FC 2														

**5. Does the child/youth get or expect to get any income, such as:**  YES  NO  DON'T KNOW  
**Earnings, Supplemental Security Income/State Supplementary Payment (SSI/SSP), Social Security Benefits, Child Support, Veterans Benefits, etc.**  
 If "YES", complete below:

TYPE OF INCOME	AMOUNT (before deductions, if any)	WHEN	HOW OFTEN
	\$		

Will this income continue?  YES  NO  
 If "NO", explain any known changes:  DON'T KNOW

Verification provided

Income:  
 Earned \_\_\_\_\_  
 Unearned \_\_\_\_\_  
 Exempt \_\_\_\_\_  
 FC 2 \_\_\_\_\_

**6. Does the child/youth own any property or have resources, such as:**  YES  NO  DON'T KNOW  
**cash, land, vehicle, motorcycle, bank accounts, trust funds, savings bonds, Native American per capita payments or trust funds, or other items?**  
 If "YES", complete below:

TYPE OF RESOURCE	ACCOUNT/POLICY NUMBER	NAME, ADDRESS OF BANK, ETC.	CURRENT VALUE
			\$
			\$

Verification provided  
 Restricted account  
 Exempt  
 FC 2

**CERTIFICATION**

**I understand that:**

- I understand that giving false or misleading statements or misrepresenting, hiding or withholding facts to establish eligibility is fraud and that I may be subject to penalties under state and federal law if I provide false or untrue information. Fraud can cause a criminal case to be filed against me and/or I may be barred for a period of time (or life) from getting ARC benefits.
- I understand that Social Security Numbers or Immigration Status for household members applying for benefits may be shared with the appropriate government agencies as required by federal law.

**I declare under penalty of perjury under the laws of the State of California that the information contained on this Statement of Facts is true, correct, and complete to the best of my knowledge.**

**SIGNATURE OF APPROVED RELATIVE CAREGIVER** \_\_\_\_\_ **DATE** \_\_\_\_\_

**COUNTY USE ONLY**

INELIGIBLE (Reason) \_\_\_\_\_

ELIGIBLE  
 Date Eligibility Conditions Met: \_\_\_\_\_ Authorization Date: \_\_\_\_\_

ARC Eligible  
 CalWORKs Eligible  
 ARC-only Eligible

Signature of County Worker \_\_\_\_\_ Date \_\_\_\_\_

Signature of Supervisor \_\_\_\_\_ Date \_\_\_\_\_

**NOTES:**

## INFORMATION FOR APPROVED CAREGIVERS

If you are an approved relative caregiver of a foster child, or want to become one, you may be eligible to receive funds under a new program. This program is called the Approved Relative Caregiver (ARC) Program.<sup>1</sup> Under this program, an approved relative caregiver with whom an eligible child is placed will be able to receive a payment equal to the basic foster care rate.

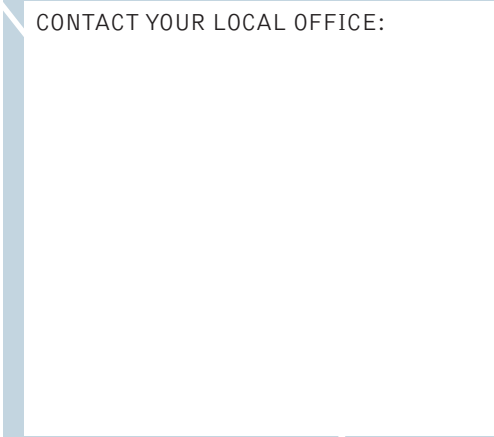
Participating in the ARC program is optional for counties. Talk to your social worker or contact your local child welfare office to find out if your county is participating in the ARC program.

<sup>1</sup> SB 855 added ARC Funding Option Program provisions to Section 11461.3 of the Welfare and Institutions Code.

State of California  
Health and Human Services Agency  
Department of Social Services

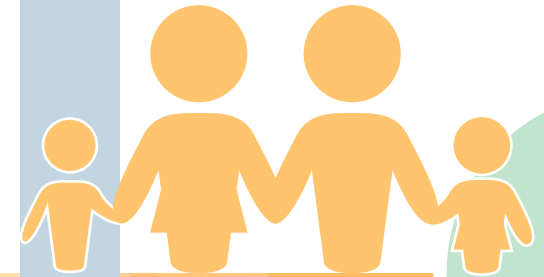


CONTACT YOUR LOCAL OFFICE:



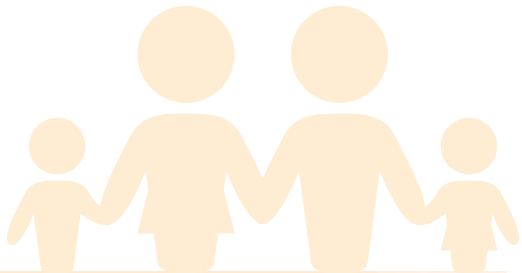
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# APPROVED RELATIVE CAREGIVERS FUNDING OPTION PROGRAM



INFORMATION FOR APPROVED CAREGIVERS





### HOW MUCH IS A PER-CHILD, PER-MONTH ARC PAYMENT?

The payment is the same as the basic foster care rate. Due to cost-of-living increases, this rate can vary from year to year. For 2014, the basic foster care rate is as follows:

- Birth to four years of age: \$671
- Five to eight years of age: \$726
- Nine to 11 years of age: \$764
- Twelve to 14 years of age: \$800
- Fifteen to 20 years of age: \$838

If you are already receiving this amount or more, this program will not provide additional funds to you.

### MEDI-CAL ELIGIBILITY?

Yes, a child is eligible for Medi-CAL under the ARC Program.

### HOW DOES A CHILD QUALIFY FOR THIS PROGRAM?

A child must meet all the following criteria:

- Be a dependent or ward of the California juvenile court, or be placed under a voluntary placement agreement.
- Reside in California and be placed with an approved relative caregiver.
- Be ineligible for federally funded foster care benefits (your eligibility worker may be able to help you determine this).

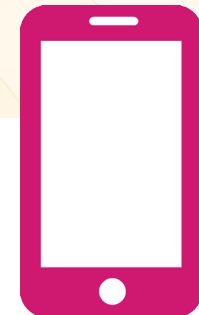
In addition, an ARC Program Application must be completed for each child, even if the child is already receiving CalWORKs. Please contact the child's social worker for more information.

### HOW DO RELATIVE CAREGIVERS QUALIFY FOR THE PROGRAM?

To qualify for participation in the ARC Funding Option Program, relative caregivers must reside in California and be "approved" by the county.

### SO ...WHAT DO I DO NOW?

For more information, talk to your social worker or contact your local child welfare office.



CONTACT YOUR LOCAL OFFICE: