December 22, 2020

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

COUNTY FISCAL LETTER NO. 20/21-42

The purpose of this letter is to update county child welfare agencies and public and private adoption agencies on the changes to the Private Adoption Agency Reimbursement Program with the passage of Assembly Bill 1301 (Chapter 827, Statutes of 2019) and as outlined in All County Letter No. 20-85 dated August 20, 2020. This County Fiscal Letter will provide updates and changes to claiming instructions effective with the September 2020 quarter.

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

CDSS

KIM JOHNSON
DIRECTOR

GAVIN NEWSOM
GOVERNOR

December 22, 2020

COUNTY FISCAL LETTER NO. 20/21-42

TO: ALL COUNTY WELFARE DIRECTORS
               ALL COUNTY FISCAL OFFICERS

SUBJECT: IMPLEMENTATION OF ASSEMBLY BILL (AB) 1301: PRIVATE
               ADOPTION AGENCY REIMBURSEMENT PROGRAM COUNTY
               INVOICE PAYMENTS

REFERENCE: ASSEMBLY BILL (AB) 1301 (CHAPTER 827, STATUTES OF 2019);
               AB 12 (CHAPTER 559, STATUTES OF 2010);
               WELFARE AND INSTITUTIONS CODE SECTION 16122;
               ALL COUNTY LETTER (ACL) NO. 8-40 DATED DECEMBER 19, 2008;
               ACL NO. 13-44 DATED JUNE 17, 2013; ACL NO. 20-85 DATED
               AUGUST 20, 2020

The purpose of this letter is to update county child welfare agencies and public and private adoption agencies on the changes to the Private Adoption Agency Reimbursement Program (PAARP) with the passage of Welfare and Institutions Code (W&IC) Section 16122 and as outlined in All County Letter (ACL) No. 20-85 dated August 20, 2020. This County Fiscal Letter (CFL) will provide updates and changes to claiming instructions effective with the September 2020 quarter.

Background

The PAARP was created in 1999, with the intent to provide children and youth who would otherwise remain in long-term foster care with permanent adoptive homes and to support the adoption agencies that helped facilitate these adoptions. With the passage of Assembly Bill 84 in 2007, PAARP reimbursement rates increased to a maximum amount of $5,000 to $10,000 per adoption, $5,000 for an adoptive placement and $5,000 for an adoption finalization per claim. In 2008, W&IC section 16122(d) established that agencies could submit PAARP claims for nonminor dependents (NMDs) up to a maximum amount of $10,000 for a finalized adoption. Since its initial implementation, the California Department of Social Services (CDSS) has been

responsible for collecting and processing these claims from private adoption agencies. Funding for the PAARP was realigned to the counties pursuant to the 2011 Realignment Legislation. However, the CDSS continued to administer the program with funding provided for this purpose from the Contract Special Account created pursuant to Section 30029.8 of the Government Code. This was intended to be a temporary arrangement until the program and related funding could be transitioned to the counties; the passage of W&IC Section 16122 has changed this process.

Changes to PAARP Outlined In W&IC Section 16122(b)(1)

Prior to FY 2020-21, the private adoption agencies would submit the PAARP invoice ADA4348 to CDSS for reimbursement. The CDSS would pay the invoiced amounts using realigned funds in the 2011 Realignment Contract Special Account, otherwise known as the 59th County Contract. The 59th County refers to the county designated as the administrator to receive funding from other counties that will be used to reimburse the state for realigned contracts and services administered by CDSS.

Under W&IC Section 16122(b)(1), the funding for PAARP and the responsibility of collecting and processing PAARP claims is shifted from CDSS to the counties as of July 1, 2020. County child welfare agencies have assumed local control of the PAARP and are required to compensate licensed private adoption agencies that meet certain criteria for the costs associated with supporting families through the process of adopting children and NMDs in the foster care system and who are eligible to receive Adoption Assistance Program benefits.

Per W&IC Section 16122(c)(b) the reimbursement made pursuant to subdivision (b) shall be eight thousand dollars ($8,000) for children adopted from families approved by dually licensed private nonprofit foster family and adoption agencies, and six thousand six hundred dollars ($6,600) for all other children in order to be consistent with the process changes brought forth with the Continuum of Care Reform. Both rates established in accordance with W&IC Section 16122 can only be paid to dually licensed FFAs for adoption services.

After all reimbursements are made under these provisions, counties may also use any unspent funds for additional activities related to permanency, including, but not limited to, pre- and post-permanency support related to the establishment of adoptions and guardianships for foster children. See ACL 20-85 for further guidance on unspent realignment funds.

The CDSS will remain the single state agency for the administration of federal funding. The CDSS will continue to issue annual LRF adjustments for the subaccount growth and counties will claim per the instructions provided in this letter. Additionally, the

Department of Finance will continue to provide an annual county distribution schedule for the Protective Services Subaccount to State Controller's Office, which is done in coordination with CDSS and County Welfare Directors Association.

Claiming Instructions

The following section outlines instructions for submitting PAARP claims for adoption placements made before and after July 1, 2020.

PAARP Claims for Adoption Placements Made Before July 1, 2020

The CDSS will continue to accept and process PAARP claims for adoptive placements made before July 1, 2020. The CDSS will continue to be the responsible entity for the payment of these cases until the full amount due has been paid for the case or the finalization has happened. For further instructions please refer to ACL No. 20-85.

PAARP Claims for Adoption Placements Made After July 1, 2020

The CDSS, in consultation with the California Welfare Directors Association, developed the distribution methodology for the $15.6 million PAARP funding from the 59th County Account to each county's Local Revenue Fund. The percentages identified in Attachment I of CFL No. 19/20-62 as the revised FY 2019-20 Protective Services Subaccount percentage distributions were applied to the $15.6 million PAARP funding amount for each county to calculate their respective share of the PAARP funding. These amounts will be added to each county's respective Protective Services Subaccount amounts, which will then adjust each county's respective Protective Services Subaccount percentage. For more information, please see Attachment II of this letter.

Effective July 1, 2020, counties will have access to the above-mentioned funds by claiming administrative costs for PAARP activities including, but not limited to, the processing and payment of private adoption agency invoices, to existing Realigned Adoption Program Codes (PCs), Time Study Codes (TSCs), and Direct-to-Program Codes (DTPs) as referenced in Attachment I. Counties may report their time associated with PAARP administrative activities to the TSCs and support staff activities related to PAARP to the DTP codes provided below. Counties may not time study for PAARP activities that were performed prior to the effective date of this letter unless they have documented their time in anticipation of this CFL.

- TSC 1171 (Adoptions - Case Management)
    - DTP A3 (Adoptions)
- TSC 8921 (NMD, Adoptions Case Management)
    - DTP A72 (NMD Adoptions)

As a reminder, PC 118 (Adoptions Independent/NonFed) is only for independent adoption cases and will be made available to select counties upon agreement and notification to CDSS. Additionally, for PCs 117 and 892, the federal portion of costs will be subject to the non-federal adoptions discount rate which will be applied via PC 118. Costs claimed to these codes will be tracked against Ledger 004 (Adoptions). The state general fund share of costs will be shifted to county only via SUO 191 (SUO Overmatch Code).

Non-Support Staff Time Reporting Plan (SSTRP) Counties

Effective with the September 2020 quarter, a new TOE Code 33 (Non-SSTRP Direct Costs), has been created to allow non-SSTRP counties' support staff to direct charge to a specific PC for activities performed that directly benefit a specific program when social workers do not time study. This would be in lieu of non-SSTRP counties charging to generic, which allocates support staff costs to <u>all</u> benefitting programs even though the activities do not benefit those programs. TOE Code 68 (Direct Costs) will also be added to PC 117 (Adoptions - Case Management) and PC 892 (NMD Adoptions Case Management). See Attachment I for detailed claiming instructions.

Retroactive Claiming

Counties that have manually tracked actual time spent on PARRP related activities beginning with July 1, 2020, may retroactively claim those hours to Time Study Codes (TSCs) 1171 and 8921. Direct charge costs may also be retroactively claimed per the claiming instructions provided in the Attachment I of this letter.

It is important to note that the County Expense Claims (CEC) nine-month adjustment period guidelines should be followed when retroactively claiming time spent for PAARP activities. For more information on the CEC nine-month adjustment claim, please refer to CFL No. 19/20-36, dated September 30, 2019.

Questions regarding the PAARP program should be directed to the Adoption Policy Unit at (916) 657-1858 or via e-mail at apu@dss.ca.gov. Questions regarding this CFL should be directed to the Fiscal Policy and Analysis Bureau at fiscal.systems@dss.ca.gov.

Sincerely,

Original Document Signed By

SALENA CHOW, Chief
Fiscal Forecasting and Policy Branch

Claiming Instructions for the Private Adoption Agency Reimbursement Program (PAARP)

New Type of Expense (TOE) Code

Effective with the September 2020 quarter, a new TOE Code has been created to allow non-Support Staff Time Reporting Plan (SSTRP) counties' support staff to direct charge to a specific Program Code (PC) for activities when social workers do not time study. Effective with the September 2020 quarter, counties should report direct costs associated with PAARP to TOE Code 33 [Non-SSTRP Direct Costs]. This will be in lieu of non-SSTRP counties charging to generic, which allocates support staff costs to <u>all</u> benefitting programs even if they do not benefit from the support staff activities:

TOE 33	Non-SSTRP Direct Costs	Non-SSTRP Support Staff performing allowable activities related to a specific PC where social workers do not have time study hours.

For example, a non-SSTRP county that utilizes support staff to assist with adoption assistance program activities may claim the cost direct to Adoptions Case Management PC 117 by reporting the costs to Program Identifier Number (PIN) 117033 (Non-SSTRP Direct Costs). This will allow counties to claim support staff costs that only benefit the adoption assistance program. Effective with the September 2020 quarter, the new TOE codes will be available for non-SSTRP counties.

Program Codes

The following PCs, associated PINs, and Direct to Program codes (DTPs) have been established for counties to claim costs for the PAARP directly to the benefitting program. Costs claimed to PCs 117, and 892 must now include costs related to administrative activities for PAARP, including processing and payment of private adoption agency invoices. See CFL No. 02/03-38, dated January 22, 2003, for more information.

The new PIN codes, including the addition of TOE Code 68 (Direct Costs), are reflected in **bold**. The non-federal adoptions discount rate will be applied to both PC 117 and PC 892. The SUO code 118 will automatically apply the nonfederal discount rate to PC's 117 and 892, and will shift the nonfederal costs to PC 118. Any expenditures exceeding the local revenue funds will be shifted to county share using SUO Overmatch Code 191.

PC	117	Adoptions – Case Management
PIN	117003	Transportation-Assistance
PIN	117031	Contracted Activities-Unemployed
PIN	**117033**	**Non-SSTRP Direct Costs**
PIN	**117068**	**Direct Costs**
PIN	117088-091	Support Operating
PIN	117092	Caseworker OT/CTO Costs
PIN	117093	Support Staff OT/CTO Costs
PIN	117094	Start Up/Nonrecurring Costs
DTP	A3	Adoptions – Case Management

The sharing ratio for PC 117 is 50/50/00/00 (Federal/State-County 2011/Health/County).

PC	892	NMD Adoptions Case Management
PIN	892003	Transportation-Assistance
PIN	892031	Contracted Activities-Unemployed
PIN	**892033**	**Non-SSTRP Direct Costs**
PIN	**892068**	**Direct Costs**
PIN	892088-091	Support Operating
PIN	892092	Caseworker OT/CTO Costs
PIN	892093	Support Staff OT/CTO Costs
PIN	892094	Start Up/Nonrecurring Costs
DTP	A72	NMD Adoptions

The sharing ratio for PC 892 is 50/50/00/00 (Federal/State-County 2011/Health/County).

As a reminder, PC 118 is only for independent adoption cases and will be made available to select counties upon agreement and notification to CDSS. Additionally, for PCs 117 and 892, the the federal portion of costs will be subject to the non-federal adoptions discount rate which will be applied via PC 118. Costs claimed to these codes will be tracked against Ledger 004 (Adoptions). The state general fund share of costs will be shifted to county only via SUO 191 (SUO Overmatch Code).

Private Adoption Agency Reimbursement Program Funding Distribution

County		PAARP County Distribution	CFL 19/20-62 PSS Percent Distribution	Revised PSS Percent Distribution
Alameda	$	647,808	4.0768580%	4.1038820%
Alpine	$	6,571	0.0413530%	0.0416280%
Amador	$	12,896	0.0811570%	0.0816950%
Butte	$	137,966	0.8682650%	0.8740200%
Calaveras	$	20,375	0.1282240%	0.1290740%
Colusa	$	12,235	0.0769970%	0.0775080%
Contra Costa	$	361,651	2.2759820%	2.2910690%
Del Norte	$	32,462	0.2042930%	0.2056470%
El Dorado	$	59,404	0.3738460%	0.3763240%
Fresno	$	377,455	2.3754390%	2.3911840%
Glenn	$	23,377	0.1471220%	0.1480970%
Humboldt	$	90,856	0.5717870%	0.5755780%
Imperial	$	70,527	0.4438460%	0.4467880%
Inyo	$	12,001	0.0755250%	0.0760260%
Kern	$	455,960	2.8694950%	2.8885160%
Kings	$	59,636	0.3753100%	0.3777980%
Lake	$	37,882	0.2384010%	0.2399820%
Lassen	$	27,788	0.1748800%	0.1760390%
Los Angeles	$	5,067,300	31.8900720%	32.1014500%
Madera	$	52,356	0.3294950%	0.3316790%
Marin	$	50,477	0.3176700%	0.3197750%
Mariposa	$	14,638	0.0921240%	0.0927350%
Mendocino	$	81,528	0.5130830%	0.5164840%
Merced	$	113,523	0.7144380%	0.7191740%
Modoc	$	8,105	0.0510080%	0.0513460%
Mono	$	8,485	0.0533990%	0.0537530%
Monterey	$	128,475	0.8085320%	0.8138920%
Napa	$	45,736	0.2878300%	0.2897380%
Nevada	$	26,897	0.1692740%	0.1703960%
Orange	$	809,019	5.0914090%	5.1251570%
Placer	$	134,127	0.8441000%	0.8496960%
Plumas	$	15,978	0.1005520%	0.1012180%
Riverside	$	869,960	5.4749300%	5.5112210%
Sacramento	$	811,923	5.1096820%	5.1435520%
San Benito	$	18,114	0.1139970%	0.1147520%
San Bernardino	$	838,949	5.2797650%	5.3147620%
San Diego	$	1,130,547	7.1148840%	7.1620450%
San Francisco	$	347,582	2.1874430%	2.2019430%
San Joaquin	$	307,368	1.9343620%	1.9471840%
San Luis Obispo	$	126,477	0.7959570%	0.8012330%
San Mateo	$	160,649	1.0110140%	1.0177160%
Santa Barbara	$	120,040	0.7554490%	0.7604570%
Santa Clara	$	600,749	3.7807020%	3.8057620%
Santa Cruz	$	90,942	0.5723270%	0.5761210%
Shasta	$	105,994	0.6670530%	0.6714740%
Sierra	$	6,651	0.0418540%	0.0421320%
Siskiyou	$	27,793	0.1749080%	0.1760680%
Solano	$	103,120	0.6489650%	0.6532660%
Sonoma	$	182,459	1.1482730%	1.1558850%
Stanislaus	$	174,445	1.0978370%	1.1051140%
Sutter	$	50,081	0.3151720%	0.3172610%
Tehama	$	48,133	0.3029160%	0.3049240%
Trinity	$	18,226	0.1147020%	0.1154650%
Tulare	$	188,191	1.1843410%	1.1921920%
Tuolumne	$	27,209	0.1712370%	0.1723720%
Ventura	$	178,092	1.1207900%	1.1282190%
Yolo	$	77,631	0.4885540%	0.4917920%
Yuba	$	58,181	0.3661500%	0.3685770%
San Francisco - 59th Co	$	-	1.3649670%	0.7111630%
Total	$	**15,673,000**	**100.00000000%**	**100.00000000%**