



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Social Services
Department No.: 044
For Agenda Of: 2/17/2015
Placement: Departmental
Estimated Time: 15 Minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Daniel Nielson, Director, Department of Social Services
Director(s) (805) 346-7101
Contact Info: Devin Drake, Deputy Director, Department of Social Services
(805) 346-8351

SUBJECT: Approved Relative Caregiver (ARC) Funding Option Program

County Counsel Concurrence

As to form: N/A

Other Concurrence: N/A

As to form:

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

- a) Approve and authorize the Department of Social Services to participate in the Approved Relative Caregiver (ARC) Funding Option Program beginning April 1, 2015.
- b) Determine that the execution of the Agreement is exempt from the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines Section 15061 (b) (3), finding that the execution of the Agreement is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment, the activities are not subject to CEQA.

Summary Text:

The Department seeks approval and authorization to participate in the Approved Relative Caregiver (ARC) Funding Option Program enacted by SB 855 beginning April 1, 2015. 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. Currently 32 percent of children in foster care in Santa Barbara County are placed with a relative. An approved relative caregiver 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.

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.

Fiscal and Facilities Impacts:

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); 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 April 2015 for an eligible 15-year-old child would consist of the following: a CalWORKs monthly payment of \$387, plus ARC state general fund or county realignment resources of \$451, to bring the child's total ARC payment up to the basic foster care rate of \$838 for the child's age group.

Once a county has opted-in to the ARC Program, 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. 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. Further, a county may decide to opt-out of the ARC Program at any time with 120 days prior written notice to CDSS and 90 days prior written notice to caregivers during which time payments must continue.

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 California Necessities Index. 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, 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. 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. **Although there is no additional county share of cost for funding the base caseload, any caseload growth beyond the amount of base will be the County’s Responsibility and will be fully funded with realignment funds.** 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.

The methodology for determining the number of approved relative caregiver placements of eligible children as of July 1, 2014 has yet to be finalized. Preliminary estimates based on proposed methodology provided by CDSS estimate a base caseload of approximately 40 ARC eligible children. As our caseload is now 56, the county will be responsible for funding the difference between the CalWORKs monthly payment and the basic foster care rate for the child’s age group, up to \$ 451 per child for those 16 children. The base caseload is a point-in-time snapshot and represents a particularly low point in both the number of children in out of home care and percentage of children in approved relative placements. The Department projects the number of ARC eligible children will constantly exceed the base. For example, the number of children potentially eligible for the ARC program for the month of December 2014 is 56. The addition of 16 children to the program at up to \$451 per child would result in an additional \$7216.00 in realignment costs to the County for the month. Although the ARC program may result in additional costs to the county there are also likely to be savings if more children can be placed with better-supported relatives and diverted from higher cost non-relative placements and facilities. The ARC program is an opportunity for the Department to invest in relative caregivers and ensure that they are adequately supported in caring for children in the foster care system.

Attachments:

N/A

Authored by:

Amy Krueger, Division Chief, Department of Social Services