

Approved Relative Caregiver (ARC)

DESCRIPTION:

This premise reflects funding for the ARC Program, which provides an augmentation to the rate paid for non-federally eligible FC children who are placed with relatives. The ARC Program includes tribes with a Tribal-State Title IV-E Agreement. Previously, children in FC who were not Title IV-E eligible and placed with relatives were only eligible to receive a CalWORKs or Tribal TANF payment, which is lower than the FC rates provided to foster parents and relatives of federally eligible children. The ARC Program provides an additional amount above the CalWORKs or Tribal TANF grant to bring the total payment to relative caregivers up to the same amount as FC rates paid for federally eligible children.

Consistent with CCR implementation, the ARC payment to approved relatives will be based on the home-based family care rate. For more information on CCR, refer to the CCR premise. Starting July 1, 2017, eligible ARC cases may receive the infant supplement and the dual agency rate.

IMPLEMENTATION DATE:

This ARC Program implemented on January 1, 2015. The Tribal ARC Program implemented on July 1, 2016.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11461.3 and 11461.4.

CalWORKs ARC

- Any change to the CalWORKs MAP will result in a corresponding impact to the additional amount provided by the ARC payment. Effective April 2019, the CalWORKs MAP increased by ten percent. Effective October 2019, the CalWORKs MAP will increase by 13.1 percent.
- All participants have a CalWORKs application included within the ARC application.
- For those children who qualify for CalWORKs, TANF/MOE funding will be used for the CalWORKs portion of the payment.
- The TANF/MOE share of the foster family home basic rate and the home-based family care rate is based on the CalWORKs MAP levels for an AU of one. For information regarding the CalWORKs MAP levels refer to the Reference Documents section of this binder.
- It is assumed that 95 percent of the ARC average monthly caseload qualify for CalWORKs and receive the MAP for an AU of one.
- In FY 2018-19, an average of 3,968 CalWORKs ARC children per month in region one and 1,543 in region two are anticipated. In FY 2019-20, an average of 3,851 CalWORKs ARC children in region one and 1,723 in region two are anticipated per month.

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KEY DATA/ASSUMPTIONS (CONTINUED):

- The CalWORKs MAP is \$392 (\$351 excluding AB 85 MAP increases) in region one and \$374 in region two (\$334 excluding AB 85 MAP increases). Effective April 2019, the CalWORKs MAP is \$431 (\$390 excluding AB 85 MAP increases) in region one and \$411 in region two (\$371 excluding AB 85 MAP increases). Effective October 2019, the CalWORKs MAP is \$487 (\$446 excluding AB 85 MAP increases) in region one and \$465 (\$425 excluding AB 85 MAP increases) in region two.
- The impact of AB 85 MAP increases is \$2.7 million in FY 2018-19 and FY 2019-20 and is reflected in the CalWORKs Grants premise.
- The impact of the April 2019, ten percent MAP increase is \$0.6 million in FY 2018-19 and \$2.6 million in FY 2019-20.
- The impact of the October 2019, 13.1 percent MAP increase is \$2.8 million in FY 2019-20.

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- The ARC GF provides an incremental increase above the CalWORKs payment made to approved relatives to equal the appropriate home-based family care rate level.
- For those children who do not qualify for CalWORKs, ARC GF will cover the entire amount of the eligible home-based family care rate.
- The projected monthly ARC caseload is 5,802 in FY 2018-19 and 5,868 in FY 2019-20.
- The home-based family care rate includes the CNI COLA for FY 2018-19 and FY 2019-20.
- State expenditures associated with all cases under the age of 18 are considered TANF/MOE countable.
- The TANF/MOE share of ARC costs is displayed in the ARC table line of the TANF table.
- The costs displayed in the ARC table line represent the costs if the foster family home basic rate was still in effect for ARC cases.
- The costs to cover the difference between the foster family home rate (if it was still in effect for ARC cases) and the home-based family care rate is displayed in the CCR – ARC table line.
- The costs to cover the infant supplement, the enhancement for a parenting support plan, and the difference between the home-based family care rate and the dual agency rate are displayed in the ARC table line.
- Actual county expenditures from July 1, 2017 through December 31, 2018 are used to project funding for FY 2018-19 and FY 2019-20.

Tribal ARC

- The Tribal ARC GF provided an additional grant amount above the Tribal TANF payment to approved relative caregivers to equal the home-based family care rate.
- To be eligible for the program, all participants must apply for Tribal TANF.

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KEY DATA/ASSUMPTIONS (CONTINUED):

- The Tribal ARC GF fund will be adjusted to fully fund the annual CNI COLA provided to the home-based family care rates.
- Eligible tribes who opt into the program will be required to provide the home-based family care rate starting for all cases for the duration of the tribe's participation in the program.
- State expenditures associated with all cases under the age of 18 are considered TANF/MOE countable.
- CDSS and tribes will collaborate and develop a revised methodology to calculate the funding for new tribes who develop a Tribal-State Title IV-E agreement.

METHODOLOGY:

CalWORKs ARC

The costs are calculated by multiplying each region's monthly caseload by the applicable MAP level in region one and region two, then totaling the 12 months. The total cost is calculated by adding region one and two grant costs.

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The costs are calculated based on actual expenditures.

Tribal ARC

The caseload for the Tribal ARC Program is calculated by multiplying the tribes' FC caseload by the percentage of relative cases that are participating in the ARC Program. This caseload is then multiplied by the difference between the relevant FC grant and the Tribal TANF grant.

FUNDING:

The CalWORKs payments funding is consistent with the CalWORKs grants base funding ratios for TANF and GF/MOE. The incremental increase for the ARC payment is funded 100 percent GF. For tribes with a TANF agreement, additional tribal TANF funding will not be provided.

CHANGE FROM GOVERNOR'S BUDGET:

The FY 2018-19 and FY 2019-20 increase in CalWORKs ARC reflects an increase in the projected caseload. The FY 2018-19 and FY 2019-20 increase in the ARC Program reflects a revised methodology based on actual expenditures. There is no change in the Tribal ARC Program.

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REASON FOR YEAR-TO-YEAR CHANGE:

The increase in CalWORKs ARC reflects an increase in the projected CalWORKs ARC caseload and a larger grant amount due to the 13.1 percent MAP increase. The increase in the ARC Program reflects growth in the projected expenditures and the application of the FY 2019-20 CNI COLA. The increase in the Tribal ARC Program, reflects growth in the home-based family care rate due to the application of the FY 2019-20 CNI COLA.

EXPENDITURES:

(in 000s)

<u>FY 2018-19</u>					
Item 101 – CalWORKs Assistance	Total	Federal	State	County	Reimb.
CalWORKs ARC	\$23,533	\$20,239	\$2,706	\$588	\$0
Item 101 – FC Net Payments					
ARC	\$40,314	\$0	\$40,314	\$0	\$0
Tribal ARC	206	0	206	0	0
Total	\$64,053	\$20,239	\$43,226	\$588	\$0

<u>FY 2019-20</u>					
Item 101 – CalWORKs Assistance	Total	Federal	State	County	Reimb.
CalWORKs ARC	\$28,472	\$24,486	\$3,322	\$664	\$0
Item 101 – FC Net Payments					
ARC	\$41,799	\$0	\$41,799	\$0	\$0
Tribal ARC	220	0	220	0	0
Total	\$70,491	\$24,486	\$45,341	\$664	\$0