

November 15, 2017

COUNTY FISCAL LETTER (CFL) NO. 17/18-19

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY FISCAL OFFICERS
ALL COUNTY AUDITOR CONTROLLERS

SUBJECT: PRIVATE ADOPTION AGENCY REIMBURSEMENT PROGRAM
FY 2016-17 OVERAGES AND ONGOING CLAIMS

REFERENCE: [WELFARE AND INSTITUTIONS CODE \(W&IC\) SECTION 16120](#)
[ALL COUNTY LETTER \(ACL\) NO. 08-40,](#)
[DATED DECEMBER 19, 2008](#)
[CFL NO. 16/17-68, DATED MAY 1, 2017](#)

This letter is to notify counties of the county specific amounts which must be reimbursed to the state for the Fiscal Year (FY) 2016-17 shortage in 59th County funds for the Private Adoption Agency Reimbursement Program (PAARP). This letter also provides information regarding ongoing expectations for PAARP.

BACKGROUND

As outlined in [ACL No. 08-40](#), PAARP is an incentive program for private adoption agencies to recruit adoptive families for children who would otherwise remain in foster care because of age, membership in a sibling group, medical or psychological disability, adverse parental background, or other circumstances that would make adoptive placement of these children especially difficult.

Under PAARP, the California Department of Social Services (CDSS) reimbursed private adoption agencies up to a maximum of \$10,000 per child adopted for costs associated with the adoptions process. To be eligible, the adoption agency must be licensed, have an approved rate established with CDSS and the child must meet the criteria for the Adoptions Assistance Program (AAP), as defined in [W&IC section 16120](#).

CLAIMING PROCESS AND PROCEDURES

The private adoption agencies submit the PAARP invoice AD4348 to CDSS for reimbursement. The CDSS pays 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. Currently, San Francisco County is the administrator of the 59th County Contract. The PAARP claims are paid using the 59th County funds.

FY 2016-17 EXPENDITURES AND OVERAGE METHODOLOGY

The PAARP claims for FY 2016-17 have exceeded the \$15.6 million included in the 59th County Contract for PAARP. The FY 2016-17 PAARP overages totaled \$6,957,207. As outlined in [CFL No. 16/17-68](#), CDSS has paid the FY 2016-17 PAARP costs based on the commitment that counties will repay their share of the overage. Therefore, counties that had PAARP expenditures in FY 2016-17 are being billed for the overages above the \$15.6 million in the PAARP contract. Each county's share of the overage was determined using the last four FYs of PAARP expenditures (FY 2013-14 to FY 2016-17). The county's percentage of the total expenditures was then applied to the total overage amount for FY 2016-17, resulting in the amount CDSS will be billing each county. This methodology was determined based on discussions between CDSS, the California Welfare Directors Association (CWDA), and counties.

Please see the attachment for the amount each county is required to reimburse CDSS based on this methodology.

ONGOING PAARP CLAIMS

Funding for PAARP is held to a fixed amount of \$15.6 million each FY. However, beginning with FY 2014-15, county PAARP claims began exceeding this amount and costs have continued to exceed it in subsequent years. The CDSS does not have the authority to increase the PAARP budgeted amount and is unable to pay any amount above the \$15.6 million from the 59th County funds. However, CDSS will pay up front any PAARP costs in excess of the \$15.6 million based on the commitment that counties will repay their share of the overage if this occurs in future years. The CWDA, CDSS, and counties will conduct ongoing discussions to determine potential remedies for the PAARP overage issues as well as any methodology changes to bill for PAARP overages.

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Questions regarding this CFL should be sent to fiscal.systems@dss.ca.gov. All other questions regarding PAARP should be sent to the Permanency Policy Bureau and addressed to Brian Okamoto at Brian.Okamoto@dss.ca.gov.

Sincerely,

Original Document Signed By:

SALENA CHOW, Chief
Fiscal Forecasting and Policy Branch

Attachment

**FY 2016-17 Private Adoption Agency
Reimbursement Program Overages**

County	Distribution	Overages
Alameda	1.13%	\$78,662
Alpine	0.00%	\$0
Amador	0.04%	\$2,842
Butte	1.29%	\$90,062
Calaveras	0.15%	\$10,184
Colusa	0.05%	\$3,316
Contra Costa	2.85%	\$198,217
Del Norte	0.09%	\$6,394
El Dorado	1.07%	\$74,599
Fresno	5.77%	\$401,283
Glenn	0.20%	\$13,734
Humboldt	0.88%	\$61,101
Imperial	0.22%	\$15,157
Inyo	0.05%	\$3,789
Kern	6.10%	\$424,115
Kings	0.73%	\$50,668
Lake	0.34%	\$23,943
Lassen	0.06%	\$4,263
Los Angeles	14.77%	\$1,027,497
Madera	0.63%	\$44,038
Marin	0.34%	\$23,319
Mariposa	0.12%	\$8,285
Mendocino	0.37%	\$25,860
Merced	1.76%	\$122,751
Modoc	0.05%	\$3,316
Mono	0.01%	\$474
Monterey	1.30%	\$90,597
Napa	0.43%	\$30,030
Nevada	0.39%	\$26,809
Orange	5.02%	\$349,036
Placer	1.35%	\$94,251
Plumas	0.06%	\$4,026
Riverside	3.78%	\$263,101
Sacramento	8.41%	\$585,093
San Benito	0.01%	\$710
San Bernardino	9.58%	\$666,434
San Diego	4.53%	\$315,213
San Francisco	2.26%	\$157,535
San Joaquin	3.73%	\$259,266
San Luis Obispo	1.53%	\$106,570
San Mateo	0.46%	\$31,730
Santa Barbara	2.28%	\$158,482
Santa Clara	1.18%	\$81,999
Santa Cruz	1.24%	\$86,441
Shasta	2.60%	\$180,546
Sierra	0.01%	\$710
Siskiyou	0.11%	\$7,815
Solano	1.12%	\$77,891
Sonoma	1.54%	\$107,053
Stanislaus	1.25%	\$87,212
Sutter	0.25%	\$17,524
Tehama	0.87%	\$60,342
Trinity	0.07%	\$5,210
Tulare	0.44%	\$30,785
Tuolumne	0.83%	\$57,875
Ventura	3.12%	\$216,887
Yolo	0.61%	\$42,141
Yuba	0.58%	\$40,024
Total	100%	\$6,957,207