



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



ARNOLD SCHWARZENEGGER
Governor

January 6, 2006

N.L.: 01-0106

Index: Budgets

TO: ALL COUNTY CALIFORNIA CHILDREN'S SERVICES (CCS)
ADMINISTRATORS, MEDICAL CONSULTANTS, AND STATE
CHILDREN'S MEDICAL SERVICES (CMS) BRANCH STAFF

SUBJECT: CALIFORNIA CHILDREN'S SERVICES (CCS) EXPENDITURE
REPORTING TO THE CALIFORNIA DEPARTMENT OF FINANCE
(DOF) FOR THE PURPOSE OF CALCULATION OF REALIGNMENT
CASELOAD GROWTH

This Numbered Letter provides information on the development of the annual realignment caseload growth schedule by the California DOF for programs covered by the State Local Program Realignment Initiative of 1993 which participate in caseload growth funding from the Caseload Sub-account of the Sales Tax Growth Account of the Local Revenue Fund.

Background

The programs that are eligible for caseload growth funding from the Caseload Sub-account includes:

- CalWORKs
- Foster Care
- Child Welfare Services (CWS)
- Adoption Assistance Program (AAP)
- Personal Care Services Program (PCSP)
- In Home Supportive Services (IHSS)
- California Children's Services (CCS)

All of these programs except CCS are administered by the California Department of Social Services (DSS). For Fiscal Year (FY) 2003-2004, the aggregate Realignment caseload growth based on FY 2002-2003 expenditures reported to the State Controller by the DOF was \$147.6 million. Approximately \$1.6 million or approximately one percent of these caseload growth total expenditures represented CCS services expenditures. The CCS expenditures are derived from the quarterly county CCS diagnosis, treatment, and therapy cost reports which are due to the CMS Branch 60 days after the end of each quarter. In the past there have been delays in the development and reporting of caseload growth which have created cash flow uncertainties for counties.

To address this, AB 2747 (Chapter 315, Statutes of 2004) directed DOF to recommend to the Legislature procedures for expediting the preparation of caseload growth schedules and allocation of caseload growth funding to the counties. Earlier this year DOF established an ad hoc workgroup of Realignment stakeholders including representatives of the California Welfare Directors Association, the County Health Executives Association of California (CHEAC), the County Mental Health Directors Association, the California State Association of Counties (CSAC), the State Controller (SCO), DSS, the Department of Mental Health (DMH), and the Department of Health Services (DHS) to develop recommendations for the Legislature. The workgroup approved the following recommendations to expedite the preparation of realignment caseload schedules:

1. Change the statutory deadline for reporting caseload growth by DOF to SCO from March 15 to July 15 of each year.
2. Require the submittal of Annual Realignment Caseload Growth Data from DSS and DHS to DOF by May 31 of each year.

Policy

Starting in the with the 2006 reporting cycle, for the purpose of reporting county CCS program expenditures to DOF for calculation of Realignment Caseload Growth, a cut-off date will be established for receipt of quarterly county CCS program diagnosis, treatment, and therapy expenditure reports that will be included in the calculation of CCS services costs included in the caseload growth expenditures that will reported to DOF for the reporting period.

N.L.: 01-0106
Page 3
January 6, 2006

For FY 2004-2005 expenditures which will be reported to DOF for the FY 2005-2006 Realignment Caseload Growth calculation, the cut-off will be December 31, 2005. FY 2004-2005 county expenditures reported after that date will not be reported to DOF. The CMS Branch will continue to receive and reconcile CCS overdue expenditure reports for purposes of State/county share of cost determination after the cut-off, but this late data would not be reported to DOF and will not be included in DOF's caseload growth calculation for the reporting period. This December 31 cut-off date will also apply in future fiscal years.

If you have any questions, please contact your CMS Branch Regional Office administrative consultant.

Original signed by Marian Dalsey, M.D., M.P.H.

Marian Dalsey, M.D., M.P.H., Acting Chief
Children's Medical Services Branch

cc: Ms. Judith Reigel
Executive Officer
County Health Executives Association of California
1127 11th Street, Suite 309
Sacramento, CA 95814