

**MEMORANDUM OF UNDERSTANDING**

**between**

**CALIFORNIA DEPARTMENT OF SOCIAL SERVICES**

**and**

**COUNTY OF LAKE HEALTH & HUMAN SERVICES AGENCY and PROBATION DEPARTMENT**

This Memorandum of Understanding (MOU) is entered into by and between the California Department of Social Services (CDSS), hereinafter referred to as the State, and the County of, hereinafter referred to as the County, for the purpose of implementing the Title IV-E California Well-Being Project, herein after referred to as the Demonstration. For the purposes of this Demonstration, the County refers to both the County Child Welfare Department and Probation Placement Agency.

**BACKGROUND**

On March 31, 2006, the State received approval for the California Title IV-E Child Welfare Waiver Demonstration Project from the federal Department of Health and Human Services (DHHS). On September 30, 2014, the State received approval from the DHHS to extend the Demonstration for an additional five years. In addition, the State will operate a State Demonstration Project pursuant to Welfare and Institutions Code, Section 18200 et. seq. for the County Demonstration. Under the extension, the State is emphasizing child and family well-being. The extension will continue using a capped allocation of federal Title IV-E funds, which are used to provide direct, individualized services to children and families without regard to their federal eligibility or placement. The Demonstration will focus on prevention and family-centered practice. Implementation of this flexible funding strategy will support practice, programs, and system improvements that may result in better outcomes for children, youth and families, in-part by improving the array of services and supports available to children, youth and families involved in the child welfare and juvenile probation systems; engaging families through a more individualized casework approach that emphasizes family involvement; increasing child and youth safety without an over-reliance on out-of-home care; improving permanency outcomes and timelines; improving child, youth and family well-being; and decreasing recidivism and delinquency for youth on probation.

**A. PURPOSE**

The purpose of this Agreement is to:

1. Authorize the County, pursuant to the Title IV-E Child Welfare Waiver Demonstration Project, to participate in a five-year waiver Demonstration Project.
2. Allow the County to expend federal foster care funds for children and families who are not normally eligible for Title IV-E, and to allow the County to make payments for services under the Project that are not normally covered under Part E of Title IV of the Social Security Act.
3. Specify the roles and responsibilities of all parties.
4. Specify the mechanisms/procedures to be used for claiming, collecting, reporting, and tracking data on children and families served in the Demonstration.

**B. TERM**

The term of this Agreement shall be from October 1, 2014 through September 30, 2019, unless an extension is granted by the federal DHHS. Such an extension will be deemed to be incorporated in this agreement unless otherwise specified by the parties in writing.

**C. COUNTY RESPONSIBILITIES**

The County:

1. Shall comply with all requirements pertaining to the Demonstration, as described in the federal Waiver Terms and Conditions (T&C), which is incorporated herein by this reference and made a part hereof as set forth in full.
2. Shall ensure compliance with civil rights statutes and regulations of the State or Federal government that prohibit discrimination on the basis of race, color, national origin, disability, sex, age, or religion.
3. Shall comply with state and federal law, including statutes, codes, and regulations applicable to the performance of this Agreement.
4. Shall execute the attached MOU between County Child Welfare Department and the Probation Department to reflect the mutual participation between Child Welfare and Probation in the Demonstration. This MOU will specify the methodology used to allocate the Title IV-E funding available to the Probation Department under the Demonstration budget. The MOU will address the base funding; the percentage of growth Probation will receive and calculation methodology for cost savings if any are realized. A copy of this executed MOU must be attached to the executed State/County MOU.
5. Shall implement a Demonstration as specified in the County Five Year Plan for the Demonstration (Plan) that has been submitted to, and approved by, the State. The approved County plan is incorporated herein by this reference and made a part hereof as set forth in full. The plan should seek to build upon current systemic child welfare and probation reforms and interventions focused on prevention and family-centered practice to improve outcomes for child welfare and probation-involved children and youth. The Child Welfare Department will implement Safety Organized Practice (SOP) / Core Practice Model to support the development of a statewide core practice model to further enhance social work practice. The Probation Department will provide Wraparound services to youth exhibiting delinquency risk factors that put them at risk of being removed from their homes and placed in foster care.
6. Shall ensure that all applicable provisions of the Social Security Act apply to all components of the Demonstration except those provisions that are explicitly waived in the federal Terms and Conditions.
7. Shall comply with the CDSS Manual of Policy and Procedures (MPP), Division 31 Regulations, as applicable, unless specifically waived by formal order of the Director pursuant to Section 18204 of the Welfare and Institutions Code.
8. Shall comply with the Child Welfare System Improvement and Accountability Act of 2001 (Welfare and Institutions Code Section 10601.2), and any other applicable child welfare services requirement(s) as mandated by state statute or regulation(s), unless specifically waived by formal order of the Director pursuant to Section 18204 of the Welfare and Institutions Code.

9. Shall implement a Demonstration in a manner that will ensure that any services being provided to a child or family member at the time of the Demonstration ends will be completed and/or that the case plan for children and their families are adjusted if necessary for the post-demonstration period.
10. Shall ensure the rights of children and their families are protected, and the safety of children is the paramount concern of the Demonstration.
11. Shall ensure that Title IV-E eligibility determinations (annual or as appropriate) are made for children (as required under current AFDC-FC eligibility requirements) involved in the Demonstration, throughout the life of the Demonstration, to ensure that eligible children retain their Title IV-E eligibility after the Project ends.
12. Shall determine Title IV-E eligibility for children and families using existing criteria, as specified, in the CDSS MPP, Eligibility and Assistance Standards Sections 45-200 et. seq., 45-201 et. seq., 45-202 et. seq., 45-203 et. seq., and 45-300 et. seq., and shall maintain the documentation necessary to the eligibility determination, unless specifically waived by formal order of the Director pursuant to Section 18204 of the Welfare and Institutions Code.
13. Agrees to develop and maintain adequate administrative support structures for implementation and ongoing maintenance of the Demonstration.
14. Agrees to submit the quarterly fiscal workbook, semi-annual and annual progress reports to the County Demonstration Plan and budget as required by the State and federal Demonstration requirements and as set forth in the attached MOU between County Child Welfare Department and the Probation Department. For the purposes of State and federal reports, the County will use data available from the Statewide Automated Child Welfare Information System (SACWIS) database.
15. Agrees to send the appropriate county officials to attend Demonstration meetings in the Sacramento area annually, as determined by the State.
16. Shall ensure that foster children who are eligible for the Medi-Cal program will retain their eligibility for a full range of Medi-Cal services under the Demonstration. If needed, an individual child's Title IV-E eligibility may continue throughout the Demonstration to ensure continuing eligibility for Medi-Cal.
17. Shall cooperate and participate in program and fiscal reviews conducted by State and Federal entities.
18. Agrees to cooperate and participate in the State evaluation, including working with the evaluation contractor. The evaluation contractor is hereby deemed to be an independent third-party contractor whose performance is authorized by the State to provide services as prescribed herein, and in accordance with the federal Waiver T&C.
19. Agrees to submit progress/activity reports, and other reports, as required by the Demonstration evaluation contractor.
20. Agrees to maintain all documentation necessary to support costs of service delivery, to track all expenditures in the Demonstration, and to report the same to the State in a manner determined upon by the State and evaluation contractor.
21. Agrees to allow the State and evaluation contractor access, in accordance with federal and State laws and policies, to confidential case records, statistics, and other confidential documents for review, as required by the State, to carry out its responsibilities for the evaluation.

22. Agrees to assist the evaluation contractor in establishing feasible data collection and storage strategies for data collected for the Demonstration pertaining to, but not limited to, costs and expenditures, services, Demonstration implementation, and outcomes. Adequate security measures shall be employed by the County to prevent the unlawful disclosure or loss of personal, confidential, or sensitive information of the recipient or applicant of public social services or their families.
23. Agrees to appoint a liaison from both the Child Welfare Department and Probation Placement Agency who will serve as a coordinator with the evaluation contractor and assist in the gathering and reporting of child level data and fiscal information.
24. Agrees to cooperate with the evaluation contractor, in accordance with federal and State laws and policies, to ensure sufficient access to county child welfare and probation staff, personnel from collaborating organizations, and the service delivery-related data needed to support the process, outcomes, and cost study components of the Demonstration.
25. Agrees to meet with the State and evaluation contractor of the Demonstration on a quarterly basis, or as needed.
26. Agrees to provide timely feedback on draft reports prepared by the evaluation contractor.

#### **D. STATE RESPONSIBILITIES**

The State:

1. Will, at the request of the County, consider a State waiver of specific statutes and regulations under the State Demonstration authority as specified in Section 18204 of the Welfare and Institutions Code. In addition, technical assistance will be provided to the County to identify opportunities within existing law and regulation that can be used to implement the County Five Year Plan and, where appropriate and feasible, pursue other waiver authority to remove barriers to implementation of the Demonstration.
2. Will issue program and fiscal guidelines and procedures required to implement and oversee the Demonstration.
3. Will issue, in coordination with the participating counties, a claiming mechanism for all Demonstration administrative and maintenance costs that will meet all federal and state requirements for claiming and reporting quarterly Demonstration costs and semi-annual Demonstration evaluation requirements.
4. Will reimburse, in accordance with current practice, claims for all eligible Demonstration expenditures submitted by the County.
5. Will issue, in coordination with the participating counties, a claiming mechanism to allow the County to be reimbursed for a specified portion of evaluation activities associated with participation in the Demonstration to ensure that these costs are not claimed against the capped allocation.
6. Shall provide administrative and program technical assistance and oversight of county operations with respect to the Demonstration, as required or as needed, per Welfare and Institutions Code Section 16500 et. seq.
7. Will obtain an evaluation contractor; provide funding for; and oversee the evaluation of the

Demonstration.

8. Will coordinate and facilitate all Demonstration meetings specified in this Agreement and as otherwise requested by the State.

**E. JOINT RESPONSIBILITIES**

1. Each party agrees to establish mutually satisfactory methods for the exchange of information, as may be necessary, in order that each party may perform its duties, functions, and appropriate procedures under this Agreement.
2. Each party agrees to attend quarterly, or as determined by the State, Demonstration meetings. All meetings will be arranged by the State in a mutually agreed upon location available for all parties.
3. Both parties shall comply with provisions of the Welfare and Institutions Code Section 10850 and Sections 827, 827.1, and 830 to ensure that all information concerning children, youth and families in the Demonstration will be kept confidential in accordance with federal and State laws and policies. Both parties agree to provide for the privacy and security of the data and information (personal, confidential, and or sensitive) as required by State and federal law.
4. Both parties shall comply with the Breaches and Security Incidents Requirements as described in Attachment 3 when public social services client or applicant information under the protection of federal and California state law is breached during the performance of this agreement.

**F. GENERAL FISCAL PROVISIONS**

1. Funding for the Demonstration consists of a capped allocation of federal Title IV-E funds. The county share/contribution is based on the amounts needed to match federal Title IV-E funds used in the Demonstration, and to ensure that the savings requirements as specified F.3 and I.1 are met.
2. The maximum amount payable shall not exceed the amount allocated, as set forth in Section F, paragraph 1 above, to the County in accordance with an annual allocation letter issued by CDSS. The County shall be notified of the allocation amount prior to the implementation date of the Demonstration and annually thereafter.
3. Pursuant to the federal Waiver T&C, federal and county funds currently expended to support child welfare services and foster care programs must remain in the Child Welfare Services/Foster Care (CWS/FC) programs. Therefore, any savings realized as a result of the Demonstration must be reallocated into the provision of child welfare services. The County will be allowed to carry over its unexpended federal funds allocated from each year of the Demonstration to the next year of the Demonstration, up to the termination date of the Demonstration as specified in the final federal Waiver T&C.

**G. FEDERAL FISCAL PROVISIONS**

1. Both the State and County understand that the Title IV-E used in this Demonstration is a capped allocation that is a combination of administrative and maintenance (assistance) expenditures. The federal base amount for the capped allocation is the average of federally eligible expenditures from federal fiscal years 2008 through 2012. Administrative costs associated with state level administrative costs, and county level costs for training, licensing, adoptions, and the

SACWIS are excluded from the calculation of the base amount and will be claimed outside of the Demonstration. Costs associated with serving foster care children ages 18-21 will also be reflected for claiming outside of the Demonstration.

2. Evaluation costs are expenses incurred by the County that are directly related to the evaluation process. Evaluation costs are excluded from the federal allocation for the Demonstration. These costs will be claimed to a specific program code and be reimbursed without being subject to a non-Title IV-E discount, as specified in the final federal terms and conditions. Instructions for claiming, including identification of the appropriate program code and sharing ratios, will be provided in a letter from the CDSS to participating counties.
3. An annual increase for maintenance costs is based on the CNI as stated in the final federal Waiver T&C. The annual increase for administrative costs is based on the federal Waiver T&C. The annual increase will be applied based on federal fiscal year as determined in the federal Waiver T&C.
4. The County may receive quarterly payments in accordance with an annual schedule of quarterly Title IV-E payments, the sum of which shall not exceed the total cumulative payments under the demonstration, and the quarterly statement of need prepared by CDSS as part of the federal CB 496.
5. Any federal disallowance or penalty resulting from a federal determination of non-compliance with federal or state law, regulation, or guideline in the administration of the IV-E program including the Demonstration, shall be paid in accordance with Government Code section 30026.5(e)(3).

#### **H. STATE FISCAL PROVISIONS**

1. There are no state general fund monies included in the capped allocation for foster care assistance, unless otherwise appropriated.
2. There are no state general fund monies included in the capped allocation for the CWS/FC administration, unless otherwise appropriated.
3. Evaluation costs are expenses incurred by the County that are directly related to the evaluation process. These costs will be claimed to a specific program code. Instructions for claiming, including identification of the appropriate program code and sharing ratios, will be provided in a letter from the CDSS to participating counties.
4. The state will maintain all current provisions and procedures currently used to provide Local Revenue funds to the county for the 1991 Realignment and the 2011 Realignment during the period of this Demonstration, subject to any changes caused by state law.
5. The Demonstration shall be cost neutral to the State and state general fund participation is limited to those specific funds authorized for the Demonstration in the state budget act.
6. New Title IV-E eligible services codes associated with the Demonstration will be included in the Demonstration claiming mechanism to allow counties to report Demonstration related costs at the intervention level for both Child Welfare and Probation Placement cases.
7. The State acknowledges that over the five year term of the Demonstration, there may be federal or state policy changes that significantly affect either costs for services or revenues available for services provided under the Demonstration. In the event costs are affected, the State will work with the counties participating in the Demonstration to analyze cost impacts and shall seek to negotiate federal adjustments to the capped allocation to reflect unavoidable changes in cost. In

the event additional revenues are made available for the type of services provided by the counties under the Demonstration, the State will implement procedures to allow counties to access this revenue.

#### **I. COUNTY FISCAL PROVISIONS**

1. Ensure that any savings resulting from the demonstration, whether they are savings to the Federal government, to the State, or to a county or to another jurisdiction within the State, will be used for the further provision of child welfare services for child welfare and probation supervised children. For the purposes of this provision, savings means any amount that would have been expended for conventional title IV-E purposes in the absence of this demonstration, or that could have been expended under title IV-B of the Act.
2. The County will follow all claiming and reporting requirements, unless otherwise directed.
3. The County agrees to a fiscal review and reconciliation upon termination of the Demonstration, either at the end of the five year term of the Demonstration plus any extension or earlier if the County elects to opt-out of the agreement early. The reconciliation shall determine whether the County's claims are in agreement with cumulative five year (plus extension) total of federal funds. If the County has terminated its participation in the Demonstration early, the reconciliation shall determine whether the County's total claims for the duration of its participation are in agreement with the authorized amount of the capped allocation and/or any amounts advanced. If the County terminates its participation in the Demonstration in a partial year, the reconciliation will include the pro-rata share of the capped allocation for that year based on an equal quarterly amount of the annual allocation regardless of fixed schedule of payments. The County may appeal the reconciliation figure determined by the State using the procedures outlined in MPP, Section 25-250.4.
4. County expenditures made under the Demonstration shall conform to the federal Waiver T&C, and any applicable federal and State laws and regulations governing the use of federal funds that are not specifically waived. The County shall reimburse to the State, the federal share of those funds that are not expended in this manner. In no event shall the State assume financial liability for an obligation to repay federal funds caused solely by the County.
5. The County may file with the State a written appeal with respect to any funds that are subject to reimbursement to the State under Section I, paragraph 4, above. The appeal procedures set forth in MPP, Section 25-250.4, shall apply.
6. This MOU shall not affect county repayment obligations that arose due to events that occurred before the start of the Demonstration, nor shall it affect repayment obligations associated with funds paid for costs that are excluded from the Demonstration, including those for training, licensing, SACWIS, or AAP.

#### **J. OPT-OUT PROVISIONS**

The County may elect to terminate its participation in the Demonstration subject to the following provisions:

1. The County must consult with the State prior to exercising the opt-out election to terminate its participation in the Demonstration and must provide written notification to the State of the County's election to opt-out.
2. The State must be in receipt of the written notification of the County opt-out election 60 calendar

days prior to the first day of the quarter in which the County intends to terminate its participation in the Demonstration.

The County:

- a. Must be able to implement the phase-down strategy, as specified in the County Five Year Plan, to ensure that case plans for children and their families are adjusted, if necessary, for the post-demonstration period.
  - b. Agrees that if the County opts-out prior to the end of the Demonstration, the County will submit to a fiscal review and reconciliation, as set forth in Section I, paragraph 3, above by the State as a result of the opt-out election and notification.
  - c. Agrees that if the County opts-out prior to the end of the Demonstration, the County will reconcile with the State any Title IV-E Funds or State General Funds due as a result of the opt-out election and notification, as set forth in Section J, paragraph 3, above.
3. The State will acknowledge in writing receipt of the County written notification of the County opt-out election. This acknowledgement will confirm the effective quarter the County will terminate participation in the Demonstration.

The State:

- a. Will complete a fiscal review and reconciliation of the County's expenditures and claiming as a result of the County opt-out election.
  - b. Will provide written notification to the County of the fiscal review findings as a result of the County opt-out election.
  - c. Will notify the County in writing if there are any Title IV-E Funds or State General Funds due as a result of the County opt-out election.
  - d. Will provide written instructions regarding how to claim expenditures after the County has withdrawn from the Demonstration as a result of the County opt-out election.
4. The State, upon receipt of the written notification of the County opt-out election, will monitor the implementation of the phase-down strategy, as specified in the County Five Year Plan, to ensure case plans for children and their families are adjusted, if necessary, for the post-demonstration period.

#### **K. GENERAL PROVISIONS**

1. This Agreement is valid and enforceable only if funds are made available by the federal government for the FFY's included in the Agreement for the purpose of this Demonstration.
2. This Agreement may be amended by written agreement of both parties. No alteration of the terms herein shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on either party.
3. This Agreement is subject to any additional restrictions, limitations, or conditions enacted by the State Legislature that may affect the provisions, terms, or funding of the Demonstration. This Agreement shall be modified as necessary due to changes in State or federal law or litigation that impact its provisions.

4. If any deficiencies or serious problems in implementation of this Agreement are noted by the State, or if modification is needed due to changes in State or federal law, the State will reassess the overall Demonstration and develop a mutually agreed-upon strategy for dealing with the Demonstration in this context. If such a mutually agreed-upon strategy cannot be developed, the State reserves the right, in its sole discretion, to withdraw from the demonstration as the State determines. The State's withdrawal under such circumstances shall be deemed "for cause", and time spent in negotiation of a strategy shall be counted as part of the 60 calendar day notice period, as set forth in Section K, paragraph 5 below.
  
5. This Agreement may be terminated by the State upon 60-calendar day written notice. The State reserves the right to terminate this Agreement "for cause". "For cause" shall include, but is not limited to: 1) the State Legislature terminating the Demonstration during the five year period; 2) the notification of federal withdrawal from the Demonstration; 3) the cessation of services; 4) the services not meeting federal or State mandates; 5) a finding that children and youth served under the demonstration are not adequately protected from abuse or neglect as a result of the implementation of the Demonstration; or 6) noncompliance by either Department with the attached MOU between County Child Welfare Department and the Probation Department that materially impairs the county's ability to perform its responsibilities under this MOU with the California Department of Social Services; or 7) other violations of the terms of this agreement.

CALIFORNIA DEPARTMENT OF  
SOCIAL SERVICES

COUNTY OF LAKE

By   
Will Lightbourne, Director  
California Department of Social Services

By   
Chair, County Board of Supervisors

By   
Director, Child Welfare Department

By   
Chief Probation Officer, Probation Agency



APPROVED AS TO FORM:  
ANITA GRANT

County Counsel  
By: 

**Amended in September 2014 to permit California to extend its Waiver Demonstration for five additional years (20 quarters) beginning on October 1, 2014 and ending September 30, 2019. These amended Terms and Conditions replace in their entirety California's Waiver Terms and Conditions approved on March 31, 2006.**

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES  
ADMINISTRATION ON CHILDREN, YOUTH AND FAMILIES  
CHILDREN'S BUREAU

WAIVER AUTHORITY

STATE: CALIFORNIA

Waivers of the following provisions of the Social Security Act and Program Regulations are provided to the State to operate a child welfare demonstration project:

Section 472 (a): Expanded Eligibility: To allow the State to expend title IV-E funds for children and families who are not normally eligible under Part E of title IV of the Act as described in the Terms and Conditions.

Section 474(a)(1): Expanded Claiming: To allow the State to claim at the Federal medical assistance percentage any allowable expenditures of foster care maintenance payment cost savings.

Section 474(a)(3)(E) and 45 CFR 1356.60(c)(3): Expanded Services: To allow the State to make payments for services that will be provided that are not normally covered under Part E of title IV of the Act; and to allow the State to use title IV-E funds for these costs and services as described in the Terms and Conditions, Section 2.0.

All waivers are granted only to the extent necessary to accomplish the project as described in these Terms and Conditions.

# DEMONSTRATION PROJECT TERMS AND CONDITIONS

## CALIFORNIA

### SECTION 1: GENERAL

- 1.0 The Department of Health and Human Services (hereinafter referred to as “the Department”) will grant waivers to the State of California (hereinafter referred to as “the State”) under Section 1130 of the Social Security Act (hereinafter referred to as “the Act”) to operate a demonstration project (hereinafter referred to as “the demonstration”) as set forth in these Demonstration Project Terms and Conditions. The Department reserves the right, in its sole discretion, to withdraw approval of this demonstration project, including withdrawal of any and all waivers granted by the Department at such time(s) that the Department determines that the State has materially failed to meet the requirements as set forth in these Demonstration Project Terms and Conditions. The State also retains the right to terminate the demonstration.
- 1.1 Failure to operate the demonstration as approved and according to Federal and State statutes and regulations will result in withdrawal of approval of this demonstration project. The Federal statutes and regulations with which the State must comply in the operation of the demonstration include civil rights statutes and regulations that prohibit discrimination on the basis of race, color, national origin, disability, sex, age, and religion, including title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, title II of the Americans with Disabilities Act, the nondiscrimination provisions of the Omnibus Budget Reconciliation Act of 1981, and the Multiethnic Placement Act as amended. After the demonstration is approved, the Department reserves the right to withdraw approval if agreement cannot be reached on any item(s) cited in this document as needing approval by the Department. The State also has the same right.
- 1.2 If Federal or State statutes or regulations that would have a major effect on the design and impacts of this demonstration are enacted, or if any deficiencies or serious problems in implementation of these Terms and Conditions are noted by the Department, the Department and the State will reassess the overall demonstration and develop a mutually agreed-upon strategy for dealing with the demonstration in the context of such changes. If such a mutually agreed-upon strategy cannot be developed, the Department reserves the right, in its sole discretion, to withdraw approval at such time(s) as the Department determines.
- 1.3 All provisions of the Act not waived remain in effect.
- 1.4 **The demonstration’s provisions were initially implemented on July 1, 2007 with a project period not to exceed five years under the waiver provisions of the Act, unless in the judgment of the Secretary the demonstration should be allowed to continue. To allow the Secretary to make that determination, the demonstration was extended until September 30, 2014. The Secretary has determined that the demonstration**

**should be allowed to continue and has approved a further five-year extension beginning on October 1, 2014 and ending September 30, 2019. The implementation date of the demonstration shall be the first day on which the State offers services, subsidies, or other supports under the provisions of the latest five year extension of these waiver Terms and Conditions to participating children, caregivers, or other targeted individuals. For cost-neutrality purposes, the demonstration shall be deemed to begin on the first day of the calendar quarter (hereinafter "quarter"), which includes the implementation date. For States electing to receive a capped allocation as the method for ensuring cost neutrality, the implementation date must occur within the first month of the quarter. The demonstration shall end no later than the last day of the 20<sup>th</sup> quarter ending after the demonstrations deemed beginning date or September 30, 2019, whichever is earlier. The demonstration provisions shall be as specified in Sections 2 and 3. Waivers necessary for the demonstration are approved upon acceptance by the Department and the State of these Demonstration Project Terms and Conditions. They will become effective as of the implementation date and will remain in effect until the last day of the 20<sup>th</sup> quarter ending after the demonstration's deemed beginning date or September 30, 2019, whichever is earlier, unless the demonstration is terminated earlier. The State's project demonstration period may not exceed a maximum of five total years under the provisions of the Act.**

- 1.5 Federal approval of these Demonstration Project Terms and Conditions shall not be construed to establish any precedent that the Department will follow in the approval of any subsequent request for Terms and Conditions.
- 1.6 Nothing in these Terms and Conditions shall create eligibility for any child or family for any Federal program or entitlement for which that child or family would not otherwise be entitled, except that title IV-E funds may be expended, according to the provisions of these Terms and Conditions, for persons who would not be eligible for title IV-E funds in the absence of the demonstration. Receipt of services otherwise reimbursable under title XIX but provided under these Terms and Conditions for children and families who are not eligible under title IV-E does not establish eligibility for Medicaid. Children under this demonstration who are determined to be eligible under title IV-E will retain that eligibility through the duration of the demonstration project, so that such children will remain eligible for Medicaid, title IV-E Adoption Assistance, title IV-E Foster Care, and title IV-E Guardianship Assistance Program, if applicable.

## SECTION 2: IMPLEMENTATION

2.0 Under these Terms and Conditions, the State is authorized to implement a demonstration that seeks to build upon current systemic child welfare reforms and interventions focused on prevention and family-centered practice to improve outcomes for child welfare and probation-involved children and youth. The State's demonstration will focus on accomplishing the following goal(s):

- Improve the array of services and supports available to children, youth and families involved in the child welfare and juvenile probation systems;
- Engage families through a more individualized casework approach that emphasizes family involvement;
- Increase child and youth safety without an over-reliance on out-of-home care;
- Improve permanency outcomes and timelines;
- Improve child, youth and family well-being; and
- Decrease recidivism and delinquency for youth on probation.

The demonstration's target population will include title IV-E eligible and non-IV-E eligible children and youth aged 0-17, inclusive, who are currently in out-of-home placement or who are at risk of entering or re-entering foster care.

Under these Waiver Terms and Conditions, the State will continue implementation of the demonstration in Alameda and Los Angeles Counties' Child Welfare and Probation Departments. For cost neutrality purposes, this group of counties will be designated as Cohort 1. The State will also begin implementation of the demonstration in the following eight (8) counties: Butte, Lake, Lassen, Sacramento, San Diego, San Francisco, Santa Clara, and Sonoma. These counties are designated as Cohort 2 for cost neutrality purposes.

Under these Terms and Conditions, individual counties reserve the right to terminate their involvement in the waiver demonstration subject to State approval. A county that ends its involvement in the demonstration will reconcile with the State any title IV-E funds due to the State and the Federal Government as of the effective termination date of the county's participation in the demonstration.

2.1 The State's demonstration will include the following two core service interventions:

- **Wraparound:** Probation departments in participating counties will provide Wraparound services to youth exhibiting delinquency risk factors that put them at risk of being removed from their homes and placed in foster care. The State's Wraparound model will involve a family-centered, strengths-based, needs-driven planning process for creating individualized services and supports for the youth and family. Specific elements of the Wraparound model will include case teaming, family and youth engagement, individualized strength-based case planning, and transition planning. Additional details regarding the Wraparound model, including the estimated numbers of children and families in

participating counties that will be offered this intervention, will be provided in the State's Initial Design and Implementation Report (Section 2.3).

- **Safety Organized Practice (SOP):** Child welfare departments in participating counties will implement this initiative to support the development of a statewide core practice model to further enhance social work practice. Specific elements of SOP include family engagement and assessment, behaviorally based case planning, transition planning, ongoing monitoring, and case plan adaptation as appropriate. Specific services to be implemented as part of SOP include Safety Mapping/Networks, effective safety planning at foster care entry and exit, Capturing the Children's Voice, solution-focused interviewing, motivational interviewing, and case teaming. Additional details regarding SOP, including the estimated numbers of children and families in participating counties that will be offered this intervention, will be provided in the State's Initial Design and Implementation Report (Section 2.3).
- In addition to the two core service interventions described above, participating counties may implement additional child welfare and/or probation interventions.

The State's choice of specific child and family assessment tools to implement in conjunction with the two core service interventions will be identified in its Initial Design and Implementation Report (Section 2.3), but may include Child and Adolescent Needs and Strengths (CANS), Ages and Stages Questionnaire (ASQ), and Structured Decision Making (SDM).

2.2 The State shall comply with the following general provisions over the full term of the demonstration project. The State will, or where appropriate, ensure that child welfare and probation case managers, supervisors, and staff from contracted providers:

- a. Work closely with the evaluator to maintain the integrity of the evaluation.
- b. Develop and deliver services to meet the individual needs of each child and family.
- c. Ensure that any services being provided to a child or family member at the time the demonstration ends will be completed.
- d. Ensure the confidentiality of the information collected on the children and families under the demonstration.
- e. Ensure that the rights of children and their families are protected, and that the safety of the children is a paramount concern of the demonstration project.
- f. Ensure that title IV-E eligibility determinations are made for all children who are involved in the demonstration project, throughout the life of the demonstration project, to ensure that eligible children retain their eligibility after the

demonstration ends.

- g. Bear any costs that exceed the amount of Federal funds provided for the demonstration.
- h. Ensure that the State is organizationally and legally prepared for all aspects of demonstration project implementation.
- i. Ensure that a conventional title IV-E program is maintained for those children and families that are not designated to receive demonstration services, and that these children and families continue to receive services that are consistent with the "traditional services" available to such children and families in the State at the time the demonstration begins.
- j. Ensure that all applicable provisions of the Act apply to all demonstration components except for those provisions that are explicitly waived above.
- k. Ensure that children who are eligible for the Medicaid program will retain their eligibility for a full range of Medicaid services under the demonstration.
- l. Ensure that any "savings" resulting from the demonstration, whether they are savings to the Federal government, to the State, or to a county or to another jurisdiction within the State, will be used for the further provision of child welfare services. For the purposes of this provision, "savings" means any amount that would have been expended for conventional title IV-E purposes in the absence of this demonstration, or that could have been expended under title IV-B of the Act.
- m. Ensure that in each year throughout the duration of this demonstration the appropriate State officials and evaluators will attend and participate in an annual meeting of the Child Welfare Demonstration States in the Washington, D.C. area.
- n. For the duration of the demonstration project, assure that the State shall provide health insurance coverage to any child with special needs (as determined under Sec. 473(C) of the Act) for whom there is in effect an adoption assistance agreement between the State and an adoptive parent or parents.

2.3 The State will submit an Initial Design and Implementation Report within 90 days following acceptance of these Terms and Conditions (see Section 5.1). This report will include information about program design and implementation. Report sections regarding implementation will include:

- A Final Work Plan, outlining the key tasks, reporting requirements, and timelines throughout the course of the demonstration;
- A phase-down plan for the demonstration so that case plans for children and their families can be adjusted, if necessary, for the post-demonstration portion of their

placement (See Section 6.1);

- The detailed protocol or set of policies that will guide decisions about which families or children are to be selected to participate in the demonstration, how the selection will be made, and how the suitability of services will be determined;
- Standards of quality and safety and practice requirements identified by the State to be incorporated into any agreements with public and private providers that are expected to provide support and services; and
- The status of evaluation activities, including efforts to engage a third-party evaluator.

The demonstration project will be reviewed periodically by the Department to ensure that the demonstration activities are consistent with the purposes of titles IV-B and IV-E of the Act and these Terms and Conditions in providing child welfare services, including an assurance of the safety of the children and families involved. The review is intended to ensure that benefit eligibility will not be impaired and that improved outcomes for the children and families will result. Any proposed amendment to these Terms and Conditions is subject to prior approval by the Department.

## SECTION 3: EVALUATION

- 3.0 **The State will conduct an evaluation of the waiver demonstration to test the hypothesis that the use of title IV-E funds to provide alternative services in the areas of prevention and family-centered practice, as appropriate, will result in improved safety, permanency, and well-being outcomes for children. The evaluation will consist of three components: A process evaluation, an outcome evaluation, and a cost analysis.**

The State is required to engage a third party to conduct an evaluation of the demonstration program. The evaluator shall be an independent organization that is not affiliated with state or local government, except that state universities may be engaged to conduct the evaluation. The evaluator shall be responsible for the development of the final evaluation design within the basic evaluation parameters outlined below. The evaluator shall develop a research design and sampling plan; develop and execute the data collection and analysis plans; and prepare interim and final reports.

- 3.1 **Evaluation Design: The State will implement an interrupted time series design for the evaluation of its waiver demonstration in which changes in key child welfare outcomes are tracked over time. Observations of selected outcomes will be made in participating counties for a pre-determined time period prior to implementation of the demonstration to establish baselines, after which additional observations will be made at pre-determined time intervals following implementation. Outcome patterns before and after implementation of the demonstration as a whole, will be analyzed to identify differences that may be attributable in part to the interventions implemented under the demonstration. To the extent possible and subject to the availability of comparable data, outcome pattern comparisons with non-participating counties also may be part of the evaluation. For the two core interventions of Wraparound and Safety Organized Practice, the analysis will use case-level data to the extent possible to isolate the impact of these interventions from the effects of demographic, programmatic, and other external factors.**

To the extent feasible, the State will also conduct one or more quasi-experimental sub-studies of specific programs that are implemented under the waiver demonstration. The specific programs to be evaluated through these sub-studies, and the specific research methods for conducting them, will be determined in consultation with the Department and the State's third-party evaluation contractor and described in the State's evaluation plan (Section 3.5).

Other details regarding the final evaluation design (e.g., sample size estimates, methods of statistical analysis) will be determined in consultation with the State's third-party evaluation contractor and described in the State's evaluation plan (Section 3.5).

Throughout the evaluation, the State will apprise the Department of any difficulties encountered in achieving the estimated sample sizes for the project, and in consultation with the outside evaluator will determine if such difficulties will affect the State's ability

to identify statistically significant differences in key demonstration outcomes. The State will notify the Department as soon as any serious problems are noted. Semi-annual progress reports (see Section 5.4) will include an update on the sample sizes and progress toward meeting the targeted sizes.

For any sub-studies that are implemented as part of the evaluation, cases will maintain their assigned status for the full period of the demonstration.

Modifications to the sampling plans of any sub-studies may be proposed to the Department for approval to ensure that the sample groups are appropriately sized to provide adequate statistical power to detect differences in outcomes of interest between the comparison groups.

3.2 Process Evaluation: The evaluation will include interim and final process analyses that describe how the demonstration was implemented and that identify how demonstration services differ from services available prior to implementation of the demonstration, or from services available to children and families that are not designated to receive demonstration services. The analysis will include a logic model that describes the demonstration's objectives, the services or other interventions provided, and the way the intervention is linked to measurable outcomes. In addition, the process analysis will examine, at a minimum, the following:

- The planning process for the demonstration including whether any formal needs assessment, asset mapping, or assessment of community readiness was conducted;
- The organizational aspects of the demonstration, such as staff structure, funding committed, administrative structures, and project implementation, including ongoing monitoring, oversight, and problem resolution at various organization levels;
- The number and type of staff involved in implementation, including the training they received, as well as their experience, education and characteristics;
- The service delivery system, including procedures for determining eligibility, referring subjects for services, the array of services available, the number of children/families served and the type and duration of services provided;
- The role of the courts in the demonstration and the relationship between the child welfare agency and court system, including any efforts to jointly plan and implement the demonstration;
- Contextual factors, such as the social, economic and political forces that may have a bearing on the replicability of the intervention or influence the implementation or effectiveness of the demonstration. This discussion will note any possible confounding effects of changes in these systems, or changes resulting from other demonstrations or reforms that were implemented during the title IV-E demonstration;

- The degree to which demonstration programs and services are implemented with fidelity to their intended service models; and
- The barriers encountered during implementation, the steps taken to address these barriers, and any lessons learned during implementation.

For each of the factors described above, the process analysis will note any differences, as appropriate for the State's evaluation design, in implementation before and after the start of the demonstration, among participating counties or other administrative units, or between the experimental and control/comparison groups.

3.3 **Outcome Evaluation:** The State's outcome evaluation will address, at a minimum, changes in the following outcomes in all participating counties:

- **Entries into out-of-home care;**
- **Entries into the most appropriate and least restrictive placement settings;**
- **Re-entries into out-of-home care;**
- **Recurrence of maltreatment;**
- **Re-offenses among children and youth on probation; and**
- **Child and family functioning and well-being as measured by assessment tools selected by the State.**

**To the extent available, the State's evaluation will track all outcome measures in relation to gender, age, race, and as appropriate, placement type or setting.**

The State is free to propose additional research questions and outcome measures for inclusion in the evaluation.

The State will collect data for the evaluation from the State's automated child welfare information systems, child welfare agency case records, **selected child and family assessment tools**, and additional information sources as appropriate. The State will work with its evaluation contractor to identify other appropriate data sources to address the process and outcome measures described above.

3.4 **Cost Study:** The cost analysis will examine, at a minimum, the costs of the key elements of services received by children and families designated to receive demonstration services and will compare these costs with those of services available prior to the start of the demonstration, or that were received by the children and families that were not designated to receive demonstration services. The cost analysis will also include an examination of the use of key funding sources, including all relevant Federal sources such as titles IV-A, IV-B, IV-E and XIX of the Act, as well as State and local funds. The purpose of the analysis will be to compare the costs of services available through the demonstration with those of services traditionally provided to children and their families. Where feasible, a cost-effectiveness analysis will be conducted to estimate the costs of each successful outcome achieved through the demonstration. This analysis will be conducted using one or more of the key outcome measures for which a statistically

significant difference is identified.

3.5 Evaluation Reporting Requirements: The following reports and documents shall be provided to the Department for review and approval (also noted in Section 5):

- The State will submit to the Department for review a draft of the specifications or Request for Proposals (RFP) for the agreement to conduct an evaluation of the demonstration within 60 days after acceptance of these Terms and Conditions. The draft specifications must detail the objectives of the project, the evaluation design, the specific tasks to be conducted, the time frames for conducting those tasks, and a schedule and list of deliverables. The research questions, key variables, data collection methods, sample sizes and other aspects of the evaluation noted in these Terms and Conditions will be clearly described.
- The State will submit an evaluation plan to the Department for approval within 90 days after the evaluation contract is awarded. The evaluation plan must present the underlying logic linking interventions to expected outcomes, the research question to be studied, the major variables to be measured, the final sampling plan, the data sources (including an assessment of the reliability and validity of each source), data collection procedures, and the major data analyses to be performed. The plan will describe the comparability of selected comparison groups on key variables.
- Not later than 60 days after the conclusion of the 10<sup>th</sup> quarter following the effective date of the demonstration's extension period the State will submit an interim evaluation report (see Section 5). The report will include a process analysis of the evaluation to date and any outcome data available at that time. The report will also include a brief description of the outcome and cost components of the evaluation planned and note any issues or problems anticipated in completion of these components. If the findings are unclear or incomplete, the Department may request revisions and resubmission of the report.
- Not later than six months after the conclusion of the demonstration, a final report integrating the process, outcome and cost components of the evaluation will be submitted. If the findings are unclear or incomplete, the Department may request revisions and resubmission of the report.
- The State will post copies of the interim and final evaluation reports on the State's child welfare agency Website (see Section 5.10).
- Not later than six months after the conclusion of the demonstration, the State will have the evaluation contractor produce and make available public-use data tapes, including documentation necessary to permit re-analysis of the data gathered during the course of the evaluation.

Public release of any evaluation or progress reports required under this agreement will be made only by the Department or the State. Prior to public release of such reports, the Department and the State will have at least a 30-day period for review and approval.

- 3.6 Program Changes: Additional program changes that are not applied equally to experimental and control/comparison groups, or that would substantially affect the evaluation of the demonstration, must be approved by the Department as an amendment to these Demonstration Project Terms and Conditions.

## SECTION 4: COST NEUTRALITY

4.0 As required by section 1130(h) of the Act, the amount of Federal funds expended for this project may not exceed the amount of such funds that would be expended by the State under the State plans approved under parts B and E of title IV if the demonstration project were not conducted. Therefore, except for costs of evaluating and developing this project (as specified in Sections 4.4 and 4.5 below), starting with the deemed beginning date (see Section 1.5) the operation of this demonstration is to be cost-neutral to the Federal government with respect to maintenance and administrative costs for titles IV-B and IV-E of the Act.

### 4.1 Section 4 Terms:

Costs. All references made to costs (unless otherwise specifically noted) consist of total computable (gross) costs. The Federal share of demonstration project costs will be computed using the matching rate applicable to the funding category.

Maintenance Costs. All references made to maintenance costs include title IV-E allowable foster care maintenance assistance payments (per Section 475(4)(A) of the Act), and such other costs for cases deemed as title IV-E allowable through a waiver granted for this demonstration project.

Administrative Costs. All references made to administrative costs include title IV-E allowable administrative costs (per Federal regulations at 45 CFR 1356.60(c)) for in-placement and candidate activities and other costs deemed as title IV-E allowable through a waiver granted for this demonstration project.

SACWIS Costs. All references made to SACWIS costs include title IV-E allowable SACWIS costs (per 45 CFR 1355.57 and Part 95 Subpart F) for the development, maintenance, and operation of an automated system that is determined by the Department to meet the requirements to be designated as a Statewide Automated Child Welfare Information System (SACWIS). Title IV-E allowability of specific SACWIS costs is further subject to (in addition to these terms and conditions) Departmental approval of an advance planning document (APD) or an operational advance planning document (OAPD), as applicable.

Training Costs. All references made to training costs include title IV-E allowable training costs (per 45 CFR 235.63 through 235.66(a), 1356.60(b), and Section 474(a)(3)(B) of the Act) for the development, delivery or participation in training by eligible IV-E agency staff and providers or professional partner individuals.

Cumulative. All references made to cumulative in the context of costs will indicate that costs are to be summed for all quarters from the deemed beginning date through the quarter in question.

- 4.2 The total costs of foster care payments shall be an amount determined by a base allocation as determined in Section 4.2.1 below plus any annual change factor or exclusions as specified in Section 4.2.2. The results of this calculation are shown in Section 4.3, Tables 1 and 2. The aggregate sum of Federal share payments for the duration of the demonstration shall be the cumulative fixed payment that shall be made to the State. Receipt by the State of payments not greater than the cumulative fixed payment shall be considered cost neutral to the Federal government.

Within 30 days following acceptance of these Terms and Conditions, the State shall submit to the Department for approval a document showing a fixed schedule of payments for the duration of the demonstration period. The State may receive quarterly payments in accordance with a schedule of quarterly payments the sum of which do not exceed the total cumulative payments under the demonstration.

- 4.2.1 The foster care base allocation amount to be used for purposes of establishing a cap to reflect cost neutrality to the Federal government for demonstration project operations has been determined separately for the two identified cohorts of participating counties (see section 2.0) for each of the funding categories impacted by the demonstration project through the following processes:

Source of claims:

**Cohort 1 (See section 2.0):** The base amount is the calculated Federal Fiscal Year (FFY) 2014 total computable (gross) title IV-E Foster Care demonstration project allocation for California with adjustments to exclude amounts paid on behalf of any youth age 18 or older. The initial allocation for this project (in FFY 2007) was derived from the title IV-E Foster Care allowable Federal financial participation (FFP) claims (including current and prior quarter adjustments) submitted by California on quarterly reports of expenditures and estimates (i.e., Form ACF-IV-E-1) during previous time periods. Calculations are applied to separately identify amounts by cost categories and to convert FFP to total computable amounts for the following cost categories as specified below:

- **Foster care maintenance costs:** Total computable costs of \$373,273,185. This total is calculated from the FFY 2014 demonstration project total allocation (all cost categories) of \$479,060,616 FFP. The total FFP allocation is multiplied by the percentage of the allocation attributable to each of the two Cohort 1 counties. The total FFP allocation for each of these counties is then multiplied by the county ratio of maintenance assistance payment FFP claims to the combined total of maintenance assistance payments plus administrative cost FFP claims for that county in the baseline period (FFYs 2003–2005) used to establish the FFY 2007 allocation. The resulting FFP total for each county is summed and then adjusted to exclude identified amounts from Cohort 1 counties as paid on

behalf of any youth age 18 or older. The adjusted FFP total is divided by the FFY 2014 Federal medical assistance percentage (FMAP) rate for California of 50.00% to derive the total computable amount.

- Foster care administrative costs (see section 4.2.2.3 for exclusions): Total computable costs of \$578,723,905. This total is calculated from the FFY 2014 demonstration project total allocation (all cost categories) of \$479,060,616 FFP. The total FFP allocation is multiplied by the percentage of the allocation attributable to each of the two Cohort 1 counties. The total FFP allocation for each of these counties is then multiplied by the county ratio of administrative cost FFP claims to the combined total of maintenance assistance payments plus administrative cost FFP claims for that county in the baseline period (FFYs 2003–2005) used to establish the FFY 2007 allocation. The resulting FFP total for each county is summed and then adjusted to exclude identified amounts from Cohort 1 counties as paid on behalf of any youth age 18 or older. The adjusted FFP total is divided by the applicable FFP rate of 50.00% to derive the total computable amount.

Cohort 2 (See Section 2.0): The base amount is the calculated Federal Fiscal Year (FFY) total computable (gross) title IV-E Foster Care allowable claims submitted by Cohort 2 counties on the California County Expense Claim and California Assistance Claim. These reports were used by the State to submit title IV-E Foster Care allowable claims (including current and prior quarter adjustments) on quarterly reports of expenditures and estimates (i.e., Form ACF-IV-E-1 or CB-496, as applicable) during the specified time periods for the following cost categories and adjusted as specified below:

- Foster care maintenance costs: Total computable costs of \$121,410,610. This total is calculated from the FFY average actual Cohort 2 county claims, as adjusted to reflect proper cost categorization and to exclude amounts identified as paid on behalf of any youth age 18 or older, in this funding category for expenditure quarters in FFYs 2008 - 2012.
- Foster care administrative costs (see section 4.2.2.3 for exclusions): Total computable costs of \$ 276,424,768. This total is calculated from the FFY average actual Cohort 2 county claims, as adjusted to reflect proper cost categorization and to exclude amounts identified as paid on behalf of any youth age 18 or older and for the performance of licensing activities, in this funding category for expenditure quarters in FFYs 2008 - 2012.

Application of base allocation: The base amount will be applied separately in determining annual allocations for maintenance assistance payments and

administration.

**4.2.2** The payments for each full FFY during the operational period of the demonstration project shall consist of the base amounts for each Cohort adjusted each FFY by the change factor(s) and the exclusions described in the subsections below. Thus, payments in the second and subsequent full FFYs of demonstration operations will equal the amount calculated for the prior FFY plus any further applicable changes. The results of this calculation are set out in Table 1 and Table 2. Payments for demonstration operations during any partial FFY will be pro-rated proportionally by quarter to reflect the portion of the FFY when the demonstration project is operational.

**4.2.2.1** The annual allocation change factors applied have been determined by the following process:

**Cohort 1 (See Section 2.0)**

- a. Maintenance assistance payments: Growth rate based on three year average annual rate of change in the ratio of total computable maintenance payment claims to average monthly number of children assisted, computed as follows:**
  - 1. The claiming data consists of amounts expended through FFY 2012 (adjusted in the same manner as noted in section 4.2.1 for Cohort 2 counties) for the fifty-six (56) California counties not within Cohort 1.**
  - 2. The average monthly number of children assisted includes data for the fifty-six (56) California counties not within Cohort 1 through FFY 2013. The change rate applied to this data for FFY 2014 projection purposes is the annual rate of decline demonstrated in FFY 2013 multiplied by the three-year average change in the rate of annual caseload decline demonstrated through FFY 2013. The projected caseload for each subsequent FFY of the project's operational period is determined as follows: the prior FFY's calculated caseload plus that number multiplied by both the calculated rate of annual change in that number and the FFY 2013 three-year average change in the rate of annual caseload decline.**
  - 3. The calculated average monthly number of children assisted for a given FFY will be subject to supplementation for that FFY only, at the request of California, if the actual number of children assisted under age 18 (using the definition of such as applied on Form CB-496 Part 1, line 41) in the fifty-six (56) California counties not within Cohort 1 exceeds the projected number for that FFY by 10% or greater.**
  - 4. The average maintenance payment claim per child for FFY**

2014 is calculated by using the base period (FFYs 2008 – 2012) calculated amount and adding to it the multiplication of that number by the California Necessities Index (CNI) annual demonstrated change rate in FFY 2013. The annual change in the CNI is the basis in California, in accordance with Welfare and Institutions Code sections 11461 for Foster Family Homes, 11462 for Group Homes and 11463 for Foster Family Agencies, for mandated adjustments to maintenance payment rates. The average maintenance payment claim per child in each subsequent FFY during the specified project operational period is calculated by adding the impact of the prior FFY's estimated CNI annual change rate. The estimated CNI factor (displayed on Table 1) for each completed FFY will be adjusted to an actual CNI factor as documented through a submission received from California within three months of the close of that FFY (by December 31).

5. The multiplication of the amounts computed in Steps #2 (plus any adjustment as per Step #3) and #4 above provide a projection of total maintenance payments for each FFY of project operations in the fifty-six (56) California counties not within Cohort 1. The annual percentage change in this projection is the factor applied to the Cohort 1 maintenance payment allocation.
  6. The maintenance payment allocation in FFY 2015 and in each subsequent FFY (see Table 1 in section 4.3) is computed by adding to the Cohort 1 maintenance payment allocation amount in the prior FFY that amount multiplied by the current FFY annual percentage change factor (see Step #5 above).
- b. Administration: Growth rate based on three-year average annual rate of change in total computable administration claims computed as follows:
1. The claiming data consists of amounts expended through FFY 2012 (adjusted in the same manner as noted in Section 4.2.1 for Cohort 2 counties) for the fifty-six (56) California counties not within Cohort 1.
  2. The base period (FFYs 2008 – 2012) amount calculated from administration claims (as described in Step #1 above) is deemed as the FFY 2014 projected claim and is added to the product of that amount multiplied by the three-year average annual rate of change demonstrated (using FFY 2011 claims) in this category to compute the FFY 2015 projection of total administration claims. A projection of administration claims in the fifty-six (56) California counties not within Cohort 1 is similarly performed for each FFY of anticipated project

operations.

3. The annual percentage change in the projection computed in Step #2 above is the factor applied to the Cohort 1 administration allocation.
4. The administration allocation in FFY 2015 and in each subsequent FFY is computed by adding to the Cohort 1 administration allocation amount in the base period or prior allocation FFY that amount multiplied by the current FFY annual percentage change factor (see Step #3 above).

**Cohort 2 (See section 2.0)**

- a. **Maintenance assistance payments: Growth rate based on three year average annual rate of change in the ratio of total computable maintenance payment claims to average monthly number of children assisted computed as follows:**
  1. The claiming data consists of amounts expended through FFY 2012 (adjusted in the same manner as noted in Section 4.2.1 for Cohort 2 counties) for the eight (8) California counties within Cohort 2.
  2. The average monthly number of children assisted is calculated by using the base period (FFYs 2008 – 2012) calculated amount. No change rate will be applied to the average monthly number of children assisted for the purposes of projecting FFY allocations in this category for this cohort.
  3. The average monthly number of children assisted for a given FFY will be subject to supplementation for that FFY only, at the request of California, if the Cohort 2 actual number of children under age 18 assisted (using the definition of such as applied on Form CB-496 Part 1, line 41) exceeds the projected number for that FFY by 10% or greater.
  4. The average maintenance payment claim per child for FFY 2015 is calculated by using the base period (FFYs 2008 – 2012) calculated amount and adding to it the multiplication of that number by the California Necessities Index (CNI) estimated annual change rate in FFY 2014. The annual change in the CNI is the basis in California, in accordance with Welfare and Institutions Code sections 11461 for Foster Family Homes, 11462 for Group Homes and 11463 for Foster Family Agencies, for mandated adjustments to maintenance payment rates. The average maintenance payment claim per child in each subsequent FFY during the specified project operational period is calculated by adding the impact of the prior FFY's estimated CNI annual change rate. The estimated CNI factor (displayed on Table 2) for each completed FFY will be adjusted to an actual CNI factor as documented through a submission

received from California within three months of the close of that FFY (by December 31).

5. The maintenance payment allocation in FFY 2015 and in each subsequent FFY of project operations is computed by multiplying the average monthly number of children assisted (step #2 plus any adjustment as per Step #3 above) by the average maintenance payment claim per child (see Step #4 above) in that FFY.

b. **Administration: Growth rate based on three-year average annual rate of change in total computable administration claims computed as follows:**

1. The claiming data consists of amounts expended through FFY 2012 (adjusted in the same manner as noted in Section 4.2.1 for Cohort 2 counties) for the eight (8) California counties within Cohort 2.
2. The base period (FFYs 2008 – 2012) amount calculated from administration claims (as described in Step #1 above) is deemed as the FFY 2014 projected claim and a three-year average annual rate of change is computed by comparing that amount to the FFY 2011 claims in this category.
3. The administration allocation in FFY 2015 and in each subsequent FFY is computed by adding to the Cohort 2 administration amount in the base period or prior FFY that amount multiplied by the calculated three-year average annual rate of change in the prior FFY.

4.2.2.3 The foster care costs excluded from the cost neutrality calculation and thus subject to payment outside of the capped allocation are as follows:

- a. Any allowable title IV-E claims from counties not participating in the demonstration project will be excluded from the calculation of the demonstration's capped allocation (see Section 4.3) and will be reimbursable separately in addition to the amount of the capped allocation.
- b. Any allowable SACWIS development or operational costs will be excluded from the calculation of the demonstration's capped allocation (see Section 4.3) and will be reimbursable separately in addition to the amount of the capped allocation.
- c. Any allowable title IV-E In-Placement Administration – Provider Management claims for performance of foster care licensing activities and any training claimable at 50% FFP will be excluded from the calculation of the demonstration's

capped allocation (see Section 4.3) and will be reimbursable separately in addition to the amount of the capped allocation.

- d. Any allowable staff, provider, or professional partner training category costs will be excluded from the calculation of the demonstration's capped allocation (see Section 4.3) and will be reimbursable separately in addition to the amount of the capped allocation.
- e. Any allowable title IV-E claims on behalf of title IV-E eligible youth who are at least age 18 but have not yet attained the age of 21 will be excluded from the calculation of the demonstration's capped allocation (see Section 4.3), and will be reimbursable separately in addition to the amount of the capped allocation.

4.2.2.4 Upon a request from the State, the Department will consider an amendment to these Terms and Conditions with respect to the amount of the capped allocation for one or both Cohorts if the State documents significant unanticipated cost increases in either maintenance or administrative costs that exceed the growth rate for the cost category provided for in these Terms and Conditions, provided the documented increase in costs is unrelated to the implementation of this demonstration project (e.g., stemming from Federal, State or county policy changes, court orders, or other external factors) and would result in increased title IV-E allowable claims for the participating counties, but for their participation in the demonstration.

4.3 Federal title IV-E payments to the State for this demonstration, including expenditures of any realized savings, will be made quarterly for amounts in accordance with Table 1 and Table 2 below based on State estimates of demonstration expenditures for the next quarter in accordance with the payment schedule (as determined in Section 4.2 above).

Demonstration Project Funding Category	Base FFY Amount	FFY 2015 Allocation Cap	FFY 2016 Allocation Cap	FFY 2017 Allocation Cap	FFY 2018 Allocation Cap	FFY 2019 Allocation Cap
Maintenance Payments	\$373,273,185	\$380,070,004	\$390,659,182	\$398,231,636	\$411,019,498	\$420,637,930
Applied CNI Factor <sup>2</sup>		2.17%	2.97%	2.03%	3.26%	2.37%
Administration	\$578,723,905	\$590,182,638	\$621,285,262	\$636,133,980	\$656,490,268	\$680,189,566
All Capped Categories	\$951,997,090	\$970,252,642	\$1,011,944,444	\$1,034,365,616	\$1,067,509,766	\$1,100,827,496

Demonstration Project Funding Category	Base FFY Amount	FFY 2015 Allocation Cap	FFY 2016 Allocation Cap	FFY 2017 Allocation Cap	FFY 2018 Allocation Cap	FFY 2019 Allocation Cap
Maintenance Payments	\$121,410,610	\$124,045,220	\$127,731,635	\$130,330,593	\$134,579,242	\$137,765,232
Applied CNI Factor <sup>4</sup>		2.17%	2.97%	2.03%	3.26%	2.37%
Administration	\$276,424,768	\$280,682,766	\$297,996,053	\$305,551,610	\$315,943,040	\$328,663,705
All Capped Categories	\$397,835,378	\$404,727,986	\$425,727,688	\$435,882,203	\$450,522,282	\$466,428,937

Federal title IV-E payments for demonstration operational expenditures will be made for any quarter beginning in accordance with the dates specified in section 1.5 of these terms and conditions when the demonstration is in operation and for a total period of no longer than five years (20 quarters) thereafter.

Actual expenditures claimed for the demonstration project, including expenditures of any realized savings, along with estimates in advance of each quarter, will be identified separately on the ACF quarterly claim form, CB-496. Summary fiscal information on the

<sup>1</sup> This allocation level covers only those California counties identified in section 4.2.1 as participating in Cohort 1 of the demonstration project.

<sup>2</sup> The California Necessities Index (CNI) factor applied is the year it is effective. The numbers displayed are estimates that when, as required by section 4.2.2.1, must be adjusted to actuals will impact the amount of the displayed Maintenance Payments allocations.

<sup>3</sup> This allocation level covers only those California counties identified in section 4.2.1 as participating in Cohort 2 of the demonstration project.

<sup>4</sup> The California Necessities Index (CNI) factor applied is the year it is effective. The numbers displayed are estimates that when, as required by section 4.2.2.1, must be adjusted to actuals will impact the amount of the displayed Maintenance Payments allocations.

results of the project must be reported in Part 3 as well as other applicable parts of form CB-496. These estimates and claims relating to the demonstration will be subject to review and deferral or adjustment according to the normal procedures for reviewing title IV-E estimates and paying title IV-E claims. All other title IV-E claims that are not related to this demonstration will continue to be filed in accordance with current quarterly claiming requirements for payments for allowable cost. The State must examine its cost allocation plan to determine whether any of the components will affect the calculation of or claiming for any administrative costs under title IV-E, and if so the State must submit an amendment to the cost allocation plan prior to the implementation date to address any such effects appropriately.

At the completion of the demonstration project, the State will notify the Department when a final claim for operational costs has been filed. Reported expenditures subject to consideration as part of the payments made under the capped allocation will be totaled and reconciled against the cumulative capped allocation payments made. Any unclaimed portion of the capped allocation will be available for claiming in accordance with Federal regulations at 45 CFR 95.7 for costs incurred during the project period.

- 4.4 **Developmental Costs.** Developmental costs are the expenses the State incurs to establish the demonstration prior to the project's implementation. These costs are excluded from the cost-neutrality calculation. This waiver demonstration was originally implemented on July 1, 2007; therefore, no further developmental costs may be claimed during the period of the five-year extension beginning on October 1, 2014.
- 4.5 **Evaluation Costs.** Evaluation costs are expenses incurred by the external evaluator as well as those incurred by the State that are directly related to the evaluation effort. These costs are excluded from cost-neutrality calculation. Evaluation costs begin with the first evaluation planning activities and continue until the final evaluation report is submitted. Such costs will encompass all costs necessary to carry out the approved evaluation plan, including costs for evaluation activities carried out by State and local agencies as well as those carried out by the evaluation contractor. The costs of approved evaluation activities may be charged to title IV-E administrative costs without cost allocation so that the State may claim a full 50 percent of these costs as title IV-E administrative costs. The State shall address any changes needed to implement this provision through submission of appropriate amendments to its approved State cost allocation plans. Costs of evaluation that arise from the demonstration project(s) approved under these Terms and Conditions may be claimed for a reasonable period of time after the expiration of the period of this demonstration (Section 1.5) so long as the costs are for activities required by the evaluation plan(s) approved by the Department and are otherwise allowable and reasonable. Evaluation components not approved by the Department will not qualify for Federal matching funds.

## SECTION 5: MONITORING

The State will send all reports required in this section to the Children's Bureau, the Regional ACF Office, and the evaluation technical assistance contractor for this initiative.

- 5.0 Within 60 days of acceptance of these Terms and Conditions, the State will submit to the Department a draft of the specifications or Request for Proposal (RFP) and evaluation specifications for review.
- 5.1 Within 90 days following acceptance of these Terms and Conditions, the State will submit an Initial Design and Implementation Report to the Department for approval (see Section 2.3 for detailed elements of the report).
- 5.2 The State shall submit quarterly progress reports beginning 90 days after the acceptance of these Terms and Conditions. The Initial Design and Implementation Report will serve as the first quarterly report. All subsequent reports are due no later than 30 days after the conclusion of each quarterly period and will include a basic update on the status of each activity or task identified in the Implementation Report. The report will also identify any problems encountered that may have an impact on the design or anticipated implementation schedule. Suggestions for resolving these problems will be provided for the Department's review and approval.
- 5.3 Once implementation has begun, semi-annual progress reports will be required throughout the project period summarizing project and evaluation activities and accomplishments during the reporting period as well as interim findings from the evaluation, if available. The semi-annual progress reports shall indicate issues or problems and resolutions regarding the implementation of the demonstration or evaluation as approved, including updates on the resolution of any significant problems identified in the implementation report. These reports are due no later than 30 days after the conclusion of each reporting period.
- 5.4 The State will submit an evaluation plan to the Department for approval within 90 days after the evaluation contract is awarded (Section 3.5). The evaluation plan must be approved by the Department prior to implementation.
- 5.5 The State will submit an Interim Evaluation Report 60 days after the conclusion of the 10<sup>th</sup> quarter following the effective date of the demonstration's extension period (Section 3.5). Additional reports may be proposed by the State and, subject to approval by the Department, may be considered allowable components of the evaluation of the demonstration.
- 5.6 The State will submit a Final Evaluation Report six months after the project ends, integrating the process study, the outcomes study, and the cost analysis (Section 3.5).
- 5.7 The State will post copies of the interim and final evaluation reports on the State's child welfare agency Website (see Section 3.5).

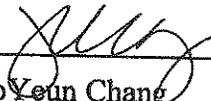
- 5.8 The State will submit, or have the evaluation contractor produce and make available, public-use data tapes, including documentation necessary to permit re-analysis of the data gathered during the course of the evaluation, six months after the project ends (Section 3.5).

SECTION 6: TERMINATION PROCEDURES

- 6.0 Federal financial participation in demonstration activities requiring waivers will not be provided beyond the period approved by the Department.
- 6.1 As part of the Initial Design and Implementation Report (Section 2.4), the State will submit for the Department's approval a plan to phase down and end the demonstration to ensure that there are no demonstration-related Federal costs incurred beyond the period approved by the Department. All activities requiring Department approval must cease on the date decided by the Department if the project is terminated prior to the end of the 20<sup>th</sup> quarter after the deemed beginning date of the demonstration or before September 30, 2019, whichever is earlier.

Approval:

Acceptance:

  
\_\_\_\_\_  
Joo Yeun Chang  
Associate Commissioner  
Children's Bureau

  
\_\_\_\_\_  
Pete Cervinka  
Program Deputy Director for Benefits and Services  
California Department of Social Services

9/30/14  
\_\_\_\_\_  
Date

9/30/2014  
\_\_\_\_\_  
Date

FFY 2015 Federal Funds			FFY 2016 Federal Funds			FFY 2017 Federal Funds					
	Assistance	Administration	Total	Federal Funds	Assistance	Administration	Total	Federal Funds	Assistance	Administration	Total
Alameda	\$21,936,328	\$34,063,304	\$55,999,632	Alameda	\$22,547,499	\$35,858,440	\$58,405,939	Alameda	\$22,984,555	\$36,715,456	\$59,700,011
Los Angeles	\$168,098,674	\$261,028,015	\$429,126,689	Los Angeles	\$172,782,092	\$274,784,191	\$447,566,283	Los Angeles	\$176,131,263	\$281,351,534	\$457,482,797
<b>Cohort 1 Total</b>	<b>\$190,035,002</b>	<b>\$295,091,319</b>	<b>\$485,126,321.10</b>	<b>Cohort 1 Total</b>	<b>\$195,329,591</b>	<b>\$310,642,631</b>	<b>\$505,972,222.10</b>	<b>Cohort 1 Total</b>	<b>\$199,115,818</b>	<b>\$318,066,990</b>	<b>\$517,182,808.11</b>
Butte	\$2,677,051	\$5,620,468	\$8,297,519	Butte	\$2,756,608	\$5,970,571	\$8,727,179	Butte	\$2,812,697	\$6,123,005	\$8,935,702
Lake	\$1,196,612	\$1,065,332	\$2,261,944	Lake	\$1,232,173	\$1,132,733	\$2,364,906	Lake	\$1,257,244	\$1,161,973	\$2,419,217
Lassen	\$596,588	\$646,072	\$1,242,660	Lassen	\$614,319	\$685,526	\$1,299,845	Lassen	\$626,818	\$702,785	\$1,329,603
Sacramento	\$17,450,728	\$48,265,425	\$65,716,153	Sacramento	\$17,969,334	\$51,228,211	\$69,197,545	Sacramento	\$18,334,956	\$52,522,659	\$70,857,615
San Diego	\$18,408,307	\$31,800,206	\$50,208,513	San Diego	\$18,955,371	\$33,716,675	\$52,672,046	San Diego	\$19,341,056	\$34,557,673	\$53,898,729
San Francisco	\$10,228,356	\$16,308,277	\$26,536,633	San Francisco	\$10,532,325	\$17,352,115	\$27,884,440	San Francisco	\$10,746,627	\$17,803,739	\$28,550,366
Santa Clara	\$8,395,628	\$30,838,652	\$39,234,280	Santa Clara	\$8,645,132	\$32,767,922	\$41,413,054	Santa Clara	\$8,821,034	\$33,607,068	\$42,428,102
Sonoma	\$3,069,340	\$5,796,951	\$8,866,291	Sonoma	\$3,160,556	\$6,144,274	\$9,304,830	Sonoma	\$3,224,864	\$6,296,903	\$9,521,767
<b>Cohort 2 Total</b>	<b>\$62,022,610</b>	<b>\$140,341,383</b>	<b>\$202,363,993.00</b>	<b>Cohort 2 Total</b>	<b>\$63,865,818</b>	<b>\$148,998,027</b>	<b>\$212,863,845.00</b>	<b>Cohort 2 Total</b>	<b>\$65,155,296</b>	<b>\$152,775,805</b>	<b>\$217,941,101.00</b>

Highlighted cells reflect rounding down (except Brown rounded up), otherwise does not match terms and conditions, started with the counties receiving most of the funding. When rounding function added to remove decimals, resulted in odd amount off combining years nets out.

FFY 2018 Federal Funds			FFY 2019 Federal Funds			SFY Title FC XX Amounts			SFY Title XX		SFY CWS	
Federal Funds	Assistance	Administration	Total	Federal Funds	Assistance	Administration	Total	CWS Basic	Augmentation	CWS Basic	Augmentation	
Alameda	\$23,722,626	\$37,890,351	\$61,612,977	Alameda	\$24,277,769	\$39,258,193	\$63,535,961	\$3,243,000		\$2,071,941		\$221,059
Los Angeles	\$181,787,123	\$290,354,783	\$472,141,906	Los Angeles	\$186,041,196	\$300,836,590	\$486,877,787	\$18,230,000		\$19,216,129		\$2,640,871
<b>Cohort 1 Total</b>	<b>\$205,509,749</b>	<b>\$328,245,134</b>	<b>\$533,754,883.11</b>	<b>Cohort 1 Total</b>	<b>\$210,318,965</b>	<b>\$340,094,783</b>	<b>\$550,413,748.11</b>	<b>\$21,473,000.00</b>		<b>\$21,288,070.00</b>		<b>\$2,861,930.00</b>
<b>Federal Funds</b>	<b>Assistance</b>	<b>Administration</b>	<b>Total</b>	<b>Federal Funds</b>	<b>Assistance</b>	<b>Administration</b>	<b>Total</b>					
Butte	\$2,994,388	\$6,332,677	\$9,237,065	Butte	\$2,973,146	\$6,589,719	\$9,562,865	\$366,788		\$603,979		\$83,360
Lake	\$1,298,229	\$1,202,201	\$2,500,430	Lake	\$1,328,963	\$1,251,628	\$2,580,591	\$144,182		\$126,098		\$17,280
Lassen	\$647,252	\$726,518	\$1,373,770	Lassen	\$662,575	\$755,528	\$1,418,103					
Sacramento	\$18,332,658	\$54,302,851	\$73,235,509	Sacramento	\$19,380,864	\$56,480,514	\$75,861,378	\$2,055,665		\$2,999,572		\$415,894
San Diego	\$19,971,556	\$35,713,988	\$55,685,544	San Diego	\$20,444,356	\$37,124,602	\$57,568,958	\$2,661,361		\$3,612,623		\$684,972
San Francisco	\$11,096,956	\$18,425,160	\$29,522,116	San Francisco	\$11,359,662	\$19,189,984	\$30,549,646	\$1,216,847		\$1,100,398		\$123,123
Santa Clara	\$9,108,591	\$34,761,382	\$43,869,973	Santa Clara	\$9,324,226	\$36,177,370	\$45,501,596	\$1,692,332		\$1,573,060		\$242,574
Sonoma	\$3,329,991	\$6,506,743	\$9,836,734	Sonoma	\$3,408,824	\$6,762,507	\$10,171,331	\$772,090		\$417,509		\$77,016
<b>Cohort 2 Total</b>	<b>\$67,289,621</b>	<b>\$157,971,520</b>	<b>\$225,261,141.00</b>	<b>Cohort 2 Total</b>	<b>\$68,882,616</b>	<b>\$164,331,852</b>	<b>\$233,214,468.00</b>	<b>\$8,909,265.00</b>		<b>\$10,433,239.00</b>		<b>\$1,644,419.00</b>

Title IV-E Well-Being Project  
**MOU Between Lake County County Department of Social Services and Probation  
Departments**

This MOU supplements and does not supersede the MOU between Lake County and the California Department of Social Services (State-County Demonstration MOU) that implements the County's participation in the Title IV-E California Well-Being Project (Demonstration).

The Federal Terms and Conditions governing the Demonstration require that both the county Social Services and the Probation Department participate in the Demonstration. This MOU between the county Social Services and Probation Department requires a description of the methodology to be used to allocate the federal title IV-E funding available to the Probation Department under the County's budget for the Demonstration, consistent with the federal Terms and Conditions fiscal methodology. Both county departments must execute this MOU prior to the Demonstration implementation date of October 1, 2014. The county will not be able to participate in the Project if this MOU is not executed 30 days prior to the implementation date. The executed document must be submitted to CDSS no later than 15 days prior to implementation. A county will not be able to participate in the Demonstration without this document.

**Responsibilities**

1. The county Social Services and Probation Departments agree to comply with the State-County Demonstration MOU, and agree to cooperate with each other as needed to ensure compliance with the terms of the State-County Demonstration MOU.
2. The county Social Services and Probation Departments shall calculate and agree upon the amount of Title IV-E funds that are available to the Probation Department for the five-years of the Demonstration. A description of the methodology that will be used to determine this amount is attached to this MOU See Attachment 1.
3. The Social Services and Probation Departments shall calculate and agree on the match and amount of savings that result from the Demonstration consistent with Paragraph J of the state-county MOU that is available to the Probation Department not less than semi-annually, and both Departments will reinvest any

savings produced by participating in the Demonstration in child welfare services. A description of the methodology that will be used to determine the amount of the savings available to each Department is attached to this MOU. See Attachment 2.

4. Probation must develop a five-year budget for the Probation Department based on the fiscal methodology in the terms and conditions including any growth or trigger factors. The five-year Probation budget must be included as an attachment to the County Project Plan.
5. The county Social Services Department agrees to accept claims for federal reimbursement from the Probation Department for all Demonstration administrative and maintenance costs in support of strategies identified in the county plan. This is in addition to the normal Title IV-E claiming of costs not included in the Demonstration. Project.
6. The Probation Department will complete quarterly the Title IV-E Well-Being Fiscal Workbook with expenditures for Demonstration administrative and maintenance costs. The Probation Department will send the completed fiscal workbook to the county Social Services Department in order for the county to compile a joint fiscal workbook for both departments and to submit one county fiscal workbook to CDSS.
7. The county Social Services and the Probation Departments will reconcile on a quarterly basis the federal funds budgeted for that fiscal year against the claims submitted.
8. The Probation Department is responsible for data collection regarding program strategies, funding expenditures and evaluation activities that are required to participate in the Demonstration.
9. The Social Services and Probation Departments agree they will establish a mutually satisfactory method for the exchange of information that is necessary for the completion of required reporting for the progress reports and fiscal workbook in order to submit one county document to CDSS.
10. The Social Services and Probation Departments agree to establish mutually satisfactory procedures for the adjustment of claims, increase or decrease in the allocation of IV-E funds, and other requirements of the Demonstration.

11. The Probation Department will bear any costs incurred if any federal disallowance is found to a claim with regard to Probation Department costs. The adjustment will be made against a future claim. The county Social Services Department will bear any costs incurred if any disallowance is found to a claim with regard to Social Services Department costs.
  
12. The Probation Department will bear the costs if the expenditures exceed the portion of the federal capped allocation allotment for Probation.

This agreement shall take effect upon the implementation of the Title IV-E Waiver Demonstration and shall remain in effect until September 30, 2019. If the county decides to "opt out" of the waiver, this MOU will cease on the last date of the quarter in which the County participated in the Demonstration.

County  
Department of Social Services

  
\_\_\_\_\_  
Carol J. Huchingson  
Director

Probation Department

  
\_\_\_\_\_  
Rob Howe  
Chief Probation Officer

## BREACHES AND SECURITY INCIDENTS REQUIREMENTS

To comply with federal and state laws, breaches and security incidents of any unauthorized access, use, and/or disclosure of public social services client or applicant information under the protection of federal and state law must be investigated and reported to the authorities.

### A. Initial Notice by the County to CDSS

1. Notify CDSS **as soon as possible by email (or if email is not available, by telephone or fax)** upon the discovery of a breach of Personal Identifying Information (PII) regardless of media, if the PII was, or is reasonably believed to have been, accessed or acquired by an unauthorized person, or upon the discovery of a suspected security incident that involves public social services client or applicant information under the protection of federal and state law; and
2. Notify CDSS **by email (or if email is not available, by telephone or fax) within 24 hours** of the discovery of any breach, security incident, intrusion, or unauthorized access, use, or disclosure of PII in violation of this Agreement, or potential loss of confidential data affecting this Agreement. A breach shall be treated as discovered by the County as of the first day on which the breach is known, or by exercising reasonable diligence would have been known, to any person (other than the person committing the breach), who is an employee, officer or other agent of the County.

The notice must contain all information about the breach or security incident known at the time of the report.

### B. CDSS Contact Information

The County shall initiate contact with the CDSS Information Security Officer using the contact information below. CDSS reserves the right to make changes to the contact information below by giving written notice to the County. Said changes shall not require an amendment to this Agreement.

California Department of Social Services  
Information Security Officer  
744 P Street MS 9-9-70  
Sacramento, CA 95814

Email: [iso@dss.ca.gov](mailto:iso@dss.ca.gov)

Telephone: (916) 651-5558

Fax: (916) 651-5570

### **C. Investigation and Investigative Report**

The County agrees to immediately investigate any suspected or actual breach, security incident, intrusion, or unauthorized access, use, or disclosure of PII.

Upon discovery of a breach, security incident, intrusion, or unauthorized access, use, or disclosure of PII, the County shall:

1. Take prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment; and
2. Take all action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations.

If the investigation results in any additions or changes to the information provided on the initial notification, the County shall submit an updated report to CDSS within 72 hours of discovery of the incident or breach.

### **D. Complete Report**

The County agrees to provide a complete report of the investigation to CDSS within ten working days of the discovery of a breach, security incident, intrusion, unauthorized access, use, or disclosure. The report shall include an assessment of all known factors relevant to a determination of whether a breach occurred under applicable federal and/or state law. The report shall also include a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure. If CDSS requests additional information, the County shall make reasonable efforts to provide such information.

CDSS will review the County report to determine whether a breach occurred, whether individual notifications are required, and whether the corrective action plan is sufficient.

### **E. Responsibility for Reporting of Breaches**

If the cause of a breach of PII is attributable to the County or its agents, subcontractors or vendors, the County is responsible for reporting the breach and all costs associated with the breach. If the cause of the breach is attributable to CDSS, CDSS is responsible for reporting the breach and for all costs associated with the breach. When applicable law requires the breach be reported to a federal or state agency or that notice to be given to media outlets, CDSS and the County shall coordinate to ensure such reporting is in compliance with applicable law, to prevent duplicate reporting, and to jointly determine responsibility for purposes of allocating the costs of such reports, if any.

## **F. Notification of Individuals**

When applicable state or federal law requires a breaching entity to notify individuals of a breach or unauthorized disclosure of their PII, the following provisions apply:

1. If the cause of the breach is attributable to the County or its subcontractors, agents or vendors, the County shall pay any costs of such notifications, as well as any and all costs associated with the breach.
2. The notifications shall comply with the requirements set forth in California Civil Code Section 1798.29, including but not limited to the requirement that the notifications be made without unreasonable delay and in no event later than 60 calendar days.
3. CDSS shall review the time, manner, and content of any such notifications.
4. CDSS may elect to assign responsibility for such notification to the County.
5. In the event CDSS assigns notification responsibility to the County, CDSS shall provide the County with the appropriate direction and procedures to ensure timely and accurate notice is provided pursuant to applicable law.
6. If the cause of the breach is attributable to CDSS, CDSS shall pay any costs associated with such notifications.
7. If there is any question as to whether CDSS or the County's responsible for the breach, CDSS and the County shall jointly determine responsibility for purposes of allocating the costs of such notices.