Background:
Per state regulations, the Approved Relative Caretaker (ARC) Program was developed by the State of California to make payments equal to the basic Foster Care (FC)/Home-Based Family Care (HBFC) rate for approved relative caregivers with whom a non-federally eligible foster child is placed.

Purpose:
The purpose of this revision is to update references to the Maximum Aid Payment (MAP) and child support disregard amounts, due to increases in these amounts. The change to the child support disregard amounts is effective January 1, 2022.

Policy:
Eligibility for CalWORKs is not a requirement for receipt of the ARC payment. However, each ARC-eligible child must be assessed for CalWORKs eligibility in order to determine if CalWORKs funds will be used in the ARC payment. Additionally, participation in the ARC Program is not mandatory and families may choose to receive CalWORKs benefits only.

FC Human Services Specialist (HSS) will determine eligibility to CalWORKs benefits and issue monthly ARC payments to ARC eligible children receiving CalWORKs. The ARC Program payment issued by FC will consist of CalWORKs and ARC funding. FC HSS will also issue ARC payments to ARC eligible children not eligible to receive CalWORKs and the payment will consist of ARC funding only.

ARC Program Eligibility Criteria
To be eligible for the ARC Program, a child or Non-Minor Dependent (NMD) receiving extended CalWORKs benefits, must meet all of the following criteria:

• Be placed with an approved relative whose home is approved or has a Resource Family Approval (RFA).
  o If there is a change in the caregiver’s address, a new home approval or RFA certificate must be on file for the new address
  o The caregiver’s home must be renewed within one calendar year to the end of the month the assessment was approved. For example, the caregiver was RFA certified on February 1, 2017, the RFA renewal must be completed by March 3, 2018
• Reside in California (Children in out of state placements are not eligible)
• Be a dependent or ward of the California juvenile court. Children under a voluntary placement agreement may participate in the ARC Program for up to six months
• Not be federally eligible under Title IV-E of the Social Security Act while placed with an approved relative caregiver
• Be denied or discontinued from the FC Program
• Have completed an ARC Program application (ARC 1)

Application Requirements
The ARC application is a “right to apply” application. The caregiver may submit this application at any FRC. The ARC Caregiver Rights and Responsibilities notice must be given to all ARC applicants along
with the ARC application and the caregiver must acknowledge that the rights and responsibilities notice was received on the ARC application.

An ARC application is required for each child when:
- A new approved relative caregiver applies for the ARC Program
- There is a change in the approved relative caregiver regardless of whether the change occurred within the same home
- A child becomes a dependent after a voluntary placement
- A NMD receiving extended CalWORKs wishes to apply for the ARC Program

**Assistance Unit (AU)**
The AU in the ARC Program will consist of the child only. If the ARC child’s household includes:
- A needy caretaker
  - When the ARC child is the only eligible child for a needy caretaker relative, the needy caretaker relative is still potentially eligible for CalWORKs and can apply separately for themselves
- The child of an ARC eligible parenting teen
  - If eligible, the child of an ARC eligible parenting teen may receive CalWORKs, the child would be included in the AU of the needy or non-needy caretaker relative; this does not apply to NMD’s
- A pregnant or parenting teen has the option to establish their own CalWORKs case at age 18 and those who establish their own CalWORKs case will not be eligible for the ARC Program

If an ARC child’s biological parent moves into the approved relative caregiver’s home, even if it is a court specified placement, the approved relative caregiver will no longer be eligible to the ARC Program, as the biological parent must apply for aid on behalf of the child.

**CalWORKs Eligibility Requirements**
When determining eligibility for the CalWORKs portion of the ARC payment, the following CalWORKs requirements will not apply:
- Face-to-face or electronic (telephonic) interview
- Photo-image of the approved relative caregiver
- Immunization verification
- School attendance verification
- Cal-Learn participation
- Employment Services participation
- Redeterminations (It is considered sufficient that the social worker completes monthly visits and six-month review hearings)
- Reporting
  - CalWORKs reporting requirements will not apply as ARC children meet with their social worker on a monthly basis. The FC eligibility staff should ensure that CalWORKs eligibility staff is notified of any changes that would render the child ineligible for CalWORKs benefits, such as if the child exits care
- A Bureau of Public Assistance Investigations (BPAI) fraud investigation is only made if there is an actual basis of suspected fraud

**Note:** The caretaker relative must comply with CalWORKs Program requirements if they or other children in the home receive CalWORKs benefits and do not participate in the ARC Program.
Beginning Date of Aid (BDA)
For an individual ARC-eligible child, the BDA is the date that the ARC application is signed and dated by the approved relative caregiver, date received by the agency, home approval or RFA certified, or the date of the child’s placement, whichever is later.

If the child is discontinued from the FC Program, the BDA for the ARC Program is the date of the FC Program discontinuance. For example, the child received FC which discontinued on February 3, 2016, the beginning date of payment is on February 3, 2016. FC does not pay the date of discontinuance.

If the child is no longer eligible to the ARC Program, the relative caregiver can submit a CW 8A form to add the child to an active CalWORKs case or a new CalWORKs application to request CalWORKs.

Income and Resources
Eligibility for the CalWORKs portion of the ARC payment is based on the child’s income and resources. Income eligibility is determined by applying the HBFC income requirements. If a child is determined eligible for CalWORKs, the CalWORKs portion of the ARC payment will be based on the regional county of jurisdiction. The CalWORKs portion of the ARC payment will be the exempt Maximum Aid Payment (MAP) for an AU of one, do not subtract the income from the MAP or apply income disregards. The ARC payment would be offset by any social security income that an ARC child or NMD receives.

An ARC child may retain up to $10,000 in income and property.

Grant Calculation
Payment for the ARC Program will consist of CalWORKs and ARC funding and will be prorated based on the beginning date of payment. These funding sources will be used to fund payments up to the amount equal to the HBFC rate. The caregiver will be paid based on the day the child is under the care of the caregiver. The county of jurisdiction will be responsible for issuing ARC payments (CalWORKs and ARC funding) even if the child is placed out of the county, as long as the child is placed in California.

Starting with July 1, 2017 payments, all ARC payments will be issued retrospectively instead of prospectively. For example, the July 2017 payment will be issued on June 31, 2017.

The CalWORKs portion of the ARC payment will be exempt MAP for an AU of one and the ARC funding is the difference up to the HBFC rate. The income of the child will be offset against the ARC funding portion only. Any offsets, due to either income or some other factor will be applied after the prorated grant amount has been calculated. If the child is ineligible to CalWORKs funding, the ARC payment will consist of ARC funding only equal to the HBFC rate. If the child was receiving CalWORKs in another case prior to transitioning to the ARC Program, the CalWORKs income will be exempt from the ARC budget.

For example, a CalWORKs payment in March 2022 for an eligible six-year-old child is the Exempt MAP of $638, plus ARC funds of $399, to bring the child’s total ARC payment up to the basic FC rate of $1,037 for the child’s age group.

For CalWORKs funding the child must:
• Be a United States citizen or eligible noncitizen. If the child is a noncitizen, they must meet citizenship requirements defined under CalWORKs Program Guide (CPG) 42-400.D Eligible Non-Citizen Status, CPG 42-400.E Battered Non-Citizens and CPG 70-100.A Human Trafficking and Victims of Serious Crimes/Child Citizenship Act
• Not be a recipient of Supplemental Security Income/State Supplemental Payment (SSI/SSP)
• Not have combined income and resources exceeding $10,000 in any given month

Combined income and resources over $10,000 do not make the child ineligible to the ARC Program. However, the ARC payment will consist of ARC funding only equal to the HBFC rate.

Retroactive Payments
Children not already receiving CalWORKs, who complete an ARC application when the HSS has made a CalWORKs determination, will receive the ARC payment retroactive to the date of the ARC application.

ARC Aid Codes
• 2S – ARC Funding Option + federal CalWORKs
• 2T – ARC Funding Option + state CalWORKs
• 2U – ARC Funding Option + state CalWORKs (for NMDs)
• 2P – ARC only
• 2R – ARC only (for NMDs)

Child Support Requirements
Cooperating with child support is required unless there is good cause. If the child support packet is not returned, the ARC child remains eligible to full ARC payments.

Child support cooperation requirements can be exempt when it has been determined that a referral to the Local Child Support Agency (LCSA) is not in the best interest of the child, including an increased risk of harm to the child or when cooperation would pose a barrier to family reunification efforts.

Child support will be recoupable for the entire ARC payment with the exception of NMDs. For ARC cases that are referred to child support, the ARC caregiver will receive the appropriate child support disregard amount as discussed in CPG 43-200.D Child Support Payments.

Special Payments
An approved relative caregiver receiving ARC payments on behalf of an eligible child is not eligible to receive additional CalWORKs payments on behalf of the same child. These additional CalWORKs payments include payments for special needs, emergencies, homeless assistance and pregnancy special needs.

Overpayments
Overpayments are established in the ARC Program when a caregiver receives payment for an amount or a time period in which the caregiver is ineligible to benefits.

HSSs must establish an overpayment under the following situation:
• The child begins to receive SSI/SSP, Social Security Agency (SSA) income or other income (earned or unearned)
• The child’s combined monthly income and resources/property total more than $10,000 and the caregiver does not report it
• The child has been absent from the caregiver’s home for more than 15 cumulative days in any given month (the period of absence includes the first day of the month) and the caregiver does not report it. An exception to this rule is if the child is hospitalized for any length of time.

Collection is prohibited under the following conditions:
• The cost of collection exceeds the amount of the overpayment that is likely to be recovered by the county.
• The child was temporarily removed from the home or was a runaway and returned and payment was owed to the relative to maintain the child’s placement or to meet the child’s needs.
• The overpayment was exclusively the result of a county administrative error or both the county and the relative were unaware of the information which caused the overpayment.
• The relative did not have knowledge of, and did not contribute to, the cause of the overpayment.
• The caregiver timely reported information that reduced the ARC payment, but the county did not have sufficient time to adjust the amount before the payment was issued.

An overpayment established due to any income or benefit received by the child may only reduce the non-CalWORKs portion of the ARC payment. Non-income related overpayments, such as those established by an absence from the placement, should offset all portions of the ARC payment in equal proportion.

Appeals Process
An approved relative caregiver cannot appeal any reduction in their ARC payment that occurs as a result of a county opting-out of the ARC Program. This includes any reduction in payments following the presumed opt-out of counties in the event of a state-budget reduction.

However, if there is a reduction in payments to an approved relative caregiver, as a result of some other determination unrelated to a county opting-out of the ARC Program, the caregiver retains existing appeal rights.

Inter-County Transfers (ICT)
The county of court jurisdiction will be the county with payment responsibility for the ARC Program. The county of court jurisdiction will make the ARC payment even if the child is placed out of county, as long as the child is placed in California. It does not matter if the county in which the child is placed is an ARC opt-in county or not. The regional MAP amount attributable to the CalWORKs portion of the ARC payment is based on the county of jurisdiction. As a result, an ICT may be necessary to transfer the child’s ARC/CalWORKs case from the county of residence to the county of court jurisdiction.

Case transfer is initiated by using the CW 215 form or via electronic data transfer. Existing CalWORKs ICT procedures apply to the CalWORKs portion of the ARC payment.

For new cases, residence is established by the county of jurisdiction, but CalWORKs cases for needy or non-needy caretaker relatives who receive CalWORKs for themselves and/or a child(ren) who is/are...
not participating in the ARC Program would be established by the county of residence.

**Issuance**
ARC payments are not to be issued on the Electronic Benefit Transfer (EBT) Card. ARC payments are to be issued via warrant or direct deposit.

**ARC Payment in CalFresh Budget**
An ARC child may be eligible for CalFresh benefits. For CalFresh budgeting purposes, ARC payments shall be treated in the same manner as FC payments made to CalFresh households per CalFresh Program Guide (CFPG) 63-101.7 and 63-224.14.

**Continued Medi-Cal Eligibility**
If the ARC child is discontinued from the ARC Program, the child will receive continued Medi-Cal benefits under aid code 7J (under age 18) or 4M (age 18 and over until the age of 26).

**Procedure:**
N/A

**Impacts:**
CalFresh: 63-101.7 and 63-224.14
Medi-Cal: 05.15.05
Information from CalWORKs Program Memo No. 17-18, which states that FRC staff no longer process ARC cases has been incorporated into this material. As a result, CalWORKs Processing Guide 40-183.C.1 and Memo 17-18 are now obsolete.

**References:**
Senate Bill No. 855
ACIN No. I-42-14

**Sunset Date:**
This policy will be reviewed for continuance by February 28, 2025.

**Approval for Release:**

[Signature]
2-7-22

Rick Wanne, Director
Self-Sufficiency Services