

State of Alabama
Primary Review
Title IV-E Foster Care Eligibility
Report of Findings for the Period Under Review of
October 1, 2011 through March 31, 2012

Introduction

During the week of August 13-17, 2012 the Children's Bureau (CB) of the Administration for Children and Families (ACF) conducted a primary review of the State's title IV-E foster care program. The review was conducted in collaboration with the State of Alabama's Department of Human Resources (DHR) and was completed by a review team comprised of representatives from DHR, peer reviewers, CB Central and Regional Offices (RO), and ACF Regional Grants Management Office. The review was conducted at an Alabama Department of Human Resources office located in Montgomery, Alabama.

The purposes of the title IV-E foster care eligibility review were: 1) to determine whether Alabama's Department of Human Resources title IV-E foster care program was in compliance with the eligibility requirements as outlined in 45 CFR §1356.71 and §472 of the Social Security Act (the Act); and (2) to validate the basis of the State's financial claims to ensure that appropriate payments were made on behalf of eligible children.

Scope of the Review

The primary review encompassed a sample of the State's foster care cases that received a title IV-E maintenance payment for a period during the six-month period under review (PUR) of October 1, 2011 through March 31, 2012. A computerized statistical sample of 100 cases (80 cases plus 20 oversample cases) was drawn from State data submitted to the Adoption and Foster Care Analysis and Reporting System (AFCARS) for the above period. Eighty (80) cases were reviewed. One (1) case was excluded from the original sample because no title IV-E foster care maintenance payment was made for a period during the PUR. The State provided documentation to support excluding this case from the review sample and replacing it with a case from the oversample.

In accordance with Federal provisions at 45 CFR 1356.71, the State was reviewed against the requirements of title IV-E of the Act and Federal regulations regarding:

- Judicial determinations regarding reasonable efforts and contrary to the welfare as set forth in §472(a)(2)(A) of the Act and 45 CFR §1356.21(b)(1) and (2), and (c), respectively;
- Voluntary placement agreements as set forth in §472(a)(2)(A) and (d)-(g) of the Act and 45 CFR §1356.22;
- Responsibility for placement and care vested with State agency as stipulated in §472(a)(2)(B) of the Act and 45 CFR §1356.71(d)(1)(iii);

- Eligibility for Aid to Families with Dependent Children (AFDC) under the State title IV-A plan in effect on July 16, 1996 as required by §472(a)(3) of the Act and 45 CFR §1356.71(d)(1)(v);
- Placement in a licensed foster family home or child care institution as defined in §472 (b) and (c) of the Act and 45 CFR §1355.20(a); and
- Safety requirements for the child’s foster care placement as required at 45 CFR §1356.30.

The case file of each child in the selected sample was reviewed to verify title IV-E eligibility. The foster care provider’s file also was examined to ensure the foster family home or child care institution where the child was placed during the PUR was licensed or approved and that safety requirements were appropriately documented. Payments made on behalf of each child also were reviewed to verify the expenditures were properly claimed under title IV-E and to identify underpayments that were eligible for claiming. A sample case was assigned an error rating when the child was not eligible on the date of activity in the PUR for which title IV-E maintenance was paid. A sample case was cited as nonerror with ineligible payment when the child was not eligible on the activity date outside the PUR or the child was eligible in the PUR on the service date of an unallowable activity and title IV-E maintenance was paid for the unallowable activity. In addition, underpayments were identified for a sample case when an allowable title IV-E maintenance payment was not claimed by the State for an eligible child during the 2-year filing period specified in 45 CFR §95.7, unless the title IV-E agency elected not to claim the payment or the filing period had expired.

Compliance Finding

The review team determined that 76 of the 80 cases reviewed met eligibility requirements (i.e., were deemed non-error cases) for the PUR. Four (4) cases were determined in error for either part or all of the PUR and two (2) non-error cases were ineligible for Federal funding for a period of claiming outside of the PUR. In both cases the State claimed title IV-E funds as well as State funds. Accordingly, Federal funds claimed for title IV-E foster care maintenance payments, including related administrative costs, associated with the error cases and non-error cases with ineligible payments are being disallowed. In addition, 38 non-error cases were identified to have periods of eligibility for which the State did not claim allowable title IV-E maintenance payments. Because the number of cases in error is fewer than five (5), Alabama Department of Human Resources is in substantial compliance for the PUR.

Case Summary

The following charts record the error cases; non-error cases with ineligible payments; underpayments; reasons for the improper payments; improper payment amounts; and Federal provisions for which the State did not meet the compliance mandates. Note that the calculation of erroneous payments is based on the Federal Financial Participation (FFP) rates of the administrative and maintenance costs at the Federal Medical Assistance Percentages (FMAP) for the applicable years(s) for each sample case.

Error Cases

| Sample Number | Improper Payment Reason & Ineligibility Period | Improper Payments (FFP) |
|----------------------|--|--|
| Alabama #52 | <p>The AFDC requirement of a child being removed from the home of a specified relative was not met. Child was removed by the court from the home of a non-related custodian. The child is ineligible for title IV-E for the duration of the foster care episode. [§472(a)(1)&(2) of the Act; 45 CFR §1356.21(k)] Ineligible Payment Period: 02/03/12 – 05/31/12</p> | <p>\$1,157.45 Maintenance \$1,904.67 Administrative</p> |
| Alabama #66 | <p>The AFDC requirement of a child living with and removed from the home of a specified relative was not met. The March 10, 2010 order is against the parent. The child, however, had not resided with her parents since July of 2009. Because the child had lived away from the specified relative against whom the contrary to the welfare finding was made, the title IV-E requirement of living with and removed from the same specified relative is not met. The child is ineligible for title IV-E for the duration of the foster care episode. [§472(a)(1) and (3) of the Act; 45 CFR 1356.71(d)(1)(v) and 1356.21 (k)&(l)]. Ineligible Payment Period: 03/10/10 – 05/31/12</p> | <p>\$5,003.19 Maintenance \$7,522.30 Administrative</p> |

| Sample Number | Improper Payment Reason & Ineligibility Period | Improper Payments (FFP) |
|------------------|--|---|
| Alabama #67 | <p>State failed to obtain the requisite judicial determination of Best Interest within the first 180 days in a Voluntary Placement Agreement (VPA) case. An otherwise eligible child is eligible for title IV-E foster care maintenance payments for a period of 180 days, pursuant to a voluntary placement agreement. The 180 days begin on the date the child is placed in foster care, pursuant to a Voluntary Placement Agreement (VPA). Eligibility ceases on the 181st day when a State Agency fails to obtain the requisite judicial determination timely for the foster care episode.</p> <p>[§472(a)(2), (e) and (g); 45 CFR 1356.22(a), and CWPM Section 8, title IV-E, Section 8.3A.13]</p> <p>Ineligible Payment Period: 02/01/11 – 05/03/12</p> | <p>\$4,670.34 Maintenance \$6,252.10 Administrative</p> |
| Alabama Case #72 | <p>A judicial determination of Contrary to the Welfare was not made in the first court order removing the child from the home. The child is ineligible for title IV-E for the duration of the foster care episode. [§472(a)(2)(A) of the Act; 45 CFR §§1356.21(c)]</p> <p>Ineligible Payment Period: 08/03/11 – 05/31/12</p> | <p>\$1,844.40 Maintenance \$2,907.89 Administrative</p> |

Total Maintenance: \$12,675.38
Total Administrative: \$18,586.96

Non-Error Case with Ineligible Payments

| Sample Number | Improper Payment Reason & Ineligibility Period | Improper Payments (FFP) | |
|----------------------|---|--------------------------------|-------------------------------|
| Alabama #39 | This ineligible payment is related to the judicial determination of Reasonable Efforts to Finalize the Permanency Plan. The judicial determination was due on 02/18/11 and was not made until 10/31/11. [§472(a)(2)(A)(ii) of the Act; 45 CFR §§1356.21(b)(2)] Ineligible Payment Period: 03/23/11 – 09/30/11 | \$1,471.11 \$2,446.92 | Maintenance Administrative |
| Alabama #57 | A duplicate payment was claimed for the child in a Family Foster Home. [§475(4) of the Act and 45 CFR 1356.60(a)(i)]. Ineligible Payment Period: 11/14/11 – 11/30/11 (17 days). | \$168.17 \$276.39 | Maintenance Administrative |

Total Maintenance: \$1,639.28

Total Administrative: \$2,723.31

Underpayment Cases

| Sample Number | Improper Payment Reason & Ineligibility Period | Improper Payments (FFP) | |
|----------------------|---|--------------------------------|-------------|
| Alabama #02 | Initial Eligibility – Foster care maintenance payments began the date the title IV-E eligibility determination was completed for a child who met all eligibility requirements at an earlier date. [§472(a) of the Act; 45 CFR 1356.21; ACYF-CB-PIQ-91-05] Eligible: 09/02/11 – 12/30/11 | \$1,244.93 | Maintenance |

| Sample Number | Improper Payment Reason & Ineligibility Period | Improper Payments (FFP) |
|----------------------|---|--------------------------------|
| Alabama #03 | <p>Licensed Renewed – IV-E funds not claimed – Title IV-E was not claimed for a child placed with licensed foster care provider for the period of time around the date of license renewal.</p> <p>[§472(b) and (c) of the Act and 45 CFR §1355.20(a)] Eligible: 08/01/11 – 08/31/11</p> | \$ 337.56 Maintenance |
| Alabama #05 | <p>License Renewed - Title IV-E was not claimed for a child placed with licensed foster care provider for the period of time around the date of license renewal.</p> <p>[§472(b) and (c) of the Act and 45 CFR §1355.20(a)] Eligible: 05/01/11 – 06/30/11</p> | \$ 653.46 Maintenance |
| Alabama #09 | <p>Initial Eligibility – Foster care maintenance payments began the date the title IV-E eligibility determination was completed for a child who met all eligibility requirements at an earlier date. Eligible - 11/07/11 – 11/10/11 and 01/17/12 – 01/31/12 [§472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(c)].</p> | \$ 178.07 Maintenance |

| Sample Number | Improper Payment Reason & Ineligibility Period | Improper Payments (FFP) |
|---------------|--|---------------------------|
| Alabama #12 | <p>Initial Eligibility - Foster care maintenance payments began the date the title IV-E eligibility determination was completed for a child who met all eligibility requirements at an earlier date. Eligible - 08/31/10 – 05/31/11 [§472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(c)] and</p> <hr/> <p>License Renewed – Title IV-E was not claimed for a child placed with licensed foster care provider for the period of time around the date of license renewal. [§472(b) and (c) of the Act and 45 CFR §1355.20(a)] 01/01/12 – 01/31/12</p> | \$3,009.30 Maintenance |
| Alabama #13 | <p>Initial Eligibility - Foster care maintenance payments began the date the title IV-E eligibility determination was completed for a child who met all eligibility requirements at an earlier date [§472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(c)]. Eligible: 05/26/11 – 10/31/11</p> | \$1,548.04 Maintenance |
| Alabama #14 | <p>Initial Eligibility - Foster care maintenance payments began the date the title IV-E eligibility determination was completed for a child who met all eligibility requirements at an earlier date. [§472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(c)]. Eligible: 03/11/11 – 05/31/11</p> | \$ 820.44 Maintenance |

| Sample Number | Improper Payment Reason & Ineligibility Period | Improper Payments (FFP) |
|----------------------|--|--------------------------------|
| Alabama #16 | License Renewed - Title IV-E not claimed for a child placed with licensed foster care provider during for the period of time around the date of license renewal. [§472(b) and (c) of the Act and 45 CFR §1355.20(a)] Eligible: 09/01/11 – 09/30/11 | \$ 321.11 Maintenance |
| Alabama #17 | Initial Eligibility – Foster care maintenance payments began the date the title IV-E eligibility determination was completed for a child who met all eligibility requirements at an earlier date. [§472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(c)]. Eligible 03/01/12 – 05/31/12 | \$ 890.34 Maintenance |
| Alabama #19 | License Renewed - Title IV-E was not claimed for child placed with licensed foster care provider for the period of time around the date of license renewal. [§472(b) and (c) of the Act and 45 CFR §1355.20(a)] Eligible: 12/01/11 – 12/31/11 | \$ 305.70 Maintenance |
| Alabama #20 | Initial Eligibility – Foster care maintenance payments began the date the title IV-E eligibility determination was completed for a child who met all eligibility requirements at an earlier date. [§472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(c)]. Eligible: 01/28/11 – 02/28/11 | \$ 351.65 Maintenance |

| Sample Number | Improper Payment Reason & Ineligibility Period | Improper Payments (FFP) |
|---------------|--|----------------------------|
| Alabama #21 | License Renewed - Title IV-E was not claimed for child placed with licensed foster care provider for the period of time around the date of license renewal. [§472(b) and (c) of the Act and 45 CFR §1355.20(a)] Eligible: 07/01/10 – 01/31/12 | \$3,593.34 Maintenance |
| Alabama #22 | Initial Eligibility - Foster care maintenance payments began the date the title IV-E eligibility determination was completed for a child who met all eligibility requirements at an earlier date. [§472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(c)]. Eligible: 08/08/11 – 11/30/11 | \$1,127.15 Maintenance |
| Alabama #23 | License approved title IV-E was not claimed for a licensed foster care provider for a period of time around the date of license approval. [§472(b) and (c) of the Act and 45 CFR §1355.20(a)] Eligible: 08/01/11 – 08/31/11 | \$ 182.32 Maintenance |
| Alabama #24 | License approved title IV-E was not claimed for a licensed foster care provider for a period of time around the date of license approval. [§472(b) and (c) of the Act and 45 CFR §1355.20(a)] Eligible: 10/01/10 – 10/31/10 | \$ 332.97 Maintenance |
| Alabama #26 | Initial Eligibility - Foster care maintenance payments began the date the title IV-E eligibility determination was completed for a child who met all eligibility requirements at an earlier date. [§472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(c)]. Eligible: 11/30/10-12/31/10 | \$ 196.17 Maintenance |

| Sample Number | Improper Payment Reason & Ineligibility Period | Improper Payments (FFP) |
|----------------------|--|--------------------------------|
| Alabama #27 | License approved - title IV-E was not claimed for a licensed foster care provider for a period of time around the date of license approval. [§472(b) and (c) of the Act and 45 CFR §1355.20(a)] Eligible: 11/01/10 – 01/31/11 and 11/01/11 – 12/31/11 | \$1,636.37 Maintenance |
| Alabama #28 | Initial Eligibility - Foster care maintenance payments began the date the title IV-E eligibility determination was completed for a child who met all eligibility requirements at an earlier date [§472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(c)]. Eligible: 07/01/10 – 09/30/10 | \$ 991.82 Maintenance |
| Alabama #29 | Initial Eligibility - Foster care maintenance payments began the date the title IV-E eligibility determination was completed for a child who met all eligibility requirements at an earlier date. [§472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(c)]. Eligible: 03/18/11 – 11/30/11 | \$2,635.97 Maintenance |
| Alabama #35 | Initial Eligibility - Foster care maintenance payments began the date the title IV-E eligibility determination was completed for a child who met all eligibility requirements at an earlier date. [§472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(c)]. Eligible: 07/20/11 – 11/30/11 | \$1,305.01 Maintenance |

| Sample Number | Improper Payment Reason & Ineligibility Period | Improper Payments (FFP) |
|----------------------|--|--------------------------------|
| Alabama #36 | Initial Eligibility - Foster care maintenance payments began the date the title IV-E eligibility determination was completed for a child who met all eligibility requirements at an earlier date. [§472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(c)]. Eligible: 09/22/10 – 01/31/11 | \$1,376.31 Maintenance |
| Alabama #40 | License Renewed - Title IV-E was not claimed for child placed with licensed foster care provider for the period of time around the date of license renewal. [§472(b) and (c) of the Act and 45 CFR §1355.20(a)] Eligible: 05/19/11 – 07/31/11 | \$ 803.55 Maintenance |
| Alabama #41 | Licensed Approved title IV-E was not claimed for a child placed with licensed foster care provider for a period of time around the date of license approval. [§472(b) and (c) of the Act and 45 CFR §1355.20(a)] Eligible: 10/01/11 – 02/29/12 | \$1,543.61 Maintenance |

| Sample Number | Improper Payment Reason & Ineligibility Period | Improper Payments (FFP) |
|---------------|--|---------------------------|
| Alabama #47 | <p>Initial Eligibility - Foster care maintenance payments began the date the title IV-E eligibility determination was completed for a child who met all eligibility requirements at an earlier date. [§472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(c)]. Eligible: 08/15/11 – 11/30/11 and License Renewed title IV-E was not claimed for child placed with licensed foster care provider for the period of time around the date of license renewal. [§472(b) and (c) of the Act and 45 CFR §1355.20(a)] Eligible: 04/01/12 – 05/31/12</p> | \$1,789.01 Maintenance |
| Alabama #53 | <p>Initial Eligibility - Foster care maintenance payments began the date the title IV-E eligibility determination was completed for a child who met all eligibility requirements at an earlier date. [§472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(c)]. Eligible: 11/08/11 – 12 /31/11</p> | \$ 524.31 Maintenance |
| Alabama #55 | <p>License renewed for both periods - Title IV-E funds not claimed Title IV-E was not claimed for a child placed with licensed foster care provider for the period of time around the date of license renewal. [§472(b) and (c) of the Act and 45 CFR §1355.20(a)] Eligible: 02/01/11 – 02/28/11 and 02/01/12 – 02/29/12</p> | \$ 607.06 Maintenance |

| Sample Number | Improper Payment Reason & Ineligibility Period | Improper Payments (FFP) |
|----------------------|--|--------------------------------|
| Alabama #56 | Initial Eligibility - Foster care maintenance payments began the date the title IV-E eligibility determination was completed for a child who met all eligibility requirements at an earlier date. [§472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(c)]. Eligible: 12/03/10 – 01/31/11 | \$ 693.31 Maintenance |
| Alabama #58 | Initial Eligibility - Foster care maintenance payments began the date the title IV-E eligibility determination was completed for a child who met all eligibility requirements at an earlier date. [§472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(c)]. Eligible: 04/04/11 – 05/31/11 | \$ 573.09 Maintenance |
| Alabama #61 | License Renewed for both periods - Title IV-E funds not claimed – Title IV-E was not claimed for child placed with licensed foster care provider for the period of time around the date of license renewal. [§472(b) and (c) of the Act and 45 CFR §1355.20(a)] Eligible: 07/01/10 – 02/28/11 and 05/01/11 – 09/30/11 | \$4,382.49 Maintenance |
| Alabama #65 | Initial Eligibility - Foster care maintenance payments began the date the title IV-E eligibility determination was completed for a child who met all eligibility requirements at an earlier date. [§472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(c)]. Eligible: 06/15/11 – 06/30/11 | \$ 160.87 Maintenance |

| Sample Number | Improper Payment Reason & Ineligibility Period | Improper Payments (FFP) |
|----------------------|--|--------------------------------|
| Alabama #68 | Initial Eligibility - Foster care maintenance payments began the date the title IV-E eligibility determination was completed for a child who met all eligibility requirements at an earlier date. [§472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(c)]. Eligible: 01/05/11 – 06/30/11 | \$1,804.68 Maintenance |
| Alabama #70 | Initial Eligibility - Foster care maintenance payments began the date the title IV-E eligibility determination was completed for a child who met all eligibility requirements at an earlier date. [§472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(c)]. Eligible: 11/16/11 – 12/31/11 | \$ 506.59 Maintenance |
| Alabama #73 | License Renewed - Title IV-E was not claimed for child placed with licensed foster care provider for the period of time around the date of license renewal. [§472(b) and (c) of the Act and 45 CFR §1355.20(a)] Eligible: 12/01/11 – 12/31/11 | \$ 330.41 Maintenance |
| Alabama #74 | License Renewed –Title IV-E was not claimed for child placed with licensed foster care provider for the period of time around the date of license renewal. [§472(b) and (c) of the Act and 45 CFR §1355.20(a)] Eligible: 09/01/11 – 09/30/11 and 03/01/12 – 03/31/12 | \$ 593.22 Maintenance |

| Sample Number | Improper Payment Reason & Ineligibility Period | Improper Payments (FFP) |
|-----------------|--|---------------------------|
| Alabama #76 | Initial Eligibility - Foster care maintenance payments began the date the title IV-E eligibility determination was completed for a child who met all eligibility requirements at an earlier date. [§472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(c)]. Eligible: 09/01/11 – 10/31/11 | \$ 593.22 Maintenance |
| Alabama #77 | License approved - IV-E not claimed for both periods - Title IV-E was not claimed for a child placed with licensed foster care provider for a period of time around the date of license approval. [§472(b) and (c) of the Act and 45 CFR §1355.20(a)] Eligible: 09/02/11 – 10/21/11 and 10/23/11 – 10/31/11 | \$ 615.70 Maintenance |
| Alabama #80 | License Renewed – Title IV-E funds not claimed – Title IV-E was not claimed for child placed with licensed foster care provider for the period of time around the date of license renewal. [§472(b) and (c) of the Act and 45 CFR §1355.20(a)] Eligible: 07/01/10 – 12/31/10 | \$998.90 Maintenance |
| Alabama OSI #81 | Initial Eligibility - Foster care maintenance payments began the date the title IV-E eligibility determination was completed for a child who met all eligibility requirements at an earlier date. [§472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(c)]. Eligible: 09/01/11 – 12/31/11 | \$ 919.99 Maintenance |

Total Maintenance: \$40,478.04

Areas in Need of Improvement:

The findings of this review indicate the State needs to further develop and implement procedures to improve program performance in the following areas. For each issue, there is a discussion of the nature of the area needing improvement, the specific title IV-E requirement to which it relates and the corrective action the State should undertake.

Issue #1 – Initial Determinations Regarding AFDC:

Two of the error cases were found to not have the required initial determinations for Aid to Families with Dependent Children (AFDC). In addition, during the onsite review, in a number of cases the Children's Bureau had the State re-determine the AFDC eligibility because (1) the month of the removal rather than the month of the petition was used as the eligibility month; (2) information in the case file indicated the parent(s) were employed, and/or (3) the AFDC eligibility was not completed for the same home as the home from which the court removed the child.

Title IV-E Requirement:

Eligibility for the Aid to Families with Dependent Children (AFDC) program, as in effect on July 16, 1996, is a requirement for title IV-E eligibility purposes, in accordance with §472(a)(3)(A) of the Act and 45 CFR §1356.71(d)(1)(v). To meet the AFDC requirements the child must be determined to be a "dependent child" meaning a child in need who has been deprived of parental support or care, has been living with a parent or other specified relative in a place maintained as the home of the relative, and has not reached the maximum age designated for program eligibility. The child's financial need must be established based on the circumstances in the specified relative's home from whom the child was removed through a voluntary placement agreement or judicial determination. The child must be financially needy during the month the voluntary placement agreement is signed or during the month the court proceedings leading to the child's judicial removal were initiated. Using the AFDC State Plan criteria in effect on July 16, 1996, the determination of the child's financial need is made by considering all income and resources available to the members of the AFDC family unit during the month of the voluntary placement agreement or the initiation of court proceedings to remove the child from his/her home. The child's income and resources in that month must be within the established guidelines for financial need.

Recommended Corrective Action – Consistent with §472(a)(2)(A) of the Act, the child must have been physically or constructively removed from the home of a specified relative according to a court order or voluntary placement agreement and must have lived with that same specified relative within six months of the court action initiating removal. The AFDC determination, then, considers the home of the specified relative who is the basis of the "contrary to welfare" determination in a judicial removal or who signs the voluntary placement agreement. However, if more than six months had expired before the child's removal, then the "living with and removal from" requirement has not been met. When a child has lived in multiple homes, the eligibility documentation should identify the home used and ensure that this is the home from which the child is removed as a result of the judicial determination or voluntary placement

agreement. The State needs to clarify through policy, forms and training that the AFDC requirement must be met in the month of the child's removal. It is recommended that the State routinely review available income and eligibility verification systems when eligibility is determined regardless of whether primary verification sources, such as wage earning statements or benefit notices, are provided to the State. This will assist the State in ensuring correct eligibility determinations and improving data quality in information and verification systems. More training is needed to help eligibility specialists understand the "living with and removal from" requirements and their linkage to determining the AFDC removal home for title IV-E eligibility.

The State needs to develop a reliable automated component to the Family, Adults, and Child Tracking System (FACTS) for determining and documenting financial need and deprivation of parental support according to the State's July 16, 1996 guidelines for AFDC. The FACTS has a "file cabinet" component that would allow field staff to download initial eligibility documentation that could assist eligibility staff in making accurate and timely eligibility decisions. It was noted during the review that the State indicated that as of June 2012 there have been enhancements made to FACTS to improve this capability. It was also noted that this component of FACTS is not being utilized by staff to its full capability.

Issue #2 – Judicial Finding of Contrary to the Welfare – Removal from the Home – Sample Case #72 was found to be in error because the required Contrary to the Welfare finding was not made in the first court order regarding the removal. Eligibility was based incorrectly on a second court order issued a few days later with the judicial finding.

Title IV-E Requirement: The title IV-E statutes at §472(a)(2)(A) of the Act, as a prerequisite for Federal reimbursement on behalf of an otherwise eligible child, require that the child's physical or constructive removal be in accordance with either 1) a judicial determination to the effect that continuation in the home from which judicially removed would be contrary to the welfare of the child and that reasonable efforts to prevent the removal were made; or 2) a voluntary placement agreement entered into with the title IV-E agency by a parent or legal guardian of the child. If the child's removal is through a court order and the removal took place on or after March 27, 2000, the "Contrary to the Welfare" determination must be made in the first court ruling that sanctions the removal of the child from the home. Documentation of the judicial findings can be through either a written court order or a transcript of the court proceeding. If the Federal requirements regarding the child's removal and placement in foster care are not met as specified in Federal statute, the child is not eligible for title IV-E foster care maintenance payments for the duration of that stay in foster care.

Recommended Corrective Action: The State should continue to work closely with the Court Improvement Program to train the judiciary and other court officials and to implement procedures that ensure all initial court removal orders include the court's findings regarding the necessity of the child's removal and whether keeping the child in the home would be contrary to the welfare of the child. In addition, procedures should be developed to ensure the eligibility specialists have received the first removal order and can be confident that the order that is being used as the basis for establishing eligibility is the first order rather than a subsequent order. If a

staff member makes a mistake and the needed enhancements are made to FACTS this should allow staff to take corrective actions and back out any ineligible payments.

Issue #3 – Voluntary Placement Agreements –Under section 472(f) of the Act, a voluntary placement is an out-of-home placement of a minor child by or with the participation of the State agency, after the child's parents or legal guardians request the assistance of the agency and sign a voluntary placement agreement. If the child's placement through a Voluntary Placement Agreement (VPA) extends beyond 180 days, a judicial determination is needed which indicates that continued placement is in the best interest of the child. One case was in error because the judicial determination was made later than the 180 days. During the review, CB learned that for the case in error, the need for the 180 day judicial determination was identified shortly before the end of the 180 days and at that point the agency was unable to get the case scheduled in court.

Title IV-E Requirements: Per [§472(a)(2), (e) and (g); 45 CFR 1356.22(a), and CWPM Section 8, title IV-E, Section 8.3A.13] an otherwise eligible child is eligible for title IV-E foster care maintenance payments for a period of 180 days, pursuant to a voluntary placement agreement. The 180 days begin on the date the child is placed in foster care, pursuant to a VPA. This eligibility ceases on the 181st day of the foster care episode when a State agency fails to obtain the requisite judicial determination of the child's best interest within the first 180 days.

Recommended Corrective Action: The agency should develop a tracking/tickler procedure to give sufficient notice that a case will need the 180 day determination. The State should also consider working with the courts to resolve any scheduling issues and should consider whether there is a mechanism that would allow the 180 day judicial determination to be done by court order without a full hearing.

During the onsite review, CB learned that there is no current Alabama DHR policy on VPAs with the exception of policy related to the Independent Living Program. This has resulted in a lack of clarity by State staff on several issues related to voluntary placement agreements. CB recommends that when developing and implementing policy related to VPAs particular attention is paid to ensuring that a valid legal agreement is entered and that the agency explicitly documents its responsibility for the placement and care of the child for the entire period that title IV-E payments are being claimed. Among other things, the policy should specifically address (1) which Agency official may enter into and sign the VPA for it to be valid; (2) the duration of the VPA and the significance of an end date that is within 180 days of the child's placement; (3) what actions should be taken if the Agency determines the child should remain in placement beyond the period specified in the VPA; and (4) how decision-making and the Agency's continued authority for placement and care of the child are documented.

Issue #4 – Court Orders: Although some cases had child specific affidavits, written court orders often were not individualized to the child specific circumstances of the case. Some courts utilized template orders that included optional language such as “have/have not” or “did/did not” and neither option was selected. There were missing petition dates and court hearing dates on some of the court documents that we saw. Some court orders were not clear regarding whom the court was removing the child from and on which home the court made a finding of contrary to the welfare against – the parents or the caretaker. In some counties, the court orders did not reflect the case specific details to support the “reasonable efforts” finding. For example, the

“Independent Living” box regarding the child’s permanency planning goal was not checked on an order that involved a 17 year-old.

Title IV-E Requirement:

In addition to conforming to the Federal regulatory timeframes, 45 CFR 1356.21(d) requires that judicial determinations regarding “contrary to the welfare” and “reasonable efforts” “be explicitly documented, and be made on a case-by-case basis and so stated in the court order.”

Recommended Corrective Action: The State should continue to work through its court improvement project to increase awareness, for court personnel preparing the orders, of the importance of child-specific and explicit court orders. If checklists or other templates are used, space on the form can be included to address the basis of the court’s rulings. Including in the court order the facts upon which the "contrary to the welfare" and "reasonable efforts" determinations are based significantly improves the quality of the court order.

Issue #5 – Eligibility related to Underpayments: There were a total of 38 cases and a total of 48 instances of eligible periods of underpayments in which the State could have claimed title IV-E payment, but did not. For all of these cases, reviewers determined that all requirements were documented, but the State did not claim for all of the days that could have been claimed. We have assessed the total amount of FFP maintenance that could have been claimed for these cases as approximately \$40,478.04.

A key reason for underpayments (2 cases) is that initial eligibility determinations are not being completed on a timely basis because eligibility workers are not getting sufficient, accurate, and timely information from the field. A second reason for underpayments (5 cases) is that initial approval of licenses are not entered into the system in a timely manner and as a result the system indicates that the child is not eligible for title IV-E in the newly licensed home. A third cause of underpayments (12 cases) is that the system removes a child from title IV-E status in the license renewal month even when the renewal was done in a timely manner. Finally, for all of these concerns, the state is unable to make automatic retroactive adjustments to title IV-E to reflect actual periods of eligibility of the child.

Title IV-E Requirement:

Federal Regulations at 45 CFR 1356.60 provide that title IV-E foster care maintenance payments may be claimed for allowable costs of expenditures that are covered by the Federal definition of foster care maintenance found at §475(4) of the Act. Under §472 of the Act and ACYF-CB-PIQ-91-05, title IV-E maintenance payments may be claimed from the first day of the foster care placement in the month in which all title IV-E eligibility criteria are met. The payment may be claimed for the entire month when an eligible child has resided in the foster care placement for the entire month. However, if the eligible child is placed on a date in the month other than the first of the month, title IV-E funds may be claimed for the period beginning with the actual date of foster care placement.

Recommended Corrective Action: Eligibility workers experience a lack of supporting documentation of income (employment security system, pay stubs, banking, etc.) in order to make informed decisions. There is a lack of eligibility narrative and rationale explaining what

was considered in making the eligibility decision (e.g., determination of removal home, including/excluding someone from the home, paternity, etc.). Alabama should develop an action plan to address the systemic factors underlying the occurrence of improper payments. This process would help determine whether adequate financial controls and edits are in place and properly functioning to help prevent payments for ineligible children or unallowable program costs. Also, it would help to reduce or eliminate future underpayments and increase the State's ability to maximize reimbursements for allowable costs of care for eligible children by using funding available under title IV-E.

The State should develop and use automated quality assurance modules in their SACWIS (FACTS) to periodically review and track eligibility and payments for accuracy and compliance with Federal requirements. State standards should be developed for this process. Timely and thorough use of components of FACTS by a child's initial caseworker would provide a comprehensive foundation for further exploration of the child's circumstances related to eligibility. The FACTS has an electronic "file cabinet" that can be used in the field to scan documents related to the case file. Use of the "file cabinet" in FACTS would allow the initial worker to document the child's family and financial circumstances, from whom the child was removed, and whether the child was removed from the home pursuant to a court order. Identifying the title IV-E eligibility-related information early in a child's case allows the eligibility specialists to make more accurate eligibility determinations and timely initiating of title IV-E claims for a child. This will enable the eligibility workers to access this information and make accurate and timely eligibility decisions decreasing the number of underpayments because eligibility will be determined based on documentation rather than speculation.

The State has indicated it is trying to address delays in providing eligibility information from field staff to the eligibility workers. Continued work needs to be done in this area. The State should also consider what information might be more accurately and quickly obtained through sources other than field staff. For example, the State should consider giving the eligibility staff access to wage and earnings information and other income and resource information from other State agencies and consider whether field staff could provide information on family composition without requiring field staff to make the deprivation determination.

The State should explore how the licensing information can be entered into FACTS in a timely manner, and how the State can use the automated system for adjusting the title IV-E eligibility period and claim back to the month of the license once the license is entered.

Issue #7 – Information Systems and Fiscal Processes: Payment histories did not include payment adjustments. The lack of information on the State's payment history is an indication that the information system does not have the ability to reflect when payment adjustments are made. This is extremely important given the large number of manual adjustments that are made to change the child's eligibility status. Alabama should develop an action plan to address the systemic factors underlying the occurrence of improper payments. This process would help determine whether adequate financial controls and edits are in place and properly functioning to help prevent payments for ineligible children or unallowable program costs. Also, it would help to reduce or eliminate future underpayments and increase the State's ability to maximize reimbursements for allowable costs of care for eligible children by using funding available under

title IV-E. In addition to the missing information on the payment histories, the DHR case number in FACTS does not match the case file number. As a result, there are two different case file numbers for the child.

Title IV-E Requirement:

The title IV-E agency must provide CB with the complete payment history in accordance with Federal regulations at 45 CFR 1356.71(b)(2). The complete payment history for the IV-E review consists of all foster care payments, including payment adjustments the agency claimed for the most recent foster care episode. Per the Title IV-E Foster Care Eligibility Review Guide, all payments in the payment history should include the following:

- The invoice number or other identifier;
- The date of the invoice;
- The amount paid and service period covered;
- The activity or service paid and the funding source;
- The date of payment;
- The date of payment adjustment or reversal and period covered;
- The child's name and case number, and
- The provider's name and number.

Recommended Corrective Action:

The Information System should be enhanced to include or feature functionalities that allow for automated adjustments and can reflect this payment adjustment in the payment history report. Sound accounting practices and program administration dictate that the State thoroughly document payment transactions and maintain accurate, reliable records.

As it relates to the DHR case number, there should be a system enhancement that can change the data element that picks up the DHR case number from the FACTS identifier to the data element that shows the FACTS identifier and the accurate case number per the child's name. (This feature was shown in the Placement History screen in FACTS).

Issue #8 – There is a concern for safety of children in residential facilities in that hire dates for staff are prior to Alabama Bureau of Investigation (ABI), Federal Bureau of Investigation (FBI) and Child Abuse and Neglect (CAN) checks in many situations (typically two months). The licensing agency's monitoring information presented during the review does not capture whether individuals are working with children prior to completion of the safety checks. Periods of ineligibility were not assessed when the State demonstrated that the employee was hired to complete training but did not begin working independently in the facility's program prior to the requisite clearances having been requested and received, which is consistent with the State's licensing policy. The eligibility determination and redetermination process assesses whether or not the child is in a licensed facility.

Title IV-E Requirement:

As specified in 45 CFR 1356.30(f) and 1356.71(g), the licensing file for a child care institution must contain documentation which verifies that safety considerations with respect to the caregiver staff of the facility have been addressed in order for a child placed in the institution to

be eligible for title IV-E funding. The State must provide documentation validating that all of the safety considerations established by the State are satisfied for the duration of the child's placement during the period under review.

Recommended Corrective Action: The State is encouraged to design a system to ensure that clearances are received for all staff at childcare institutions prior to the employee working in the program. It is also recommended that the State develop policy to define the differences between the date the individual is hired and date the employee begins working in the program with the children. The current clearance tracking spreadsheets note the date of hire only. It is recommended that the date an employee begins work in the program be added to these tracking documents to help ensure compliance with the State's safety requirements. A quality assurance process that periodically reviews the criminal and safety check requirements for all foster homes and childcare facilities also should be instituted.

State regulations only require that clearances be requested prior to an employee beginning work in a program; not requiring results prior to employment does not assure the safety of the children in the facility. Therefore, it is also recommended that the State develop policy or regulation to ensure that staff without appropriate clearances are not permitted to provide unsupervised care for children and youth prior to the receipt of acceptable background clearances

Strengths and Promising Practices

The following positive practices and processes of the title IV-E foster care eligibility program were observed during the review. These approaches seem to have led to improved program performance and successful program operations. The following are examples:

- (1) Permanency hearings were found to be held often more frequently than every six months. Frequent hearings assist the State in meeting the requirements for a judicial finding of reasonable efforts to finalize a child permanency plan. The State has worked closely with the Court Improvement Program and the Administrative Office of the Courts to monitor timeliness of these hearings and is encouraged to continue its work with its court partners to address other identified issues;
- (2) The State has a process in place to regularly monitor residential facilities for compliance with staff criminal history and safety requirements. The monitoring process reviews individual personnel records and safety check information for individual employees and documents whether the requirements for individual employees have been met.

Disallowances

A disallowance in the amount of \$12,675.38 in maintenance payments and \$18,586.96 in related administrative costs of Federal Financial Participation (FFP) is assessed for title IV-E foster care payments claimed for the error cases. Additional amounts of \$1,639.28 in maintenance payments and \$2,723.31 in related administrative costs of FFP are disallowed for title IV-E foster care payments claimed improperly for the non-error cases. The total disallowance as a result of this review is \$35,624.93 in FFP. The State also must identify and repay any ineligible payments that occurred for the error and non-error cases subsequent to the PUR. No future

claims should be submitted on these cases until it is determined that all eligibility requirements are met.

Next Steps

The State was found to be in substantial compliance; therefore a program improvement plan is not required as a follow-up to this primary review. The CB recommends the State look at the areas of concerns identified in this report and undertake any necessary corrective measures. The Region IV program staff will continue to work with the State to provide technical assistance in addressing the issues and concerns raised during this review.