

**State of Alabama**  
**Primary Review**  
**Title IV-E Foster care Eligibility**  
**Report of Findings for October 1, 2014 – March 31, 2015**

**Introduction**

During the week of August 31, 2015, the Children's Bureau 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 (ADHR) and was completed by a review team comprised of representatives from the title IV-E agency, the Children's Bureau Central and Region 4 Offices, ACF Region 4 Office of Grants Management and peer reviewers.

The purposes of the title IV-E foster care eligibility review (IV-E review) were: (1) to determine whether ADHR's title IV-E foster care program was in compliance with the eligibility requirements as outlined in statute and regulation at section 472 of the Social Security Act (the Act) and 45 CFR §1356.71; and (2) to validate the basis of the ADHR 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 for which a title IV-E maintenance payment was claimed for an activity during the six-month period under review (PUR) of October 1, 2014 to March 31, 2015. 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. Thirteen (13) cases were 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 these cases from the review sample and replacing them with cases 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 plan in effect 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 §471(a) (20) of the Act and 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.

### **Compliance Findings**

The review team determined that all of the 80 cases in the review sample met eligibility requirements (deemed non-error cases) for the PUR. No cases were determined as in error or non-error with ineligible payments. Three (3) non-error cases were identified to have periods of eligibility for which the state did not claim allowable title IV-E maintenance payments, which may be claimed provided the eligible expenditure falls within 2 years of the calendar quarter the state made the expenditure.

The Children's Bureau has determined that the Alabama title IV-E foster care program is in substantial compliance for the PUR. Substantial compliance in a primary title IV-E review means the total number of error cases is four or fewer cases determined as not meeting eligibility requirements for the PUR. The next primary review will be held in three years.

### **Case Summary**

The following chart records the non-error cases with underpayments; including reasons for the underpayments, the amount of underpayments and federal provisions that pertain to the underpayments.

### **Non-error Cases with Underpayments**

<b>Sample Number</b>	<b>Under payment Reason &amp; Eligibility Period October 2, 2014 – March 1, 2014</b>	<b>Maintenance Payments Federal Financial Participation (FFP)</b>
AL # 25	The state did not consider reasonable efforts to finalize permanency finding in the court order dated 9/2014. As such, the state did not claim title IV-E funds for the eligible period of time.  Eligible: 12/1/14 – 5/31/15	\$1,277.09 Maint.

Sample Number	Under payment Reason & Eligibility Period October 2, 2014 – March 1, 2014	Maintenance Payments Federal Financial Participation (FFP)
AL # 60	Permanency hearing due 12/14 but not held until 1/15. Reasonable efforts to finalize permanency finding in court order dated 1/15. The state did not claim title IV-E funds for the eligible period of time. [§472(a)(2)(A) of the Act; 45 CFR 1356.60(a)(1)(i)]  Eligible: 11/1/14 – 11/30/14 & 1/1/15 – 3/31/15	\$1,293.96 Maint.
AL # 61	Permanency hearing held on 2/9/15 and reasonable efforts to finalize permanency finding was in the court order. The state did not claim IV-E funds for the eligible period of time. [§472(a)(2)(A) of the Act; 45 CFR 1356.60(a)(1)(i)]  Eligible: 2/1/15 – 2/28/15	\$336.99 Maint.
		\$2,908.04 Total (FFP)

**Areas in Need of Improvement:**

Findings of this review indicate the state needs to further develop and implement procedures to improve program performance in the following areas:

Underpayments:

Three (3) non-error cases were identified to have periods of eligibility for which the state did not claim allowable title IV-E maintenance payments. Except for case #25, the state could not explain the reason these cases were not claimed for the entire period of eligibility.

In sample cases #25 and # 61, the reasonable efforts to finalize the permanency plan was held timely; however, the state did not claim title IV-E funds for the eligible period of time. In sample #60, the permanency hearing was held a month late (January instead of December). The hearing was not timely, but the state did not claim title IV-E maintenance payments for the eligible period of time.

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 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 is 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: The number of underpayments in the 2012 review was 38, and although there has been some improvement, this is an area that warrants continued attention on the states part. The state reported that since the turnaround time for determining a child's IV-E eligibility has decreased to less than one week from the submission date of a referral from a county office, the frequency of underpayments has diminished. There are also staff members that now work to identify cases for retroactive claiming of federal payments.

The Children's Bureau recommends that Alabama continues to work to identify and address the reason these issues are happening, and put processes in place to ensure that it is fully claiming its share of title IV-E funds for these children. This process would help to reduce or eliminate underpayments, thereby increasing the state's ability to maximize reimbursements for allowable costs of care for eligible children through the use of title IV-E funding.

### **Program Strengths and Promising Practices:**

The following promising practices and processes of the state's title IV-E program were observed during the review:

#### Safety Checks:

Alabama began conducting criminal record checks (CRC) with both Alabama Bureau of Investigations (ABI) and the Federal Bureau of Investigations (FBI) for foster parents in the mid-eighties, prior to the passage of the Adoption and Safe Families Act. Documentation of criminal history check is maintained through the State Office of Criminal History (SOCH). Once the review process is complete, the SOCH issues either a suitability or unsuitability letter to the individual along with a copy of the CRC received from the Department of Public Safety. The suitability letter informs the title IV-E agency if the individual has a criminal history background that would prevent approval as a foster home. If a child is placed outside of the title IV-E agency's jurisdiction, the agency requests verification documents to validate the completion of the CRC requirement.

Alabama has shown improvement regarding congregate care facilities by putting policy in place that requires all newly hired caregivers be investigated and deemed suitable to work with children at the time of initial application. Alabama policy also requires a suitability review of staff's family members living in the home or visiting overnight in the children's living units. The suitability review conducted on caregivers and their family members consist of a review of the individual's past history with former employers and references; obtaining CRCs from the ABI and FBI; and conducting clearances of the State Central Registry on Child Abuse/Neglect.

#### Judicial Determinations:

The review findings reflected the dedicated efforts between the state child welfare agency and the court system to ensure that court proceedings occurred timely and that title IV-E requirements are being met. An interface in FACTS, the state's automated data system, has been developed between the courts and the agency that provides court hearing dates to the agency when the court enters this information into their automated files.

The permanency hearings for judicial findings of reasonable efforts to finalize the permanency plan generally are occurring annually on a timely basis; often before the due date in those courts that routinely review the progress made towards finalizing the permanency goal at the judicial reviews held every six months. In the sample cases reviewed, the agency maintained responsibility for the care and placement of the child throughout the life of the foster care case.

The majority of court orders contained explicit findings with thorough details on agency efforts to prevent removal and toward finalization of permanency plans. The review team noted, however, that several of the court orders were not individualized to be child-specific and some did not include the date the court hearing took place. This was discussed with the state onsite and they are working closely with the state Administrative Office of the Court to address this issue within the specific court jurisdictions.

#### Eligibility Determinations:

With regard to eligibility determinations, the review team noted that all cases in the sample met AFDC-related requirements for title IV-E eligibility and the determination of eligibility was consistently documented. Reviewers noted that eligibility files were well-organized with clear, supporting documentation of the eligibility factors.

Alabama DHR has a centralized title IV-E eligibility determination and re-determination unit which manages the title IV-E eligibility and re-determination processes by gathering required information from the case management and licensing staff, making determinations, and documenting and monitoring compliance. The centralization of the title IV-E eligibility unit also facilitates timely identification of issues and emerging trends.

The FACTS system determines eligibility for AFDC under the July 16, 1996 state plan based on information entered in the system by county staff and reviewed by central office staff, which reasonably assures compliance with federal eligibility requirements. A sample of each specialist's work is reviewed by the program supervisor to examine the effectiveness of the IV-E process for eligibility. If there are new employees, then the program supervisor is responsible for completing 100 percent review of referrals completed by any new employee and presenting any findings to the employee's manager.

**Next Steps:**

The Children's Bureau recommends that the state look at the areas of concerns identified in this report and undertake any necessary corrective measures. The Region 4 program staff will continue to work with the state in a collaborative effort to provide technical assistance to further strengthen the state's title IV-E program.