

Note: A Final Report Letter has been appended since the release of the 2009 Final Report. Please see the file entitled [Arkansas IV-E Final Report Letter](#) for more information.

State of Arkansas
Primary Review
Title IV-E Foster Care Eligibility
Report of Findings for
October 1, 2008 through March 31, 2009

Introduction

During the week of August 10, 2009, 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 Arkansas Division of Children and Family Services (DCFS) and was completed by a review team comprised of representatives from DCFS, CB Central and Regional Offices, ACF Regional Grants Management Office, and two peer reviewers.

The purposes of the title IV-E foster care eligibility review were: 1) to determine whether the DCFS 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 during the 6-month period under review (PUR) of October 1, 2008 through March 31, 2009. 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. It was determined when CB received the sixth payment history from Arkansas in November 2009, after the onsite review, that two (2) cases (AR 37 and AR 70) had to be excluded from the sample as no title IV-E payments were made on those cases during the PUR. Arkansas then submitted sample cases AR OS1 and AR OS2 which the CB regional office (RO) staff reviewed and then confirmed its findings with a quality assurance review.

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 childcare 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 childcare institution in which the child was placed during the PUR was licensed or approved and that safety considerations were appropriately addressed. Payments made on behalf of each child also were reviewed to verify the expenditures were allowable 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 dates of activity in the PUR for which title IV-E maintenance payments were made. A sample case was cited as non-error 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 activity date. 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 two 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. CB and the State agreed that, subsequent to the onsite review, the State would have two weeks to submit additional documentation for a case that during the onsite review was identified as in error, in undetermined status, or to have an ineligible payment. No findings were changed based on the additional documentation received.

Compliance Finding

Five (5) cases were determined to be in error for either part or all of the review period for the reasons that are identified in the case record summary section of the report. Since the number of error cases exceeded four (4), CB has determined Arkansas not to be in substantial compliance. Pursuant to 45 CFR 1356.71(i), the State is required to develop a Program Improvement Plan (PIP) designed to correct the program areas determined not to be in substantial compliance. The PIP will be developed by the State, in consultation with CB RO staff, and must be submitted to CB's RO no later than 90 days from the date of the letter accompanying this report. A secondary review of a sample of 150 title IV-E foster care cases will be conducted following the PIP completion date.

Case Record 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.

Error Cases

Sample Number	Improper Payment Reason & Ineligibility Period	Improper Payments (FFP)
AR 11	Removal from and living with requirements not met by the same specified relative. [§472(a)(1)& (2) of the Act; 45 CFR §1356.21(k)] Ineligible: Entire FC Episode; Reported Disallowance Period: 04/01/2004 – 08/14/2009	\$53,051 Maint. \$36,316 Admin.
AR 19	Criminal records checks were not completed on the prospective foster parents. [§471(a)(20) of the Act and §475(1) CFR §1356.30] Ineligible Disallowance Period: 08/28/2008 – 05/26/2009 and 06/05/2009 – 06/14/2009	\$3,085 Maint. \$5,758 Admin.
AR 22	The child did not meet the financial need or deprivation requirements for initial AFDC eligibility. [§472(a)(3) of the Act and 45 CFR §1356.71(d)(1)(v)] Ineligible: Entire FC Episode; Reported Disallowance Period: 02/16/2009 – 03/31/2009	\$2,333 Maint. \$641 Admin.
AR 41	Removal from and living with requirements not met by the same specified relative. [§472(a)(1)& (2) of the Act; 45 CFR §1356.21(k)] Ineligible: Entire FC Episode; Reported Disallowance Period: 02/26/2008 – 01/06/2009	\$10,390 Maint. \$6,335 Admin.
AR 68	The child did not meet the financial need or deprivation requirements for initial AFDC eligibility. [§472(a)(3) of the Act and 45 CFR §1356.71(d)(1)(v)] Ineligible: Entire FC Episode; Reported Disallowance Period: 09/13/1999 – 08/14/2009	\$36,311 Maint. \$24,114 Admin.
		\$105,170 Maint. \$73,164 Admin. Total: \$178,334

Non-error Cases with Ineligible Payments

Sample Number	Improper Payment Reason & Ineligibility Period	Improper Payments (FFP)
AR 12	Foster care maintenance payment made for two providers for the same period. [§475(4) of the Act; 45 CFR 1356.60(a)(i)] Ineligible Period: 04/01/2009 – 04/16/2009	\$256 Maint. \$641 Admin.
AR 39	Foster care maintenance payment continued while child was in an extended hospitalization placement. [§472 (b) and (c) of the Act and 45 CFR §1355.20(a); [§475(4) of the Act; 45 CFR 1356.60(a)(i)]; and CB Child Welfare Policy Manual, Section 8.3B TITLE IV-E, Foster Care Maintenance Payments Program, Payments; Question #7: The State may provide a full month of title IV-E foster care maintenance payment to the licensed provider if the brief absence does not exceed 14 days and the child's placement continues with the same provider. Otherwise, the State must prorate its claims if the child is absent from the placement for more than a reasonable brief period] Ineligible Period: 01/27/2009 – 02/26/2009	\$336 Maint. \$641 Admin.
AR 43	Foster care maintenance payment made for two providers for the same period. [§475(4) of the Act; 45 CFR 1356.60(a)(i)] Ineligible Period: 03/24/2009 – 03/26/2009	\$38 Maint. \$0 Admin
AR 53	Foster care maintenance payment continued for the foster care placement after the child's adoption was finalized. [§475(4) of the Act; 45 CFR 1356.60(a)(i)] Ineligible Period: 07/17/2009 – 07/26/2009	\$107 Maint. \$0 Admin.
AR 69	Foster care maintenance payment continued for the foster care placement after the child was moved from the placement. [§475(4) of the Act; 45 CFR 1356.60(a)(i)] Ineligible Period: 06/19/2009 – 06/26/2009	\$82 Maint. \$0 Admin.
AR 80	Foster care maintenance payments were made for the foster home prior to the foster home being fully licensed. [§472 (b) and (c) of the Act and 45 CFR §1355.20(a)] Ineligible Period: 12/24/2007 – 02/05/2008	\$415 Maint. \$630 Admin.
AR OS2	Foster care maintenance payment was made for the foster home prior to the child being placed in the home or in state custody. [§475(4) of the Act; 45 CFR 1356.60(a)(i)] Ineligible Period: 10/22/2008 – 10/23/2008	\$10 Maint. \$0 Admin.

\$1,244 Maint.
\$1,912 Admin.
Total: \$3,156

Underpayment Cases

Sample Number	Improper Payment Reason & Eligibility Period	Improper Payments (FFP)
AR 47	State waited to receive the copy of the court orders with reasonable efforts language prior to claiming title IV-E funds which could have been retroactively claimed from the removal and placement date of 3/28/2008. [§472(a) of the Act; 45 CFR 1356.21] Eligible Period: 03/28/2008 – 03/30/2008	\$28
AR 48	Child was title IV-E eligible in a fully licensed foster home that was a pre-adoptive placement but title IV-E funds were not claimed prior to the adoption being finalized. [§472(a) of the Act; 45 CFR 1356.21] Eligible Period: 12/28/2008 – 02/09/2009	\$702

Total: \$730

Areas in Need of Improvement

The findings of this review indicate that the State needs to further develop and implement procedures to improve program performance in the areas listed below. 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 Payment Histories:

For this review CB received six (6) different payment histories from Arkansas, each of which was incomplete, and each of which was received at CB’s request when it became apparent that a payment history had a gap.

In the week prior to the review, the Regional Grants Management Unit (RGMU) requested the necessary updates from the initial payment history. The requested payment history was received from the Arkansas title IV-E Program Manager on August 4, 2009; however, on August 5, 2009, the RGMU received and processed a third payment history, sent by the Arkansas Title IV-E Program Manager, when it was discovered that the second payment history was missing sample cases for the imminent review. The Arkansas title IV-E Program Manager discovered that the third payment history was missing the provider name information and that there were duplicate records listed for the contract payments, so a fourth payment history was submitted.

During the week of the onsite review, on numerous occasions reviewers found gaps in the payment history. Reviewers were told that these could be filled by a separate payment history that Arkansas had not previously provided or disclosed. Arkansas also determined that the payment history did not include contracted payments prior to 2006 and payments utilizing American Recovery and Reinvestment Act (ARRA) dollars. These payments were manually added and the fifth payment history was submitted after the review was completed. After receipt

of the fifth payment history, RGMU noted that the check dates for the contracted payments were not included. The sixth and final payment history was submitted on November 6, 2009 (83 days after the conclusion of the on-site review). With this payment history, CB determined that two (2) cases (AR 37 and AR 70) had to be excluded from the sample as the payment history showed no title IV-E payments were made on those cases during the PUR.

The problems discovered during the review process regarding the payment histories were numerous. For example, several children each had been assigned multiple client IDs, and as such are listed multiple times in Arkansas' State Automated Child Welfare Information System (SACWIS). Multiple client IDs complicates tracking of payments and may introduce errors. Additionally, SACWIS does not print all necessary information on one foster care maintenance payment history. Contract payments made to providers by DCFS prior to 2006 are not included in SACWIS. It also seems that an inordinate amount of time and effort by State staff were needed for the State to produce an accurate and complete accounting of the payments made for children in the State's care. The last amended, and final, payment history was sent to ACF over two months after the completion of the onsite review. Not having a full payment history for the children included in the sample significantly delayed determining allowable costs and program compliance, as well as the timely completion of the review and reporting of the review findings.

Similar concerns regarding payment histories were addressed in the State's Initial Primary Title IV-E Eligibility Review completed in 2002 and, again, in the State's Secondary Title IV-E Eligibility Review that was completed in 2006. This report documents and underscores the continuing need for the State to address these concerns because of the effect the deficiencies can have on State program administration. Consistent with 45 CFR 92.20, the State must be able to demonstrate that adequate financial standards are maintained in providing necessary information, guarding against payments for unallowable costs, and ensuring payments for allowable costs. The degree to which records such as the payment history is able to report necessary information is an important indicator of the adequacy of the State agency's financial standards and business practices.

Title IV-E Requirement:

For each of the sample and oversample case records, the State agency must provide CB RO with the complete payment history before the onsite review, as specified in 45 CFR 1356.71(b)(2). The complete payment history consists of all foster care payments, including title IV-E maintenance payments and administrative costs, claimed for the most recent foster care episode. All payments in the payment history should include the following: 1) the invoice number or other identifier; 2) the amount paid and service period covered; 3) the activity or service paid and funding source; 4) the date of payment; 5) the date of payment adjustment or reversal and period covered; 6) the child's name and case number; and 7) the provider's name and number. The State should consult CB's "Title IV-E Foster Care Eligibility Review Guide" for further guidance on the payment history and the expected elements of it for the eligibility review.

Recommended Corrective Action:

The State must be able to develop a consistent, reliable and accurate payment history that is able to track all foster care maintenance and administrative payments made on behalf of each child in

its care. This record, either in electronic or paper form, must include all information necessary to provide a complete account of payment activity, as listed above. CB urges the State to identify the systemic factors underlying its payment history deficiencies and to develop strategies to correct them in advance of the next title IV-E eligibility review. This should be addressed through the PIP process that the State must implement as a result of the findings of the current eligibility review.

Issue # 2 Court Orders:

One of the key considerations in determining title IV-E eligibility is ensuring that there has been a judicial determination to the effect that it is contrary to the child's welfare to remain in the care of a specified relative. All of the cases in the review sample were determined to have sufficiently satisfied the eligibility requirement at §472(a)(2)(A) of the Act; however, reviewers found in many of the cases that court orders lacked specificity in detail and used "boiler plate" language. For example, many of the court orders relied on the generic term "present custodian" instead of specifying the individual from whom the child was judicially removed and against whom the „contrary to the welfare“ finding was made. In the future, it would be helpful if the court orders would include the name of the individual against whom the „contrary to the welfare“ finding is made or specify the individual's relationship to the child who is the subject of the court hearing. It is not acceptable for the court order merely to state "present custodian." This concern was addressed in the Secondary Title IV-E Eligibility Review completed in 2006. We encourage you to work with the State's Court Improvement Program (CIP) to include the name of the individual against whom the „contrary to the welfare“ finding is made or specify the individual's relationship to the child who is the subject of the court hearing.

Also, in the cases the court orders from the interim permanency hearings did not have a concluding judicial determination as to whether or not the agency's efforts to finalize the permanency plan were reasonable. Finally, many of the court orders appeared to be form orders that did not address the specific facts of the case or the circumstances that were responsible for the child being in care. Many of the court orders did not name the specific child being addressed, nor were they child-specific. The hearing dates were not routinely included in the court orders, making it difficult to determine the hearing date in those instances when the orders were signed days and sometimes months later.

Overall, the limited, sometimes generic documentation made it difficult to clearly determine whether the eligibility requirements were met.

Title IV-E Requirement:

A removal pursuant to a court order must be the result of judicial determination of „contrary to the welfare“ and „reasonable efforts“ as specified in §472(a)(2)(A) of the Act.

A judicial determination must be made on a case-by-case basis and explicitly stated in the court orders. The court orders should be signed by a reviewing judge or other State designated court official, if a signature is required in State law, and in conformity with regulatory timeframes. The judicial determination that relies solely on references to State statutes in an attempt to substantiate the requisite judicial finding or implies that a judicial finding is not explicit is not

sufficient for title IV-E eligibility. The court orders must definitively articulate the judge's child-specific ruling pertaining to the „contrary to the welfare“ and „reasonable efforts“ determinations. The judicial determinations need not to include the exact term „reasonable efforts“ or „contrary to the welfare,“ but the findings must specifically convey that the court determined that reasonable efforts were made or were not required to be made by the State agency, or that it was contrary to the welfare of the child to remain in the home. If the judicial determination is not explicit, the eligibility reviewer may not infer a determination or presume the court’s intent to make a determination.

Courts may demonstrate in numerous ways that the judicial determination is child-specific and has been made on a case-by-case basis, including referencing in the court order "the facts of a court report, related psycho-social report, or sustained petition." [See Preamble to the Final Rule, 65 FR 4020, 4056 (January 25, 2000)]. Such documentation establishes that the judge reviewed the particular facts and circumstances of the specific child. Clearly identifying the child and other individuals who are subjects of the judicial determination, as well as 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.

Recommended Corrective Action:

It is recommended that DCFS collaborate with the State CIP to improve the quality of the court orders. The State should ensure that the court orders are child-specific and explicit. Through the CIP, the State can educate the judiciary and other court officials about drafting court orders that adequately reflect State and title IV-E criteria of legal sufficiency and findings of „contrary to the welfare“ and „reasonable efforts“; for example, by including the name of the individual against whom the „contrary to the welfare“ finding is made, or by specifying the individual’s relationship to the child who is the subject of the court hearing; and by documenting that the hearing dates are routinely included in the court orders.

Issue # 3 Eligibility Determinations:

Prior to the onsite review, Arkansas had determined that there were seven (7) cases in the sample which they referred to as “blended rate” cases. Arkansas State staff reported to CB that per policy announcement ACYF-PA-82-01, the State had been applying a “penetration rate” for children placed in shelters and other types of institutional care. The State described to ACF that the State applied the State penetration rate to the costs for all children placed in these selected contracted facilities without reference to the child’s individual title IV-E eligibility.

Based on the preceding information, the State did not complete an initial title IV-E determination as required to establish eligibility on each of the children that were placed in these types of facilities. After clarifying for the State the guidance in ACYF-PA-82-01 which covers foster care maintenance payments for title IV-E eligible children, Arkansas was given the opportunity to recreate and complete the eligibility determinations on these cases prior to the onsite review. Three (3) of these seven (7) cases were determined to be error cases by the State for the following reasons: two (2) cases were determined to be errors because the family’s income exceeded the State’s financial need threshold; one (1) case was determined to be an error because the removal from and living with requirement was not met by the same specified relative; and for

four (4) “blended rate” cases the State was able to include appropriate documentation to demonstrate that the child was title IV-E eligible.

As noted above, two of the cases were found to be in error because the child’s specific relative had income above the threshold and that financial need could not be established for AFDC eligibility. Arkansas must ensure that all children meet the AFDC eligibility requirements prior to claiming title IV-E maintenance costs. These requirements include financial need, deprivation, citizenship and all other requirements as stated in the State’s AFDC plan in effect July 16, 1996, as required by §472(a)(3) of the Act and 45 CFR §1356.71(d)(1)(v).

The State is using a medical eligibility form which is insufficient to accurately and thoroughly document title IV-E eligibility. An effective form of documentation, at a minimum, should include an eligibility worksheet that contains the month for which the eligibility is determined, the date this determination was made, eligibility decision, period of eligibility, basis of decision, and an indication of the State agency sanction of the eligibility decision, such as a supervisory signature on the worksheet. There should be a specification of how the child was determined to continue to be financially needy and deprived of parental support or care. The eligibility worksheet or summary should provide a clear, evidence-based path to the eligibility decision.

The current State practice in 23 sample cases resulted in the State potentially under-claiming title IV-E funds because the State’s SACWIS system prohibits claiming prior to the Completed Medicaid Application (CMA) date. Enhancing the State’s SACWIS system to allow for claiming beginning after removal and placement of the child in an allowable foster care facility would permit the State to claim title IV-E funds back to the eligibility date rather than the CMA completion date.

Title IV-E Requirement:

The purpose of the title IV-E foster care program is to provide financial assistance to States for maintaining children who meet the eligibility requirements for the AFDC program and cannot remain safely in their homes of origin. Section 471 (a)(1) of the Act allows for Federal financial participation (FFP) for foster care maintenance payments only in accordance with the requirements in section 472 of the Act. Therefore, the State must assure that the child meets those eligibility requirements for a child on whose behalf a title IV-E foster care payment is claimed. This includes the requirement that the child meet the AFDC eligibility requirements as outlined at section 472(a)(3) of the Act. As such, the State must be able to establish and verify financial need and deprivation of parental support based on the home of the specified relative from which the child was removed. The State also must determine that the child had been living with that same specified relative within 6 months prior to the removal for the child to be eligible under the title IV-E program per 472(a)(2)(A) of the Act and 45 CFR §1356.21(k).

Recommended Corrective Action:

State Eligibility Specialists demonstrated some expertise with aspects of the title IV-E eligibility requirements, but could benefit from cross-training to become more proficient in their knowledge about and application of mandates pertaining to historical regulations, AFDC, court orders, licensing regulations and placements. The State would benefit by training Eligibility Specialists

to assure a consistently high level of understanding of the requirements that must be met before FFP may be claimed on behalf of a child and the degree of documentation needed to support the financial claims. The State should put in place a quality assurance system to monitor that accurate eligibility determinations and claiming processes are completed on all children entering foster care. The State may also want to examine their CMA process to determine if it can be enhanced to assure claiming from the date of title IV-E eligibility rather than the date on which the form is completed.

Issue # 4 Safety Requirements:

There was an error in one (1) case in which criminal background checks were not completed on prospective foster parents prior to the title IV-E maintenance payment that was made for the child placed in the foster home. There were no cases with improper payments related to the safety requirements for staff of childcare institutions, however, we note that, at times, unclear documentation made it difficult to determine whether the safety requirements were completed timely in accordance with DCFS policy.

Title IV-E Requirement:

To ensure that a child is not placed in a foster care setting where the potential caregiver has caused or is likely to cause harm to a child, §471(a)(20) of the Act and 45 CFR 1356.30 requires States to examine the potential safety risks posed to the child by a foster care provider. If, like Arkansas, the State did not opt out of the 1997 criminal record check provisions, the State is required to complete a criminal record check on the prospective foster parent prior to the licensure of the foster family home and it must confirm that the foster parent had not been convicted of any of the felonies listed in sections 471(a)(20)(A)(i) and (ii) of the Social Security Act. The State agency must document that the foster care provider meets the established safety standards before a child is placed with the foster care provider and before title IV-E foster care maintenance payments are claimed for the foster care provider. For childcare institutions, 45 CFR §1356.30(f) requires States to set procedures that address safety considerations with respect to the staff of the institution. The mechanism used to satisfy the safety requirement should be written into State policy, procedures or statutes, and incorporated into the licensing documentation. The safety requirement is applicable to all childcare institutions operating as foster care facilities licensed on or after March 27, 2000.

Recommended Corrective Action:

The State should put in place a quality assurance system to ensure that §471(a)(20) of the Act and 45 CFR 1356.30 are met for a child's foster care placement and that documentation of compliance sufficiently supports the State's claims for title IV-E foster care maintenance payment on behalf of the child in the placement.

Issue #5 Unallowable Program Costs:

In five (5) non-error cases, it was determined that title IV-E payments were made for items outside the definition of allowable program costs. Two of the ineligible payments consisted of duplicate claiming of foster care maintenance for the same child on the same days in two

different foster care placements. Three cases included payments made to the foster care providers when the child was not placed in their home. Foster care maintenance payments may not be made to two providers for the same period and may not be made to a provider if the child is not yet placed in their home or when the child placed outside the home in hospitalization for more than 14 consecutive days.

Title IV-E Requirement:

Consistent with the Federal provision at 45 CFR 1356.60(a)(i), title IV-E foster care maintenance assistance payments may be claimed only for the cost of providing certain expenditures covered within the Federal definition of foster care maintenance at §475(4) of the Act. The State must document that foster care maintenance payments claimed for title IV-E reimbursement are for allowable expenditures in accordance with the statutory definition, are in amounts conforming to the State established rates of payment for the type and level of care provided, and reflect non-duplicative costs of daily maintenance.

Recommended Corrective Action:

Regardless of the system used by the State, internal fiscal controls are required to ensure accurate financial reporting. The State should review its payment systems to determine whether adequate financial controls and edits are in place and properly functioning to prevent payments for ineligible children or unallowable program costs. The State may use title XX, title IV-B funds, or other appropriate funds to cover the costs of items and services not allowable under title IV-E.

Disallowance

In the five (5) cases determined not to be eligible for title IV-E foster care maintenance payments during the PUR, the State is ineligible to receive FFP under the title IV-E foster care maintenance payments program. The State also is ineligible for title IV-E foster care administrative costs relating to these error cases. The amount of ineligible maintenance payments for these cases is \$105,170 in FFP. The associated unallowable administrative costs for these cases are \$73,164 in FFP. The State also has an obligation to identify and repay any ineligible payments that occurred for these error cases subsequent to the PUR.

In addition to the above error cases, the review team identified eight (8) eligible cases with ineligible payments occurring outside the PUR. These additional findings were not considered in the determination of Arkansas as not being in substantial compliance with Federal requirements. Nevertheless, the State may not receive FFP for these cases under the title IV-E program. The ineligible maintenance assistance payments for these cases are \$1,244 in FFP. The associated unallowable administrative costs for these cases are \$1,912 in FFP. The total amount of title IV-E funds disallowed is \$181,490.

Next Steps

Arkansas has 90 days from receipt of this letter to develop, in consultation with the CB RO, its PIP to address the five areas listed above and to resolve the problems with its payment histories. The CB RO is available to assist the State in obtaining technical assistance that is needed to develop and implement the PIP.