

**State of Connecticut
Department of Children and Families
Title IV-E Foster Care Eligibility
Secondary Review
Report of Findings for
June 18, 2012 – June 22, 2012**

Introduction

During the week of June 18, 2012, the Children's Bureau (CB), Administration for Children and Families (ACF), conducted a secondary review of Connecticut's title IV-E foster care program. The review was conducted in Meriden, Connecticut in collaboration with the Connecticut Department of Children and Families (DCF) and was completed by a review team comprised of representatives from Connecticut DCF, CB Central and Regional Offices, ACF Regional Grants Management Office and peer reviewers.

The purposes of the title IV-E foster care eligibility review were (1) to determine whether Connecticut's 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 Connecticut's financial claims to ensure that appropriate payments were made on behalf of eligible children.

This secondary review was conducted as a result of the findings of the primary review completed during the week of April 6, 2009. At that time, Connecticut DCF was determined not to be in substantial compliance with the title IV-E eligibility requirements for the period under review (PUR) of April 1, 2008 through September 31, 2008. As required, Connecticut DCF submitted a Program Improvement Plan (PIP) to correct the areas found deficient in its title IV-E foster care program. The PIP, approved in CB correspondence to DCF dated October 16, 2009, was jointly developed by the State and CB's RO staff. The State provided periodic reports of progress and final implementation of the planned improvements. The PIP goals and activities included, but were not limited, to the following:

- Adhere to foster care licensing procedures; complete the State's licensing process in a timely and accurate fashion; meet requirements for renewal on a consistent and timely basis; avoid gaps in licenses; include complete foster home licensing documentation in records; and thoroughly document licensing decisions.
- Enhance internal controls to prevent title IV-E funding from being claimed until foster homes are fully licensed.
- Record the child's actual placement in the state's SACWIS, and not only the name of the Child Placing Agency (CPA) overseeing the home in which the child is placed.
- Complete all required background checks prior to initial foster home licensure; include safety documentation in files and records; and enter the related necessary information in the SACWIS in a timely, accurate, and consistent fashion.
- Ensure that all required background checks have been completed by congregate care facilities prior to initial congregate care facility licensure; that upon re-licensure, the facility employee files show the required checks for all new staff added in the past two

years; that DCF licensing staff document the review of personnel files on the Safety Check Documentation form; and that the date of the personnel file review is entered into the SACWIS in the licensed facility's file.

- Finalize the draft licensing policy regarding congregate care facilities; and provide policy-related training to Licensing Unit staff.
- Address delays in timely court determinations regarding permanency plans; ensure that appropriate findings are made; and revise “Order of Commitment” court form so that the court's findings are clearly delineated.
- Institute internal controls to ensure that title IV-E funds are not claimed when there is a delay in the required judicial determination of reasonable efforts to finalize the permanency plan.
- Enter timely, accurate, and consistent placement and care responsibility information in the SACWIS.
- Enhance the accuracy and timeliness of the Aid to Families with Dependent Children (AFDC) eligibility determination process.
- Provide additional training to staff members to ensure accurate criteria and appropriate documentation are used during eligibility determinations.
- Continuously improve the Quality Assurance process to ensure all cases for which title IV-E maintenance payments are being claimed meet all eligibility requirements.

During the PIP implementation period, Connecticut DCF strengthened its practices and revised forms and procedures to improve their title IV-E eligibility determination system. Key to the State's successful implementation of its PIP was the involvement of agency staff at all levels in collaboration with the court.

Scope of the Review

The Connecticut title IV-E foster care eligibility review encompassed a sample of the State's foster care cases that received a title IV-E maintenance payment during the six-month PUR of April 1, 2011 through September 30, 2011. This is the six-month period that followed the State's approved PIP completion date. A computerized statistical sample of 180 cases (150 cases plus 30 oversample cases) was drawn from State data submitted to the Adoption and Foster Care Analysis and Reporting System (AFCARS) for the above period. One hundred fifty (150) cases were reviewed consisting of 144 cases from the original sample plus 6 oversample cases. The oversample cases were selected for review to replace cases for which no title IV-E maintenance payment was made for an activity during the PUR. The State provided documentation to support excluding these cases from the review sample and replacing them with the 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 of 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 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 information 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 safety considerations were met. Payments made on behalf of each child also were reviewed to verify the expenditures were allowable under title IV-E and to identify any underpayments that were eligible for title IV-E claiming. A sample case was determined to be in error when a title IV-E payment for a maintenance claim was made for an activity during the PUR on behalf of a child determined not to meet the criteria for title IV-E eligibility during the foster care episode. A sample case was cited as non-error with ineligible payment when a title IV-E payment for a maintenance claim cost was made for an activity solely outside the PUR on behalf of a child determined not to meet the criteria for title IV-E eligibility. A case also may have been cited as non-error with ineligible payment when the title IV-E eligibility criteria was fully met, but an unallowable title IV-E maintenance payment (e.g. for a duplicate payment; for an overpayment; or for any other unallowable program cost) was paid for an activity during or outside of the PUR. Any ineligible payments claimed for activities during the PUR are considered in the calculation of the dollar error rate for a secondary review. In addition, potential underpayments were identified for one sample case where it appears that an allowable title IV-E maintenance payment was not claimed by the State. The underpayments may still be claimed for an allowable title IV-E activity or a period of eligibility during the two-year filing period specified in 45 CFR §95.7.

CB and the State agreed that, subsequent to the onsite review, the State would have three weeks to submit additional documentation for three cases that during the onsite review were identified as being in undetermined status. Connecticut’s request for additional time was granted and, subsequently, the State submitted supplemental materials for those cases. The outcome of our review of those materials is reflected in the Case Record Summary provided below.

Compliance Finding

The review team determined that 144 of the 150 reviewed cases met eligibility requirements (i.e., were deemed non-error cases) for the PUR. Six (6) cases were determined to be in error for either part or all of the PUR, resulting in a case error rate of less than 10 percent. Because the case error rate did not exceed the threshold, it was not necessary to calculate the dollar error rate.

Based on these review findings, CB has determined that the Connecticut DCF title IV-E foster care program is found to be in substantial compliance with Federal eligibility requirements for the PUR. Substantial compliance in a secondary review is achieved when either the case error rate or dollar error rate does not exceed 10 percent. States are found not to be in substantial compliance with Federal title IV-E program requirements when both the case error rate and the

dollar error rate exceed 10 percent. The next review of Connecticut’s title IV-E eligibility program will be a primary review, conducted within three years from the date of the secondary review.

Three (3) non-error cases also were determined to be ineligible for title IV-E funding for a period of claiming. Although these cases are not considered “error cases” for determining substantial compliance, the ineligible maintenance payments and associated administrative costs are subject to disallowance.

Case Record Summary

The following charts record the error cases; non-error cases with ineligible payments; 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 Maintenance Payment FFP	Improper Administrative Payment FFP
42	Foster care provider was not fully licensed. (Relative foster home.) [§472(b) and (c) of the Act; 45 CFR §§1356.71(d)(1)(iv)and 1355.20] Ineligible: 4/21/11 – 5/5/11	\$13	\$0
47	Judicial determination of reasonable efforts to prevent removal is not attained [§472(a)(2)(A)(ii) of the Act; 45 CFR 1356.21(b)(1)] Ineligible: 6/12/09 - 8/31/11 (Entire Episode)	\$19,160	\$9,458
84	Foster care provider was not fully licensed. (Relative foster home.) [§472(b) and (c) of the Act; 45 CFR §§1356.71(d)(1)(iv)and 1355.20] Ineligible: 6/30/11 – 9/30/11	\$1,445	\$0
112	Child not in a licensed foster care placement; child on trial home visit and did not return to placement [45 CFR §§1356.60 and 1356.71(g)(2)] Ineligible: 8/12/11 - 8/31/11	\$539	\$0

113	Deprivation and financial need were not established for AFDC eligibility. [§472(a)(3) of the Act; and 45 CFR §1356.71(d)(1)(v)] Ineligible: 1/26/09 - 8/31/11 (Entire Episode)	\$22,006	\$13,298
121	Foster care provider was not fully licensed and criminal records check not completed on the prospective foster parent. (Child placing agency home.) [§472(b) and (c) of the Act; 45 CFR §§1356.71(d)(1)(iv)and 1355.20] Ineligible: 7/19/11 - 9/19/11	\$1,210	\$482
Subtotal:		\$44,373	\$23,238

Total: \$67,611

Non-error Cases with Ineligible Payments

Sample Number	Improper Payment Reason & Ineligibility Period	Improper Maintenance Payment FFP	Improper Administrative Payment FFP
3	No documentation verifying safety considerations with respect to staff of child care institution have been addressed [§471(a)(20) of the Act; 45 CFR 1356.30(f)] Ineligible: 4/6/09 - 5/1/09	\$2,477	\$465
38	Foster care provider was not fully licensed. [§472(b) and (c) of the Act; 45 CFR §§1356.71(d)(1)(iv) and 1355.20] Ineligible: 11/3/10 – 3/31/11	\$102	\$0
150	Foster care provider was not fully licensed. (Relative foster home.) [§472(b) and (c) of the Act; 45 CFR §§1356.71(d)(1)(iv)and 1355.20]	\$1,393	\$964

	Ineligible: 2/4/11 - 3/31/11		
	Subtotal:	\$3,972	\$1,429

Total: \$5,401

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 making eligibility and claiming decisions that are consistent with the Federal title IV-E foster care program requirements. 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 suggested corrective action the State should undertake.

Issue #1: Foster Care Provider License and Criminal Records Check

There were three (3) error cases and two (2) non-error cases with ineligible payments where children were placed with foster care providers that were not fully licensed. Of these cases, two (2) cases were found to be in error and one (1) case to be a non-error case with improper payments because the children were placed with unlicensed relatives, which made the children in these homes ineligible under title IV-E. In addition, one (1) case was found to be in error because the child was placed with a foster family home before the home had completed criminal background checks and been fully licensed. This home was overseen by a child-placing agency. Finally, one (1) of the above-listed error cases was also found to have improper payments, because foster care maintenance payments were made when the child was placed in a locked facility before the period under review.

Title IV-E Requirement: Consistent with Federal provisions at 45 CFR §1355.20 and §472(b) and (c) of the Act, to be eligible for title IV-E payments a child must be placed in a foster care facility that meets the standards for full licensure or approval established by the State where it is located.

Recommended Corrective Action: It is recommended that DCF enhance its eligibility monitoring procedures to ensure that title IV-E maintenance payments are not claimed for children placed with caregivers, including relatives, until the caregivers have been fully licensed. It is also recommended that DCF enhance its monitoring procedures to ensure that title IV-E maintenance payments are not claimed for children placed in foster homes overseen by child-placing agencies until criminal background checks have been completed and the foster homes are fully licensed.

Issue #2: Judicial determination of reasonable efforts to prevent removal

One case (1) was found in error because the court order removing the child from the home did not contain a judicial determination that reasonable efforts had been made to prevent removal of the child. Further, the State did not provide a subsequent court order within 60 days of the removal or court transcript documenting the reasonable efforts determination. Therefore, the child in this case is ineligible under title IV-E for the entire foster care episode.

Title IV-E Requirement: For a child judicially removed and placed in foster care on or after March 27, 2000, Federal provisions at §472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(b)(1) require a judicial determination to the effect that reasonable efforts be made “*prior to the placement of the child in foster care, to prevent or eliminate the need for removing the child from the child’s home*” [section 471(a)(15)(B)(i) of the Act]. If the judicial determination of “reasonable efforts to prevent removal” is not made within the first 60 days the child is in foster care, the child is ineligible from the beginning of the first month the child was ordered into foster care and remains ineligible for the entire episode that the child is in foster care.

Recommended Corrective Action: It is recommended that further training and support be provided to the judiciary and other court officials to document judicial determinations of reasonable efforts to prevent removal. It is also recommended that DCF conduct further training of eligibility staff and quality assurance activities to eliminate the authorization of IV-E payments prior to establishing compliance with these requirements.

Issue #3: Title IV-E Requirements Related to AFDC

In one (1) error case, title IV-E payments were made improperly because AFDC financial need and deprivation were not correctly determined. In this case, the State eligibility documentation described the father as absent. Other agency and court documentation indicated, however, that the father was living with the mother and working at the time of the child’s removal, and the agency did not determine that the AFDC unit met the requirements for the unemployed parent program.

Title IV-E Requirement: Consistent with §472(a)(3) of the Act and 45 CFR §1356.71(d)(1)(v) the State agency must establish that the child is financially needy and deprived of parental support or care using criteria in effect as of July 16, 1996 in the State’s title IV-A plan. The AFDC determination must be based upon the circumstances of the home of the specified relative from whom the child was removed.

Recommended Corrective Action: Additional training for eligibility staff related to making AFDC determinations in accordance with the State’s 1996 AFDC plan is recommended. Particular attention should be focused on ensuring that staff understand the “living with” and “removal from” requirements and the linkage to determining the AFDC removal home for title IV-E eligibility. The State should also enhance training around determination of financial need. Emphasis should be placed on ensuring that the income of both parents is included, when applicable, and that appropriate documentation is used as a reference for verifying eligibility (e.g., case notes, court orders, investigation reports, court petitions, income verification systems, etc.).

Issue #4: Trial Home Visit

One case (1) was found in error because title IV-E maintenance payments were made after the child had been returned home on a trial home visit.

Title IV-E Requirement: Federal regulations at 45 CFR §1356.60 set forth the fiscal requirements for title IV-E, including allowable costs for foster care maintenance payments.

Federal regulations at 45 CFR §1356.71(g)(2) explain the title IV-E review requirements for foster care provider eligibility. Consistent with these Federal requirements, the otherwise eligible child must be placed in a licensed foster family home, group home, private childcare institution, or public childcare institution which accommodates 25 or fewer children to qualify for title IV-E eligibility. As such, children placed in unlicensed foster family homes, detention facilities, forestry camps, training schools, or other facilities that operate primarily for detaining children adjudged delinquent are not eligible for title IV-E foster care maintenance payments.

Recommended Corrective Action: It is recommended that DCF augment its eligibility monitoring procedures to ensure that title IV-E maintenance payments are not claimed for children returned home on a trial home visit.

Issue #5: Documentation of Safety considerations for an in-State facility

One (1) non-error case lacked information that safety considerations were addressed satisfactorily for caretaker staff at an in-State group home facility for a period prior to the PUR. The child was placed in this facility prior to and during the PUR, and complete safety checks were documented for the PUR.

Title IV-E Requirement: Federal regulations at 45 CFR §1356.30(f) and 45 CFR §1356.71(g) require the licensing file for a child care institution to 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.

Recommended Corrective Action: The State is encouraged to maintain a system to ensure safety considerations have been met for all staff at childcare institutions at the time of licensure and re-licensure. A quality assurance review of childcare facility licensing records would assist in identifying any lapses in the necessary criminal background checks for staff at such facilities.

Program Strengths & Promising Practices

Improvements in the State's title IV-E foster care eligibility program were noted during this review. The following positive practices and processes have led to improved program performance and successful program operations:

- *Automation of title IV-E eligibility.* Connecticut's title IV-E eligibility process has been improved through modifications to the Statewide Automated Child Welfare Information System (SACWIS), known as LINK. This increased automation facilitates eligibility staff access to needed information and provides them with alerts to review children's eligibility at appropriate points in time. System improvements also support agency managers to conduct quality improvement activities to monitor and enhance the title IV-E eligibility and claiming process. In particular, reviewers observed improved access to licensing and criminal background check information; consistent use of automated AFDC eligibility worksheets; and system alerts to review title IV-E eligibility status at key points in time. For example, alerts are triggered when a provider license is due for

renewal; a judicial determination for a child is due; a child turns 18; or when a child is scheduled to graduate from high school.

- *Licensing and safety checks.* The DCF has improved the foster home and residential licensing process through implementation of the State's title IV-E Program Improvement Plan (PIP), resulting in licensing files that are generally complete with required title IV-E documentation. Except as noted above in the discussion on improperly-paid cases, DCF foster home and facility licenses were contained in the files, as well as criminal background checks for caretakers and facility staff. The DCF staff has worked to improve accurate and orderly record-keeping of licensing and safety check information. There were four exceptions found during this review, where children were placed in unlicensed foster family homes, as described above in the first recommendation for improvement. This and the other licensing issues identified previously should be considered for further development of the automated tools used for title IV-E eligibility.
- *Judicial determinations.* The DCF has improved the timeliness and documentation of judicial determinations through implementation of the State's title IV-E PIP, including improvements to court policies and practices. The title IV-E eligibility system was also enhanced to incorporate a new judicial interface, which notifies title IV-E eligibility workers about the status of required judicial determinations. The cases reviewed were generally found to have the required judicial determinations of contrary to the welfare of the child to remain in the home; reasonable efforts to prevent placement; and reasonable efforts to finalize the permanency plan. These findings are critical protections that must be afforded to all children and their families to assure that unnecessary removals are minimized and efforts are made to achieve permanency for children. With the one exception noted above, the judicial determinations were made within the required timeframes and sufficiently documented in the appropriate court orders for the cases reviewed.
- *AFDC determinations.* The cases reviewed were found, with the one exception noted above, to have the required determinations for AFDC. The State has maintained a reliable system for determining and documenting financial need and deprivation of parental support according to the State's July 16, 1996 guidelines for AFDC, as required for title IV-E eligibility determinations. Clear documentation of the basis for these determinations is included in the State's title IV-E eligibility worksheet. One challenge faced by Connecticut is determining AFDC eligibility for the month in which removal proceedings were initiated when there is a long delay between the date a petition for removal is filed and the child's physical removal, particularly when there is little or no agency effort to engage the family in services and prevent the child's removal after the petition is filed. It is recommended that DCF examine the appropriateness of pursuing a removal based on a petition filed many months earlier, in one case reviewed was the removal 14 months later, particularly when services are not actively provided to the child prior to placement.

Disallowance

A disallowance in the amount of \$48,345 in maintenance payments and \$24,667 in related administrative costs of FFP is assessed for title IV-E foster care payments claimed for the error cases and non-error cases with ineligible payments. The total disallowance as a result of this review is \$73,012 in FFP. The State also must identify and repay any ineligible payments that occurred for the error cases and other ineligible cases subsequent to the payments provided in the payment histories. No future claims should be submitted on these cases until it is determined that all eligibility requirements are met.

Next Steps

As part of the State's ongoing efforts to improve its title IV-E foster care eligibility determination process, CB recommends that DCF examine identified program deficiencies and develop measurable, sustainable strategies that target the root cause of problems hindering the State from operating a fully accurate foster care eligibility program. Appropriate corrective action should be taken in instances of noncompliance with Federal laws and regulations and to address general case management and documentation issues.