# State of Georgia
# Secondary Review
# Title IV-E Foster Care Eligibility
# Report of Findings for
# October 1, 2008 – March 31, 2009

## Introduction

During the week of September 14, 2009, the Children's Bureau (CB) of the Administration for Children and Families (ACF) conducted a secondary review of the State's title IV-E foster care program. The review was conducted in collaboration with the State of Georgia and was completed by a review team comprised of representatives from the State title IV-E agency, 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 Georgia'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 the State'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 September 11-15, 2006. Then, Georgia was determined not to be in substantial compliance with the title IV-E eligibility requirements for the period under review (PUR) of October 1, 2005 through March 31, 2006. Georgia submitted the required Program Improvement Plan (PIP) to correct the areas found to be deficient in its eligibility program for foster care. CB's approval of the PIP completion was based on the State's periodic reports of progress and final report of the planned improvements, which outlined the completion of the identified goals and action steps in the PIP. The PIP goals and activities included, but were not limited to, the following:

- Agency-generated court orders will use the State approved set of model court orders assuring proper determinations, dates, and documentation for compliance with title IV-E approval.
- Complete a review of court orders on 100% of open title IV-E cases where children have been in care for 12 months or longer.
- Title IV-E payments will only be made for children in foster care family homes in full approval status. All Department of Children and Family Services (DCFS) homes in approval status as of July 31, 2007 will be reviewed to ensure that they are in full approval status and comply with all safety checks in meeting the State's standards for certification as a foster care family home.
- Ensure correct budgeting procedures for items relative to Aid to Families with Dependent Children for title IV-E eligibility.

During the PIP implementation period, the State strengthened their court order documentation and involvement of the Court Improvement Project (CIP) in assisting judges in understanding title IV-E requirements and the fiscal impact to the State and on children in foster care. A review of court orders in 100% of open title IV-E cases where children had been in care for 12 months or longer was completed. The DFCS Court Order Denial Report detailed the fiscal impact of a child's denial for title IV-E eligibility due to written court orders that did not meet the agency's standards for compliance. This impact was presented to judges by DFCS County Directors, State office agency staff, and CIP

staff. The agency and CIP continued to monitor the orders prepared by court personnel with additional emphasis on permanency findings. Training also was provided. These efforts resulted in improved documentation overall in the court orders in the secondary review sample. Most court orders contained extensive details, but in some cases the court orders included language that did not always match the current circumstances of the case. Judicial findings pertaining to the removal were explicit in many cases with lists of reasons why it was contrary to the child's welfare to remain in the home and specific actions the State agency did to prevent removal. Five (5) cases were found to be in error in the secondary review for reasons pertaining to judicial determinations, and six (6) cases outside of the PUR were found to have ineligible payments due to issues related to the State's compliance with the judicial determination requirements.

The foster home policy related to placement in a fully-licensed home or facility was clarified and incorporated into social services training. All DFCS homes in approval status as of July 31, 2007 were reviewed to ensure that they were in full approval status and complied with all safety checks. However, five (5) cases in the secondary review were found to be in error during the PUR, and one (1) case outside of the PUR was found to have ineligible payments due to issues with licensure and/or safety.

To assure correct budgeting procedures for AFDC-relatedness for title IV-E eligibility, the State reviewed its eligibility process and provided "AFDC-Relatedness" training to staff. Revenue maximization supervisors and a dedicated review team completed a 100% first level review and 20% second level review of 2,600 cases identified as being title IV-E eligible and corrective actions were completed. In the secondary review, seven (7) cases were found to be in error during the PUR due to issues with AFDC eligibility. These ineligible cases were identified by the State's internal review team prior to the onsite title IV-E eligibility review, but not before the State received the title IV-E review sample from CB.

## Scope of the Review

The secondary review encompassed a sample of the State's foster care cases that received a title IV-E maintenance payment during the 6-month PUR of October 1, 2008 through March 31, 2009. A computerized statistical sample of 255 cases (150 cases plus 105 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 which consisted of 120 cases from the original sample plus 30 oversample cases. Thirty (30) cases were excluded from the original sample either because no title IV-E maintenance payment was made during the PUR or because the payment was returned to the Federal government prior to the State's receipt of the review sample. 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 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 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 that 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 date of activity in the PUR for which title IV-E maintenance was paid. 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 itle 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. Based on the supplemental documentation, sample cases 14, 15, 18, 19, 23, 62, 63, 72, 98, 99, 105, 111, 113, 124, 126, 133, 141, 147, 156, 158, 159, and 172 were re-designated non-error cases.

## Compliance Finding

The review team determined that 135 of the 150 cases met eligibility requirements (i.e., were deemed non-error cases) for the PUR. Fifteen (15) cases were in error for either part or all of the PUR resulting in a case error rate of 10 percent. In addition, seven (7) non-error cases were ineligible for Federal funding for a period of claiming and one case (included in the fifteen error cases above) also had ineligible payments outside the PUR for reasons unrelated to the error finding. Because the case error rate did not exceed the threshold, it was not necessary to calculate the dollar error rate.

Based on the review findings, CB has determined that Georgia's Department of Human Resources' title IV-E foster care program is 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, which will be a primary review, will be held within three years.

## 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) |
|---|---|---|
| # GA-2 | State agency responsibility for placement/care not maintained for the entire time that the child is in an out-of-home placement during the PUR §472(a)(2)(B) of the Act; 45 CFR §1356.71(d)(l)(iii)]<br>Ineligible: 02/21/2009 – 03/16/2009 | $248 Maint.<br>$629 Admin. |
| # GA-31 | Judicial determination of contrary to the welfare not attained [§471(a)(15)(B)(i) and §472(a)(1) of the Act; 45 CFR §1356.21(c)]<br>Ineligible: Entire Foster Care episode: 10/10/2006 – 04/30/2009 | $17,428 Maint.<br>$23,028 Admin. |
| # GA-33 | Foster care provider not licensed for foster care during the child's placement that falls within the PUR [§472(b) and (c) of the Act; 45 CFR §1356.71(d)(l)(iv). 1355.20]<br>Ineligible: 06/23/2008 – 01/08/2009<br>Safety requirements of foster care provider not met [45 CFR §1356.30(f)]<br>Ineligible: 06/23/2008 – 01/08/2009 | $63 Maint.<br>$5,074 Admin. |
| # GA-41 | Foster care provider not licensed during the child's placement that falls within the PUR [§472(b) and (c) of the Act; 45 CFR §1356.71(d)(l)(iv). 1355.20]<br>Ineligible: 07/25/2008 – 12/07/2008 | $7,004 Maint.<br>$5,706 Admin. |
| # GA-44 | Initial AFDC eligibility of financial need not met - RSDI payment exceeded the State's income standard [§472(a)(1) and (4) of the Act; 45 CFR §1356.71(d)(l)(v)]<br>Ineligible: 05/09/2006 – Current | $8,826 Maint.<br>$28,816 Admin. |
| # GA-45 | Safety requirements of foster care provider not met [45 CFR §1356.30(f)]<br>Ineligible: 08/05/2008 – 10/02/2008 | $3,399 Maint.<br>$1,475 Admin. |
| # GA-50 | Judicial determination of contrary to the welfare not attained [§471(a)(15)(B)(i) and §472(a)(1) of the Act; 45 CFR §1356.21(c)]<br>Ineligible: Entire Foster Care episode: 01/21/2009 – 01/25/2009 | $177 Maint.<br>$124 Admin. |
| # GA-57 | Judicial determination of contrary to the welfare not attained [§471(a)(15)(B)(i) and §472(a)(1) of the Act; 45 CFR §1356.21(c)]<br>Ineligible: Entire Foster Care episode: 07/03/2007 – Current<br>Safety requirements of foster care provider not met [45 CFR §1356.30(f)]<br>Ineligible: 12/10/2008 – Current | $34,709 Maint.<br>$16,901 Admin. |

| | | |
|---|---|---|
| | Foster care provider not licensed during the child's placement that falls within the PUR [§472(b) and (c) of the Act; 45 CFR §1356.71(d)(l)(iv). 1355.20]<br>Ineligible: 12/10/2008 – Current | |
| # GA-76 | Initial AFDC eligibility of financial need not met - parent's income exceeded the State's income standard [§472(a)(1) and (4) of the Act; 45 CFR §1356.71(d)(l)(v)]<br>Ineligible: 01/30/2009 – Current | $2,098 Maint.<br>$4,709 Admin. |
| # GA-88 | Judicial determination regarding the child's best interest within 180 days of the placement through a voluntary placement agreement not attained [§472(d)(e) and (f) of the Act; 45 CFR §1356.21(b)(2)]<br>Ineligible: 09/01/2008 – 05/06/2009 | $3,296 Maint.<br>$6,364 Admin. |
| # GA-109 | Initial AFDC eligibility of financial need not met - parent's income exceeded the State's income standard [§472(a)(1) and (4) of the Act; 45 CFR §1356.71(d)(l)(v)]<br>Ineligible: 03/26/2008 – Current<br>Foster care providers not licensed during the child's placement that falls within the PUR [§472(b) and (c) of the Act; 45 CFR §1356.71(d)(l)(iv). 1355.20]<br>Ineligible: 03/26/2008 – Current | $17,377 Maint.<br>$11,746 Admin. |
| # GA-114 | Initial AFDC eligibility of financial need not met - parent's income exceeded the State's income standard [§472(a)(1) and (4) of the Act; 45 CFR §1356.71(d)(l)(v)]<br>Ineligible: 06/11/2008 – Current | $18,910 Maint.<br>$9,798 Admin. |
| # GA-166 | Initial AFDC eligibility of financial need not met - parent's income exceeded the State's income standard [§472(a)(1) and (4) of the Act; 45 CFR §1356.71(d)(l)(v)]<br>Ineligible: 09/03/2007 – 04/30/2009 | $4,636 Maint.<br>$15,277 Admin. |
| # GA-177 | Initial AFDC eligibility of financial need not met - parent's income exceeded the State's income standard [§472(a)(1) and (4) of the Act; 45 CFR §1356.71(d)(l)(v)]<br>Ineligible: 05/08/2008 – 11/01/2008 | $1,828 Maint.<br>$4,445 Admin. |
| # GA-183 | AFDC requirement, removal from the home of a specified relative, not met [§472(a)(1)&(4) of the Act; 45 CFR §1356.21(k)(l)]<br>Ineligible: 12/04/2007 – Current | $34,010 Maint.<br>$15,335 Admin. |

**Total: $303,436**

**Cases with Ineligible Payments**

| Sample Number | Improper Payment Reason & Ineligibility Period | Improper Payments (FFP) |
|---|---|---|
| # GA-8 | Judicial determination of reasonable efforts to finalize permanency plan not attained [§472(a)(2)(A)(ii) of the Act; 45 CFR §1356.21(b)(2)]<br>Ineligible: 04/01/2008 – 07/31/2008 | $1,447 Maint.<br>$3,056 Admin. |
| # GA-18 | Judicial determination of reasonable efforts to finalize permanency plan not attained [§472(a)(2)(A)(ii) of the Act; 45 CFR §1356.21(b)(2)]<br>Ineligible: 04/01/2009 – Current | $7,578 Maint.<br>$3,108 Admin. |
| # GA-26 | Foster care maintenance payment made for one day in the month prior to judicial finding of "contrary to the welfare" and "reasonable efforts to prevent removal" [45 CFR 1356.21]<br>Ineligible: 11/30/2005 | $9 Maint.<br>$22 Admin. |
| # GA-50 | Safety requirements of foster care provider not met [45 CFR §1356.30(f)]<br>Ineligible: 08/17/2007 – 02/28/2008 | $1,987 Maint.<br>$4,935 Admin. |
| # GA-65 | Judicial determination of reasonable efforts to finalize permanency plan not attained [§472(a)(2)(A)(ii) of the Act; 45 CFR §1356.21(b)(2)]<br>Ineligible: 07/01/2007 – 10/31/2007 | $2,795 Maint.<br>$2,921 Admin. |
| # GA-120 | Foster care maintenance payment made for one day in the month prior to judicial finding of "contrary to the welfare" and "reasonable efforts to prevent removal" [45 CFR 1356.21]<br>Ineligible: 01/31/2008 | $12 Maint.<br>$25 Admin. |
| # GA - 144 | State agency responsibility for placement/care not maintained for the entire time that the child is in an out-of-home placement [§472(a)(2)(B) of the Act; 45 CFR §1356.71(d(l)(iii)]<br>Ineligible: 02/23/2008 – 02/28/2008 | $63 Maint.<br>$158 Admin. |
| # GA - 179 | Foster care provider not licensed during the entire period of the child's placement [§472(b) and (c) of the Act; 45 CFR §1356.71(d)(l)(iv) 1355.20]<br>Ineligible: 01/10/2008 – 01/31/2008 | $229 Maint.<br>$542 Admin. |
| | | **Total: $28,888** |

## 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: *Lack of Judicial Determinations Regarding Contrary to the Welfare*. Three (3) cases were in error because the judicial requirement of "contrary to the welfare" was not satisfactorily met. For a judicial removal, there must be a determination to the effect that continuation in the home would be contrary to the child's welfare or that the placement is in the child's best interest. The judicial determination must be made in a valid court order that includes language to the effect that the required finding is rendered.

Title IV-E Requirement: For a child who is judicially removed and placed in foster care, Federal provisions at §471(a)(15)(B)(i); §472(a)(1) and 45 CFR §1356.21(c) require the State to obtain a judicial determination of "contrary to the welfare." A child's removal from the home must have been the result of a judicial determination (unless the child was removed pursuant to a voluntary placement agreement) to the effect that continuation of residence in the home would be contrary to the welfare, or that the placement would be in the best interest, of the child. For a child removed on or after March 27, 2000, the contrary to the welfare determination must be made in the first court ruling that sanctions (even temporarily) the removal of a child from home. If the determination regarding contrary to the welfare is not made in the first court ruling pertaining to removal from the home, 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 develop and implement procedures to ensure timely judicial determinations of "contrary to the welfare." The accuracy and reliability of eligibility determinations generally are increased through training of the judiciary and other court officials to correct delays in judicial findings as well as to secure court orders that reflect title IV-E criteria on legal authority, best interests, and reasonable efforts. Staff training will help to ensure that workers make eligibility decisions based on the elements needed for compliance and to eliminate the authorization of payments prior to establishing compliance with the requirements.

Issue #2: *Lack of Timeliness of Judicial Determinations Regarding Reasonable Efforts to Finalize a Permanency Plan.* Three (3) non-error cases had ineligible payments outside of the PUR because the judicial requirement of "reasonable efforts to finalize a permanency plan" was not satisfactorily met.

Title IV-E Requirement: For a child who is judicially removed and remains in foster care for 12 months or more, Federal provisions at §472(a)(2)(A) of the Act and 45 CFR §1356.21(b)(2) require the State to obtain a judicial determination of whether the State made "reasonable efforts to finalize a permanency plan" for the child. The judicial finding must occur at regular 12-month intervals for the duration of the foster care episode and no later than 12 months from the month in which the prior determination is obtained. If the judicial determination of "reasonable efforts to finalize" is not made or is not timely, the child becomes ineligible from the beginning of the first month after it is due and remains ineligible until the judicial determination is made.

Recommended Corrective Action: The requisite judicial determination need not be tied to a permanency or other court hearing. The judicial determination may be rendered by the court at any point during the 12-month period. The State should continue to develop and implement procedures to ensure timely judicial determinations of reasonable efforts to finalize the permanency plan regardless of the timing of the permanency hearing. The accuracy and reliability of eligibility determinations generally are increased through training of the judiciary and other court officials to correct delays in judicial findings as well as to secure court orders that reflect title IV-E criteria on legal authority, best interests, and reasonable efforts. The State and CIP should continue efforts to improve the Court's documentation of judicial decisions in orders to meet title IV-E requirements. Further staff training will help to ensure that workers make eligibility decisions based on the elements needed for

compliance and to eliminate the authorization of payments prior to establishing compliance with the requirements.

Issue #3: *Lack of Judicial Determination Regarding Child's Best Interest in Voluntary Placement.* One (1) case was in error because the judicial requirement of a judicial determination regarding the child's best interest, within 180 days of the placement through a voluntary placement agreement, was not met. The judicial determination must be made in a valid court order that includes language to the effect that the required finding is rendered.

Title IV-E Requirement: In the case of any child who was removed from his or her home pursuant to a voluntary placement agreement and has remained in voluntary placement for a period in excess of 180 days, Federal provisions at §472(d), (e) and (f) of the Act and 45 CFR §1356.21(b)(2) require a judicial determination by a court of competent jurisdiction (within the first 180 days of such placement) to the effect that such placement is in the best interest of the child. If the determination regarding best interest is not made within the first 180 days of such placement, the child is not eligible for title IV-E foster care maintenance payments beginning the 181st day of placement through the remainder of the stay in foster care during that episode.

Recommended Corrective Action: The State and CIP should continue to develop and implement procedures to ensure timely judicial determinations regarding best interest within the first 180 days of voluntary placements. Further, staff training on this requirement will help to ensure that workers make eligibility decisions based on the elements needed for compliance and to eliminate the authorization of payments prior to establishing compliance with the requirements.

Issue #4: *State Agency Responsibility for Placement/Care Not Maintained.* One (1) case was in error during the PUR and one (1) case had ineligible payments outside of the PUR because the State agency did not maintain responsibility for placement and care for the entire time that the child was in an out-of-home placement. In these cases, the court issued orders with expiration dates, creating lapses in the agency's legal authority for the placement of children in its care when the subsequent orders were not completed timely to extend placement authority.

Title IV-E Requirement: For a child who is removed and placed in foster care, Federal provisions at §472(a)(2)(B) of the Act and 45 CFR §1356.71(d(l)(iii) require that responsibility for placement and care be vested with the State agency for the entire time that the child is in an out-of-home placement.

Recommended Corrective Action: The State and CIP should continue to develop and implement procedures to ensure timely court orders that maintain responsibility for placement and care with the State agency. The practice of including expiration dates on court orders should be evaluated for its impact on issues related to the state agency having children in its care without the authority to do so. The State agency should put in place measures to prevent or eliminate the authorization of claims for title IV-E payments on behalf of children who are not under the placement and care authority of the State title IV-E agency.

Issue #5: *Child placed in a licensed foster care facility.* Four (4) cases were in error and one (1) non-error case had ineligible payments because title IV-E foster care maintenance payments were made for a child placed in a foster family home that was not fully licensed. In one (1) error case, the provider was approved only for adoption, not foster care. In the other ineligible cases, documentation of the foster home approval was not provided. The State agency must document that the child's foster care placement is fully licensed or approved in order for the child to be eligible under title IV-E. Federal

financial participation (FFP) may not begin until the first day of the month in which full compliance with the State's licensing standards are met. Reviewers found it exceedingly difficult to determine that the State satisfactorily documented foster homes met the State's requirements for full licensure/approval during the PUR as required for title IV-E eligibility. Inconsistencies in the monitoring processes and documentation for licensing/approval of foster care providers resulted in the need for the State to submit a great amount of additional documentation following the onsite review and these inconsistencies raised eligibility and safety issues.

In several cases in the sample, the child was placed in a foster home approved by a child-placing agency (CPA) and there were periods when the foster home had not received an annual re-evaluation, as required by the State. Under Georgia's licensing policy, these family foster homes are approved by the CPAs, not by the State licensing authority, the Office of Residential Child Care (ORCC). The ORCC does not grant or remove an approval for these homes. The ORCC establishes the licensure process for CPAs and each CPA sets the policy on the approval process for foster homes under the CPA's supervision. If a family foster home did not receive its required annual re-evaluation, ORCC would cite the CPA but would not take any action against the individual home. The response to the ORCC citation would be up to the individual agency. However, repeat citations may (or may not) lead to corrective or adverse action for the CPA license. State licensure provisions permit CPA licenses to continue in perpetuity unless official action is taken to suspend or terminate the license. The licensing provisions, however, do not require the CPA to establish policies on determining the approval status for re-certifications that are not completed timely. The decision to do so is left up to each agency. The required annual re-evaluations of the foster homes were not completed timely and there were gaps in the approval periods. Many cases reviewed had incomplete, missing or conflicting documentation. These issues raised the question of whether children are placed in foster homes not approved for the entire time the children are in the homes, creating the potential for children to be placed in unsafe situations.

Another issue found with foster home approvals was the lack of a signature on approval letters, which caused questions about whether the letters were official evidence of approval. We understand that new policy now is in place to ensure that all approvals are signed by the approving authority. Numerous discussions between CB and the State (during and after the onsite review) were necessary to obtain documentation that sufficiently substantiated the full approval status of the family foster home for the period in question.

Based on the extent of the practice issues surrounding licensure identified during the onsite review, we strongly recommend that the State complete a full evaluation and implement program improvement strategies to strengthen the licensure process to ensure more effective monitoring of CPAs' compliance with State policies and requirements. Unclear policy on, and inconsistent monitoring of, foster homes under the supervision of CPAs present serious concerns for the safety of children placed in the homes.

Title IV-E Requirement: Federal provisions at §472(c) and 45 CFR §1356.71(g) and 1355.20 require that the child's foster care setting be fully licensed or approved in accordance with the State's licensing standards. For the title IV-E eligibility review, the State must provide sufficient information to support FFP for a child's foster care placement.

Recommended Corrective Action: The State should continue to develop and implement procedures to ensure that each foster care provider is fully licensed prior to claiming title IV-E foster care maintenance payments for a child's placement. For the CPA foster homes, the State needs to develop clear policies and procedures, with specific compliance standards, that will enable consistent and

regular monitoring of the implementation of the State's licensing/approval requirements. This will ensure full accountability by contracted providers of foster care placements. According to the State's licensing policy, eligible foster care placements are given continuing licenses that do not have an end date, which means the license is valid unless action is taken to revoke or suspend the license or the license is voluntarily relinquished. Because these licenses are in perpetuity, the State is strongly urged to diligently conduct periodic and timely monitoring of foster care placements. As stated above, staff training will help to ensure that workers make eligibility decisions based on the elements needed for compliance and to eliminate the authorization of payments prior to establishing compliance with the requirements.

Issue #6: *Safety requirements of foster care provider not met.* Three (3) cases were in error, one (1) of which also had ineligible payments outside of the PUR because title IV-E foster care maintenance payments were made for a child placed in the care of a foster care provider for which the safety requirements were not fully met. In these cases, the title IV-E payment was made for a period prior to safety requirements being met. We are concerned that in these cases the State did not adhere to its policy requirements regarding the completion of the criminal records check clearances in that they either were completed after the child's placement in the home, after the onsite 2009 Federal title IV-E Eligibility Review, or were not completed at all.

The State agency must document the results of criminal records checks and compliance with safety requirements during the PUR. Documentation of compliance must be provided even when the foster care is administered by a CPA. Title IV-E foster care maintenance payments may not be made for a child placed in a foster family home or childcare institution that does not meet the safety requirements of the State. Inconsistent processes for criminal records checks, resulting in the lack of appropriate documentation that foster homes met the State's safety requirements as required for IV-E eligibility, raised the question of whether children are placed in unsafe foster homes.

Title IV-E Requirement: Federal provisions at 45 CFR §1356.30(f) require the State to provide documentation that criminal records checks have been conducted with respect to prospective foster parents. Documentation of compliance must be provided even when the prospective foster home is administered by a CPA. In order for a childcare institution to be eligible for title IV-E funding, the licensing file for the institution must contain documentation which verifies that safety considerations with respect to the staff of the institution have been addressed. For the title IV-E eligibility review, the State must provide sufficient information to support FFP for a child's foster care placement.

Recommended Corrective Action: The State should continue to develop and implement procedures to ensure that each foster care provider's records contain all safety-related documentation as required by State policy. We strongly recommend that the State establish a procedure to monitor the child-placing agencies' and childcare institutions' timely implementation of background checks for their foster parents and staff in accordance with State requirements. This issue presents a serious safety concern that must be promptly and thoroughly addressed.

Issue #7: *AFDC requirements related to financial need or removal from home of specified relative not met.* Six (6) cases were in error because title IV-E foster care maintenance payments were made for a child whose parent(s) had income that was not considered in the initial eligibility determination. The State's reconstruction of the budgetary computations for each case determined financial need was not met because the total income, less mandatory deductions, that was available to the AFDC assistance unit exceeded the State's income standard. One (1) case was in error because title IV-E foster care maintenance payments were made for a child for whom the requirement of removal from the home of a

specified relative was not met. In this case, legal custody of the child had been given to a non-relative well over a year prior to the child's placement in foster care. Staff is not consistently making correct eligibility determinations or documenting within the eligibility files their verification of unearned income, employment income, parental deprivation, or removal from the home of a specified relative.

Title IV-E Requirement: Title IV-E eligibility, under §472(a)(3) and 45 CFR §1356.71(d)(1)(v), requires the State to document that financial need, and deprivation of parental support or care, were established based on the circumstances in the specified relative's home from whom the child was legally removed according to the requisite judicial findings or a voluntary placement agreement. In addition to meeting the financial need and deprivation requirements, the child must have lived with the specified relative, as defined in 45 CFR §233, at some point within six months of removal through a court order or voluntary placement agreement. AFDC requirements related to title IV-E must be met in the month of, but prior to, the initiation of the removal proceedings.

Recommended Corrective Action: The State should continue to develop and implement procedures to ensure that complete documentation, as well as efforts to obtain and/or verify documentation, of all of the AFDC-related requirements for title IV-E eligibility is included in every case at both initial and redeterminations of eligibility. This will include, but is not limited to, when the child last lived with the specified relative, employment of the specified relative, income, and deprivation. Timely redeterminations will ensure that title IV-E funds are not claimed for children who no longer meet the title IV-E eligibility requirements.

Issue #8: *Payments made prior to child becoming title IV-E eligible.* Two (2) non-error cases had ineligible payments because title IV-E foster care maintenance payments were made for one (1) day in the month prior to the judicial findings of "contrary to the welfare" and "reasonable efforts to prevent removal."

Title IV-E Requirement: For a child who is judicially removed and placed in foster care, Federal provisions at 45 CFR 1356.21 require the State to obtain a judicial determination of "contrary to the welfare" and "reasonable efforts to prevent removal." Title IV-E payments are not allowable until both of these requirements are met for an otherwise eligible child.

Recommended Corrective Action: The State should continue to develop and implement procedures and provide staff training to ensure that workers make eligibility decisions based on the elements needed for compliance and to eliminate the authorization of payments prior to establishing compliance with the requirements.

## Program Strengths & Promising Practices

Centralized Eligibility Unit: To improve program performance and successful program operations, Georgia has centralized in a specialized unit the determination and redetermination of title IV-E eligibility. The State agency's centralized eligibility unit was put in place to manage the eligibility determination process by overseeing the tracking and monitoring of title IV-E eligibility determination and documenting compliance. We understand that following the 2009 Federal review this unit has established a new quality assurance process whose activities should improve the accuracy rate of eligibility determinations. We recommend that staff in the unit work with field offices, courts, the State agency licensing staff, and State agency fiscal officials to assure required actions and supporting paperwork are completed timely and that title IV-E claims are submitted only for those cases meeting

all applicable requirements. These efforts should be instrumental in reducing the number and proportion of title IV-E claims for cases not documented as meeting the eligibility criteria.

Court Orders: To address the lack of sufficient findings in court orders, we commend the previous joint efforts by the State title IV-E agency and the CIP to make improvements. These efforts include training, review of court orders to ensure they adequately address the essential elements, the Court Order Denial Report, and involvement of the CIP in assisting judges in understanding title IV-E requirements and their implications for promoting safety, permanency and well-being for children in out-of-home placements, as well as understanding the fiscal impact to the State when the requirements are not met. Reviewers found that overall court orders had improved since the last title IV-E eligibility review. As stated above, the court orders generally contained detailed documentation and child-specific findings. However, there were some cases with conflicting information between court orders, such as incorrect dates and the case plan goal not matching the most current permanency plan in the case.

AFDC Redeterminations: Although there were six (6) cases with improper payments related to AFDC eligibility, reviewers found the eligibility staff completed redeterminations of AFDC eligibility in a timely manner and correctly changed cases to non-title IV-E eligible when errors were discovered in the initial determination process. There is improved documentation of the eligibility process now as well.

## Disallowance

A disallowance in the amount of $154,009 in maintenance payments and $149,427 in related administrative costs of FFP is assessed for title IV-E foster care payments claimed for the fifteen (15) error cases. Additional amounts of $14,121 in maintenance payments and $14,767 in related administrative costs of FFP are disallowed for title IV-E foster care payments claimed improperly for the seven (7) non-error cases and one case (included in the fifteen error cases above) also had ineligible payments for another reason. These additional findings were not considered in the determination of the State's substantial compliance with the Federal requirements. The total disallowance as a result of this review is $332,324 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

As part of the State's ongoing efforts to improve its title IV-E foster care eligibility determination process, CB recommends Georgia examine identified program deficiencies and develop measurable, sustainable strategies that target the root cause of problems hindering the State from operating a more accurate foster care eligibility program. Appropriate corrective action should be taken in instances of noncompliance with Federal laws and regulations. CB's Regional Office is available for technical assistance to assist the State in making needed improvements.