

**ILLINOIS TITLE IV-E  
FOSTER CARE ELIGIBILITY REVIEW  
REVIEW PERIOD OCTOBER 30, 2003 – MARCH 31, 2004**

**INTRODUCTION**

During August 16-19, 2004, staff from the Central and Regional Offices of the Administration for Children and Families (ACF) and the Illinois Department of Children and Family Services (DCFS) conducted an eligibility review of the Illinois title IV-E foster care program in Chicago.

The purposes of the title IV-E foster care eligibility review were to determine if Illinois was in compliance with the child and provider eligibility requirements as outlined in section 1356.71 of Title 45 of the Code of Federal Regulations (CFR) and section 472 of the Social Security Act (Act) and to validate the basis of the Illinois financial claims to assure that appropriate payments were made on behalf of eligible children to eligible foster care providers.

**SCOPE OF THE REVIEW**

The Illinois title IV-E foster care eligibility review encompassed a sample of all of the title IV-E foster care cases that received a foster care maintenance payment during the period October 1, 2003 through March 31, 2004. A computerized statistical sample of 100 cases (80 cases plus an oversample of 20) was drawn from the Adoption and Foster Care Analysis and Reporting System (AFCARS) data for the period under review and transmitted by DCFS to ACF. During the on-site portion of the review, the child's case file was reviewed for the determination of title IV-E eligibility and the provider's file was reviewed to ensure that the foster home or child care institution in which the child was placed was licensed or approved for the period of the review.

During the primary review, 80 cases were reviewed. Illinois did not submit any additional information on cases that were deemed to be error cases at the conclusion of the on-site. Based upon the results of the on-site, four cases were determined to be in error for either part or all of the period under review and two cases were found to have received ineligible payments. Since the number of error cases was less than five, ACF has determined that Illinois is in substantial compliance with the child and provider eligibility requirements for the period under review. Because Illinois was found to be in substantial compliance, a secondary review will not be required. The next primary review must be held in three years.

**CASE RECORD SUMMARY**

This section summarizes each error case and ineligible payment along with providing the appropriate citations from the Act and the CFR. Enclosure B also lists the dollar amounts associated with the errors and the ineligible payments.

**Error Cases**

- Sample number 13 involved a court-ordered removal from the home. A judicial determination regarding reasonable efforts to finalize the permanency plan was last made on September 24, 2002 and a subsequent judicial determination was due within 12 months or by September 23, 2003. No information has been provided that indicates that such a determination was done. Title IV-E ineligibility begins at the end of the month in which the subsequent judicial determination of reasonable efforts was due. A case remains ineligible until a judicial determination that addresses reasonable efforts to finalize the permanency plan is made. In this case, ineligibility began in October 2003 and continues. The total FFP disallowance is \$3,905. [section 471(a)(15)B(ii) of the Act & 45 CFR 1356.21(b)(2)]
- In sample number 21, the child was removed from the home in December 2003 and was placed in an unlicensed relative placement and remained in that home for a portion of January 2004. The payment history indicates that \$59.10 was claimed against the title IV-E foster care maintenance program for January 2004. There was no information provided that an adjustment to the title IV-E claim was made prior to the review sample being transmitted to DCFS on June 18, 2004. One ineligible maintenance payment totaling \$30 in FFP was made on this case. No ineligible administrative costs were calculated as States may continue to claim FFP for the administrative costs associated with an otherwise title IV-E eligible child placed in an unlicensed foster family home pending the issuance of a Final Rule. [section 472(c)(1) of the Act; 45 CFR 1355.20; ACYF-CB-PI-02-08]
- In sample number 23, the child was removed from home on June 24, 2002. The judicial determination that reasonable efforts to prevent removal were made (or were not required) must occur no later than 60 days from the date of the child's removal from home. If a reasonable efforts judicial determination was not made within the required time frames, the child is ineligible for title IV-E for the entire foster care episode. Neither the June 26, 2002 court order nor the transcript for that hearing indicate that this requirement had been met. The total FFP disallowance is \$9,536. [sections 471(a)(15)B(i) & 472(a)(1) of the Act; 45 CFR 1356.21(c)]
- Sample number 74 involved a court-ordered removal from the home that did not have the required judicial determination regarding the reasonable efforts to finalize a child's permanency plan. The child was placed in Texas, with an interim adoption order. An October 15, 2002 judicial determination indicated

that the services contained in the case plan were inappropriate and not reasonably calculated to facilitate the achievement of the permanency plan because there were no permanency tasks and services addressed. In addition, the order indicated that the selected goal of adoption cannot be immediately achieved because the home study and subsidy were never done to complete the adoption. The order also indicated that there was insufficient current information to determine whether reasonable efforts to finalize the permanency plan were or were not made. A reasonable efforts to finalize the permanency plan determination did occur in July 2004. Ineligibility based on the lack of a judicial determination regarding reasonable efforts to finalize the permanency plan begins in November 2002 and continues through June 2004. The total FFP disallowance is \$7,277. [section 471(a)(15)B(ii) of the Act & 45 CFR 1356.21(b)(2)]

### **Ineligible Payments**

An ineligible payment occurs whenever a title IV-E eligibility criteria is not met and title IV-E funds were claimed for foster care maintenance payments in a time period that occurs outside the period under review and does not affect an eligibility criteria related to the child's entry into foster care. A FFP disallowance that includes related administrative costs is to be assessed for all ineligible payments that are identified during the review.

- In sample number 44, the child was eligible for the title IV-E program based on the child's parents being unemployed. As the earned income of the parents exceeded the AFDC program limit for the January through March 2002 quarter, the child was ineligible for the title IV-E payments received for that quarter. Although the case was annotated for an FFP adjustment in March 2004, information was not provided that an adjustment to the title IV-E claim was made prior to the review sample being transmitted to DCFS on June 18, 2004. The total FFP disallowance is \$2,384. [section 472(a)(4) of the Act & 45 CFR 1356]
- In sample number 72, the child's removal from the home was court-ordered. A judicial determination regarding reasonable efforts to finalize the permanency plan was held on May 8, 2002 and a subsequent judicial determination was due within 12 months or by May 7, 2003. This determination was not made until October 9, 2003. Since the determination was made in October 2003, the requirement was met for the period under review and the case was determined not to be an error case. The period of ineligibility is from June 2003 through September 2003. The total FFP disallowance is \$2,862. [section 471(a)(15)B(ii) of the Act & 45 CFR 1356.21 (b)(2)]

## AREAS OF CONCERN

Although Illinois is not required to develop a program improvement plan as it in substantial compliance, we recommend that Illinois address the following in order to prepare for future reviews:

- As two of the errors (sample numbers 13 & 74) and one of the ineligible payments (sample number 72) were caused by not meeting the reasonable efforts to finalize the permanency plan requirements, we recommend that DCFS work closely with the Administrative Office of the Illinois Courts as the State Court Improvement Program grantee on enhancing this requirement.
- In two cases, Illinois' legacy management information system either did not prevent the issuance of erroneous payments or make the necessary adjustments to issued payments. In sample number 21, an error occurred when title IV-E foster care maintenance was claimed even though the existing Management Information System (MIS) indicated that the child was in an unapproved relative placement. In sample number 44, an adjustment to the title IV-E claim was not made even though the ineligible payment was identified in March 2004. The State should consider both short term and longer term solutions to implement fiscal controls. A short term solution could involve the Eligibility Determination Unit (EDU) and the Title IV-E Claiming Unit in determining whether stop payments and repayments are occurring. A longer term solution would be to address this issue within the accounts receivable and payable functions of the Statewide Automated Child Welfare Information System.
- As illustrated through the missing documentation that had to be obtained subsequent to the on-site portion of the review associated with sample number 74, a process for documenting that the criminal records checks requirements are met when a license is granted by another State may warrant exploration and development.
- In some cases, the narrative portion of the court order stated that the findings were "as stipulated in the petition." Although located for all of the applicable cases during the review, the petition was not always attached to the court order. Further efforts to ensure consistency in practice across Illinois may be warranted.
- Although DCFS maintained responsibility for the placement and care of the child, there were several cases in which the child returned home to the custodial parent. In instances where this occurs, model court orders could be developed to more clearly articulate responsibilities for placement and care versus physical custody.
- In answering question nine on the review instrument, DCFS typically used the temporary custody judicial determination date as the date the child entered

foster care. Consistent with the Federal requirements, the review team recorded the date the child is considered to have entered foster care, that is, the earlier of a judicial finding of abuse or neglect or 60 days from the date the child is physically or constructively removed from home. DCFS may use an earlier date, such as the date the child is physically removed from home. However, for title IV-E eligibility purposes, the “date child entered foster care” is the date as defined in 45 CFR 1355.20(a). This date is related to maintaining a child's eligibility for title IV-E funding. DCFS is required to use the date the child is considered to have entered foster care in determining when to obtain the initial judicial determination that it made reasonable efforts to finalize a permanency plan.

- For future title IV-E foster care eligibility reviews, we recommend that DCFS provide payment histories that include all of the required information delineated on page four of the Title IV-E Foster Care Eligibility Review Guide, ACYF-CB-IM-01-11, issued November 30, 2001. Consideration should be given to the requirement that complete payment histories should be provided that are exclusive of all administrative costs and include both the gross and FFP amounts. It would be particularly helpful, if payment histories would identify the specific dates that they cover, as opposed to just the service month.

If DCFS needs any technical assistance and training in enhancing the foster care eligibility review process, please either contact ACF or the national resource centers that are supported by the Children's Bureau.

## **STRENGTHS AND MODEL PRACTICES**

### **Removal Pursuant to a Court Order**

- The contrary to the welfare requirement was met in all cases, most typically through the use of “urgent and immediate necessity” language.
- Although the reasonable efforts to prevent removal requirement was not met in one case, the requirement was addressed in all other cases.
- As required, all court orders were individualized.
- Illinois effectively utilizes a checklist in court orders to meet the judicial requirements.

### **Ongoing Judicial Activity**

- A detailed permanency report is sent to the court prior to court hearings.

### **AFDC Eligibility**

- Although there was one case in which there was an ineligible payment due to the family having excess income for one quarter prior to the period under review, this requirement was met in all other cases.
- All cases had an initial determination of AFDC eligibility. The periodicity requirements regarding the completion of redeterminations were met in all cases.
- DCFS implemented a streamlined, as needed, redetermination process that is based on MIS generated triggering events in February 2004.
- DCFS has online access to Illinois Department of Labor information so caseworkers do not have to request pay stubs from families when verifying income.
- DCFS also has an electronic inquiry interface with the Social Security Administration.

#### **State Agency Responsibility for Placement/Care of Child**

- All cases met this requirement.
- We noted good examples in case notes of the documentation of what happened in court, which was useful in cases in which court orders were less clear.

#### **Placement in Licensed Home or Facility**

- All cases were determined to be in a licensed home or facility during the period under review.
- Cases contained a summary of family foster home placements.

#### **Safety Requirements of Provider**

- In all cases, the safety requirements of the provider were met.
- Illinois has not opted out of the criminal records check requirement.
- In addition to foster parents, fingerprinting occurs on all adult members of the household, and a check is conducted through the Law Enforcement Agencies Data System.
- There is also a check of the Illinois Sex Offender Registry for all adult members of the household.

- If an adult member of the household has been out of Illinois within the last three years; a Federal Bureau of Investigation criminal records check is also conducted.
- A check of the Child Abuse and Neglect Tracking System is conducted on all members of the household who are age 13 and older.
- There were several cases in the sample in which children were in a childcare institution. In all of those cases, Illinois documented that the safety considerations with respect to the staff and caretakers were addressed.

#### Other

- Both DCFS and Purchase of Service (i.e. private) agency cases demonstrated good case record organization. Of particular note, was a separate section containing the requisite legal documentation.
- DCFS has a standing working committee made up of EDU, Title IV-E Claiming, Office of Legal Services and Field Office staff that address various issues that effect title IV-E eligibility.

#### **DISALLOWANCES**

In accordance with 45 CFR 1356.71, Illinois was found to be in substantial compliance with the recipient and provider eligibility provisions of title IV-E. Enclosure B provides the dollar amounts for each of the four error cases as well as the two ineligible payment cases. The disallowance in FFP totals \$25,994, of which \$12,975 are maintenance payments and \$13,019 are administrative costs. Since the amount of disallowed funds was previously included in Federal payments made to the State, you must repay these funds by including a prior period decreasing adjustment on the title IV-E Foster Care and Adoption Assistance Financial Report (Form ACF-IV-E-1) for the quarter ending on September 30, 2004.

Please note that the above-referenced disallowances only encompass the period of ineligibility for payments made through March 31, 2004. It does not encompass any disallowances that may be associated with the error cases and ineligible payments claimed against the title IV-E foster care program after March 2004. Therefore, we request that Illinois also review its records with respect to the error cases and ineligible payments to ascertain whether any additional ineligible maintenance payments and related administrative costs were claimed against the title IV-E foster care program after March 2004.

To the extent that ineligible maintenance payments and administrative costs associated with the error cases and ineligible payments were claimed against the title IV-E program subsequent to March 2004, we recommend that Illinois make the appropriate decreasing title IV-E foster care maintenance payment and

administrative cost adjustments on the Form ACF-IV-E-1 for the quarter ending December 31, 2004. Illinois should identify the adjustments by Federal fiscal year, by quarter, and by case number when making these adjustments on the Part 2, Section B: Decreasing Adjustments, section of the Form ACF-IV-E-1.