

# ACF

Administration  
for Children  
and Families

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Administration for Children, Youth and Families**

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**4. Key Words:** Chafee Foster Care Independence Program (CFCIP), Youth, Independent Living, Youth Development

## INFORMATION MEMORANDUM

**TO:** State Agencies and Territories Administering or Supervising the Administration Of Title IV-E of the Social Security Act; and State Independent Living Coordinators

**SUBJECT:** Information on Public Law (P.L.) 106-169, the Foster Care Independence Act of 1999, Title I, Subtitles A-D; Information on Preliminary Program Implementation and Availability of Fiscal Year (FY) 2000 Funds

**LEGAL AND RELATED REFERENCES:** Sections 471, 472, 474, 475 and 477 of Title IV-E of the Social Security Act; Title I, The Foster Care Independence Act of 1999, Public Law 106-169.

**PURPOSE:** The purposes of this Information Memorandum are to: (1) provide States with information about the new Chafee Foster Care Independence Program legislation (Title I of P. L. 106-169) enacted on December 14, 1999, as well as other changes to child welfare programs; (2) inform States that Program Instructions are forthcoming containing specific application procedures for FY 2000 and 2001 funds for the Chafee Foster Care Independence Program (CFCIP) and preparing a five-year plan as required by the new law; and (3) provide information on the formula being used to determine State funding allocations for CFCIP and a table of CFCIP State allotments for FY 2000.

### INFORMATION:

### OVERVIEW OF TITLE I:

Section 101, Subtitle A, of Title I of P.L. 106-169 is the John H. Chafee Foster Care Independence Program (CFCIP) (Attachment A). This law makes substantial changes in the Federal efforts targeted toward youth and young adults (up to age 21) in the foster care component of the child welfare system. The law will significantly improve States' ability to achieve the national goals of safety, permanence and well-being for youth and young adults in the child welfare system. For the first time, youth younger than 16 may receive age-appropriate independent living services, and States may use up to 30 percent of their CFCIP allotment to

provide room and board to youth (up to age 21) who were in foster care at the time they turned 18. However, CFCIP funds may not, under any circumstances, be expended for room and board provided to foster care youth younger than 18.

Subtitle B amends Section 472(a) by increasing the value of resources that a Title IV-E eligible child may have, and amends Section 471(a) by requiring State certification through the State plan that foster parents will be adequately prepared to care for children before children are placed in their home.

Subtitle C gives a State the option to provide Medicaid coverage for former foster care youth between the ages of 18-21. The Health Care Financing Administration (HCFA) is responsible for the implementation of the Medicaid option. Attachment B is a recent letter from the HCFA Administrator sent to State child welfare administrators about the CFCIP Medicaid option provision. Guidance for Subtitles B and C may be issued under a separate cover.

Subtitle D increases the funding for payments under the Adoption Incentive Program.

Subtitle A, B-Section 111, and Subtitle D have an effective date of December 14, 1999, the date of enactment. Subtitle B, Section 112 (Preparation of foster parents to provide for the needs of children in State care) and Subtitle C (Medicaid Amendments) have an effective date of October 1, 1999.

## **PROVISIONS OF SUBTITLE A: CFCIP**

Subtitle A replaces Section 477 of the Social Security Act to provide States with increased funding and greater flexibility in designing and delivering services to help youth and young adults make the transition from foster care to productive, positive adulthood. Specifically, the Chafee Foster Care Independence Program enacts the following provisions:

- States must submit five-year applications consisting of a State plan that addresses the law's purposes and certifications when applying for CFCIP funds.
- Youth in foster care, regardless of age or the source of payment, are now eligible for age-appropriate IL services.
- Former foster care youth between the ages of 18 and 21 who have left the child welfare system are now eligible to receive independent living and other support services.
- States may use up to 30 percent of their allocation of Federal funds to provide room and board for youth up to age 21 who aged out of foster care.
- States must cooperate in national evaluations designed to determine the effectiveness of the Program.
- States must comply with data reporting requirements (to be determined) for the CFCIP program or risk penalty.
- Eligible States will receive a minimum of \$500,000 under the new law. In accordance with the funding formula and the FY 2000 appropriation, no State will receive less funding for CFCIP than it received in FY 1998.
- Authorization for the CFCIP Program has increased from \$70 million to \$140 million.
- The FY 2000 appropriation is \$105 million.

- The formula for determining the amount of State allocations has been revised. The new formula is based on a ratio of a State's total number of children in foster care in proportion to the national total of children in foster care based on the most recent fiscal year data available to the Department.
- Under the new law, one basic allocation amount will be awarded to each State, the District of Columbia and Puerto Rico. Each recipient is required to provide a 20% match (cash and/or in-kind) to the Federal allotment.
- Penalties of one to five percent may be imposed on the States for failing to operate a program in a manner consistent with the approved State plan, and/or for failure to comply with data reporting requirements.

## **CFCIP PROGRAM GUIDANCE**

The Chafee Foster Care Independence Program (CFCIP) significantly expands the independent living services and resources available to youth in foster care and young adults formerly in foster care. CFCIP broadens the States' flexibility to design and implement a broad array of new services and support for these populations. It adds new State requirements related to program planning, reporting and measuring program effectiveness through outcome measures; and mandates consultation with the public and private sector as well as an opportunity for public comment in the development of the CFCIP 5-year State plan. In the near future, the Department will issue a Program Instruction (PI) to assist States with the implementation of CFCIP (Public Law 106-169) and outlining procedures for applying for FY 2000 funds only under the new law. The PI will provide specific guidance to States in the following areas related to CFCIP's new and/or revised provisions:

- Application procedures for Fiscal Year 2000 CFCIP funds;
- Addressing the CFCIP State plan and program certification requirements;
- Allocation of funds; and
- Implementing the law's new room and board provision.

Given that the law became effective after many jurisdictions had already applied for FY 2000 funds, we hope to provide a simplified process for funding the new program this fiscal year. By June 30, 2000, another PI will be issued to jurisdictions providing application procedures and guidance for FY 2001- FY 2004.

## **FY 2000 FUNDS AVAILABLE UNDER THE CFCIP**

The total amount of funds authorized for the CFCIP is \$140 million; however, the FY 2000 appropriation is \$105 million. Of the appropriated amount, one and a half percent is set aside for use by the Department for technical assistance and program evaluation. Therefore, the total amount available for State allotments in FY 2000 is \$102,900,000. Attachment C lists State allotments for FY 2000. Also, Puerto Rico will participate in the Federal program for the first time, increasing to 52 the total number of jurisdictions participating in the CFCIP. Jurisdictions are reminded that FY 2000 funds must be liquidated by September 30, 2001.

In line with current appropriation law, States must spend FY 1998 and FY 1999 monies in accordance with the former Section 477 provisions. No FY 1998 or FY 1999 funds may be expended for costs incurred under the new provisions implemented by P.L.106-169. For example, no room and board or services for children younger than 16 may be provided with funds awarded prior to the enactment of the new law. Also, amounts paid to the State under the new law must be used to supplement, not supplant, any other funds available for the same general purposes.

### **CFCIP STATE ALLOTMENT FORMULA**

The new law (Public Law 106-169) revises and updates the formula used to determine State allotments as well as the cost sharing requirements. Under P.L.106-169, the allotment is based on the amount which bears the same ratio to the total amount of funds available for allotment to the States as the number of children in foster care bears in that State to the total number of children in foster care in all States in the most recent fiscal year for which such information is available. The Department has identified 1998 as the year for determining FY 2000 allotments. The Adoption and Foster Care Analysis and Reporting System (AFCARS) database is the source the Department will use for determining the allotments.

INQUIRES TO: ACF Regional Administrators or Hub Directors, Regions I-X

/s/

Patricia Montoya  
Commissioner  
Administration on Children, Youth and Families

### **ATTACHMENTS**

Attachment A: Public Law 106-169 - Title I- [HTML version](#)  
[Attachment B](#): HCFA Letter to State Medicaid Directors on Medicaid Option  
(*This link will open in another browser window.*)

[Attachment C](#):- FY 2000 CFCIP State Allotments

### CFCIP FY 2000 STATE ALLOTMENTS

<b>State</b>	<b>Dollar Amount</b>
Alabama	1,038,490
Alaska	500,000
Arizona	858,181
Arkansas	500,000
California	18,804,124
Colorado	1,419,293
Connecticut	1,134,264
Delaware	500,000
District of Columbia	1,091,992
Florida	4,163,099
Georgia	1,610,057
Hawaii	500,000
Idaho	500,000
Illinois	8,523,841
Indiana	1,405,360
Iowa	593,451
Kansas	717,477
Kentucky	984,440
Louisiana	1,358,131
Maine	565,888
Maryland	2,179,425
Massachusetts	2,352,644

Michigan	4,405,639
Minnesota	1,496,355
Mississippi	523,269
Missouri	2,111,997
Montana	500,000
Nebraska	765,465
Nevada	500,000
New Hampshire	500,000
New Jersey	2,297,848
New Mexico	500,000
New York	11,585,958
North Carolina	1,879,088
North Dakota	500,000
Ohio	2,860,992
Oklahoma	1,160,583
Oregon	1,196,706
Pennsylvania	4,638,225
Rhode Island	500,000
South Carolina	810,017
South Dakota	500,000
Tennessee	1,622,098
Texas	2,899,651
Utah	500,000
Vermont	500,000

Virginia	1,361,561
Washington	1,664,242
West Virginia	521,302
Wisconsin	1,673,187
Wyoming	500,000
Puerto Rico	1,125,660
Total	102,900,000