

# ACF

Administration  
for Children  
and Families

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. **Log No:** ACYF-CB-PI-01-09

2. **Issuance Date:** November 7, 2001

3. **Originating Office:** Administration for Children and Families

4. **Key Words:** Effective Date, ACYF-CB-PA-01-02

### Program Instruction

**TO:** State and Territorial Agencies Administering or Supervising the Administration of title IV-E of the Social Security Act

**SUBJECT:** Effective Date of ACYF-CB-PA-01-2, "Clarifying Guidance Regarding Candidates for Foster Care," July 3, 2001

#### LEGAL AND RELATED REFERENCES:

Memorandum to the ACF Regional Administrators from the Acting Commissioner, Administration on Children, Youth, and Families, "Clarification on Determination of Title IV-E Administrative Cost Ratio," August, 17, 1993; ACYF-CB-PA-01-2, "Clarifying Guidance Regarding Candidates for Foster Care," July 3, 2001

**BACKGROUND:** On July 3, 2001, ACF issued ACYF-CB-PA-01-02<sup>1</sup> to clarify long-standing policy regarding candidates for foster care (see Departmental Appeals Board Decision No. 1783). Through ACYF-CB-PA-01-02, we also rescinded a policy, articulated in an internal 1993 memorandum to the ACF Regional Administrators, allowing States to claim Federal financial participation (FFP) for title IV-E administrative costs for an otherwise eligible child placed in an unlicensed foster family home. We replaced the 1993 policy with new guidance that carries out the statutory licensing requirements. Specifically, the only circumstance in which a State may claim FFP for title IV-E administrative costs on behalf of a child in an unlicensed foster family home is when the child is otherwise eligible and the home is that of a relative and in the process of becoming licensed.

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<sup>1</sup> On September 24, 2001, the Children's Bureau introduced its new policy issuance system, an online policy manual that replaces all Policy Announcements and Policy Interpretation Question documents. ACYF-CB-PA-01-02 is no longer available in its original format. Rather, the policy information contained therein may be accessed through the Children's Bureau's web-site (<http://cb1.acf.hhs.gov/programs/cb/cwpm/>) in the following sections of the manual: 8.1B, 8.1C, 8.1D, and 8.4D

States have expressed concerns regarding the fiscal impact of implementing ACYF-CB-PA-01-02. We believe, therefore, that a delayed effective date for the provision regarding children in unlicensed foster family homes is in order.

**INSTRUCTION:** States may adhere to the policy articulated in the aforementioned 1993 memorandum for an additional year to fully address implementation issues. Specifically, States may claim FFP for the administrative costs associated with an otherwise title IV-E eligible child placed in an unlicensed foster family home until September 30, 2002. Thereafter, FFP will be available consistent with the policy articulated in ACYF-CB-PA-01-02. Beginning October 1, 2002, States may not claim FFP for the administrative costs of any child placed in an unlicensed unrelated foster family home. Beginning October 1, 2002, States may, however, claim FFP for the administrative costs of an otherwise title IV-E eligible child placed in an unlicensed relative foster family home during the licensing process (see section 8.1B of the Child Welfare Policy Manual for additional requirements.)

**INQUIRIES:** ACF Regional Administrators.

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