

**State of Texas  
Primary Review  
Title IV-E Foster Care Eligibility**

**Report of Findings for  
April 1, 2011 through September 30, 2011**

***Introduction***

During the week of February 13, 2012 the Children's Bureau (CB) of the Administration for Children and Families (ACF) conducted a primary review of the State's title IV-E foster care program. The review was conducted in collaboration with the State of Texas Department of Family and Protective Services (DFPS) and was completed by a review team comprised of representatives from DFPS, Texas Youth Commission (TYC), Texas Juvenile Probation Commission (JPC), CB Central and Regional Offices (RO), and ACF Regional Grants Management Office. The review was conducted at a DFPS office located in Austin, Texas.

The purposes of the title IV-E foster care eligibility review were: 1) to determine whether the Texas DFPS 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.

***Scope of the Review***

The primary review encompassed a sample of the State's foster care cases that received a title IV-E maintenance payment during the six-month period under review (PUR) from April 1, 2011 through September 30, 2011. A computerized statistical sample of 100 cases (80 cases plus 20 oversample cases) was drawn from State data submitted to the Adoption and Foster Care Analysis and Reporting System (AFCARS) for the above period. Eighty (80) cases were reviewed.

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 title IV-A plan in effect on 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 child care 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.

Case file information for each child in the selected sample was reviewed to verify title IV-E eligibility. The foster care provider’s file information also was examined to ensure the foster family home or child care 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 the expenditures were properly claimed 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 dates of activity during the PUR for which title IV-E maintenance payments were made. In addition, underpayments were identified for a sample case when an allowable title 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.

### ***Compliance Finding***

The review team determined that 64 of the 80 cases met eligibility requirements (i.e., were deemed non-error cases) for the PUR. There were 16 cases determined as in error for either part or all of the review period for the reasons that are identified below in the Case Record Summary section of the report. Since the number of error cases exceeded four, CB has determined Texas is not in substantial compliance. Accordingly, Federal funds claimed for title IV-E foster care maintenance payments, including related administrative costs, associated with the error cases, are being disallowed. Pursuant to 45 CFR 1356.71(i), the State is required to develop a Program Improvement Plan (PIP) designed to correct the program areas determined not in substantial compliance. The PIP will be developed by the State, in consultation with CB RO staff, and must be submitted to CB’s RO no later than 90 days from the date of the letter accompanying this report. A secondary review of a sample of 150 title IV-E foster care cases will be conducted following the approved PIP completion date.

### ***Case Record Summary***

The following charts record the error cases and non-error cases with underpayments, reasons for the improper payments, improper payment amounts for the specified service periods, and Federal provisions for which the State did not meet the compliance mandates.

**Error Cases**

<b>Sample Number</b>	<b>Improper Payment Reason &amp; Ineligibility Period</b>	<b>Improper Payments (FFP)</b>
TX-06	<p>The child did not meet the financial need requirements for initial AFDC eligibility. (Two Step Process) [§472(a)(3) of the Act and 45 CFR §1356.71(d)(1)(v)]</p> <p>Ineligible: Entire FC Episode; Reported Disallowance Period: 5/13/2011 – 12/31/2011</p> <p>State was not in compliance with its policy that addresses safety considerations with respect to staff in child care institutions [45 CFR §1356.30(f)]</p> <p>Ineligible: Reported Disallowance Period: 5/13/2011 – 5/31/2011</p>	<p>Maintenance \$14,991</p> <p>Administrative \$4,588</p>
TX-07	<p>The child did not meet the financial need requirements for initial AFDC eligibility. (Two Step Process) [§472(a)(3) of the Act and 45 CFR §1356.71(d)(1)(v)]</p> <p>Ineligible: Entire FC Episode; Reported Disallowance Period: 12/14/2010 – 12/31/2011</p>	<p>Maintenance \$6,316</p> <p>Administrative \$7,420</p>
TX-09	<p>Removal from and living with requirements not met by the same specified relative. [§472(a)(1) and(3) of the Act; 45 CFR §§1356.21(k)(l) and 1356.71(d)(1)(v)]</p> <p>Ineligible: Entire FC Episode; Reported Disallowance Period: 9/22/2010 – 5/4/2011</p>	<p>Maintenance \$3,916</p> <p>Administrative \$3,964</p>
TX-10	<p>Criminal records checks were not completed on the prospective foster parents. [§471(a)(20)(A) of the Act and 45 CFR §1356.30]</p> <p>Ineligible: Reported Disallowance Period: 4/13/2011 – 12/31/2011</p>	<p>Maintenance \$7,439</p> <p>Administrative \$5,154</p>
TX-14	<p>Criminal records checks were not completed on the prospective foster parents. [§471(a)(20)(A) of the Act and 45 CFR §1356.30]</p> <p>Ineligible: Reported Disallowance Period: 3/8/2011 – 5/17/2011</p>	<p>Maintenance \$1,190</p> <p>Administrative \$1,699</p>
TX-23	<p>State was not in compliance with its policy that addresses safety considerations with respect to staff in child care institutions. [45 CFR §1356.30(f)]</p> <p>Ineligible: Reported Disallowance Period: 3/16/2011 – 5/31/2011</p>	<p>Maintenance \$5,674</p> <p>Administrative \$1,699</p>

TX-25	The child did not meet the financial need requirements for initial AFDC eligibility. (Two Step Process) [§472(a)(3) of the Act and 45 CFR §1356.71(d)(1)(v)]  Ineligible: Entire FC Episode; Reported Disallowance Period: 9/19/2010 – 4/4/2011	Maintenance \$6,087  Administrative \$3,398
TX-26	The child did not meet the financial need requirements for initial AFDC eligibility. (Two Step Process) [§472(a)(3) of the Act and 45 CFR §1356.71(d)(1)(v)]  Ineligible: Entire FC Episode; Reported Disallowance Period: 5/8/2008 – 12/31/2011	Maintenance \$37,251  Administrative \$24,464
TX-32	The child did not meet the financial need requirements for initial AFDC eligibility. [§472(a)(3) of the Act and 45 CFR §1356.71(d)(1)(v)]  Ineligible: Entire FC Episode; Reported Disallowance Period: 9/3/2011 – 9/13/2011	Maintenance \$142  Administrative \$0
TX-34	State was not in compliance with its policy that addresses safety considerations with respect to staff in childcare institutions. [45 CFR §1356.30(f)]  Ineligible: Reported Disallowance Period: 5/1/2011 – 6/24/2011	Maintenance \$2,795  Administrative \$1,133
TX-38	A judicial determination of reasonable efforts to prevent removal was not made within 60 days of the date the child was removed from the home [§§ 472(a)(2), 471(a)(15)(B)(i) and 45 CFR §1356.21(b)]  Ineligible: Entire FC Episode; Reported Disallowance Period: 12/8/2009 – 12/31/2011	Maintenance \$21,945  Administrative \$9,662
TX-42	Fingerprint-based criminal records checks were not completed on the prospective foster parents. [§471(a)(20)(A) of the Act and 45 CFR §1356.30]  Ineligible: Reported Disallowance Period: 3/4/2010 – 5/26/2011	Maintenance \$7,944  Administrative \$8,414

TX-46	<p>The child did not meet the financial need requirements for initial AFDC eligibility. [§472(a)(3) of the Act and 45 CFR §1356.71(d)(1)(v)]</p> <p>Ineligible: Entire FC Episode; Reported Disallowance Period: 4/5/2010 – 12/31/2011</p> <p>State was not in compliance with its policy that addresses safety considerations with respect to staff in child care institutions. [45 CFR §1356.30(f)] Ineligible: Reported Disallowance Period: 4/28/2011 - 7/15/2011 &amp; 7/16/2011 – 12/31/2011</p> <p>There was not a timely judicial finding regarding reasonable efforts to finalize permanency plan which was due in June, 2011. [471(a)(15)(B)(ii) and (C), 472(a)(2)(A) (ii), and [45 CFR §1356.21(b)(2)]</p> <p>Ineligible: Reported Disallowance Period: 7/1/2011 – 12/31/2011</p>	<p>Maintenance \$51,562</p> <p>Administrative \$11,326</p>
TX-58	<p>Removal from &amp; living with requirements not met by the same specified relative. [§472(a)(1) and (3) of the Act; 45 CFR §§1356.21(k)(l) and 1356.71(d)(1)(v)]</p> <p>Ineligible: Entire FC Episode; Reported Disallowance Period: 1/12/2011 – 12/31/2011</p>	<p>Maintenance \$5,814</p> <p>Administrative \$6,853</p>
TX-78	<p>The child did not meet the financial need requirements for initial AFDC eligibility (Two Step Process) and did not meet the unemployed parent deprivation requirement. [§472(a)(3) of the Act and 45 CFR §1356.71(d)(1)(v)]</p> <p>Ineligible: Entire FC Episode; Reported Disallowance Period: 11/29/2010 – 12/31/2011</p> <p>State was not in compliance with its policy that addresses safety considerations with respect to staff in childcare institutions. [45 CFR §1356.30(f)]</p> <p>Ineligible: Reported Disallowance Period: 3/2/2011 – 8/23/2011 &amp; 8/25/2011 – 8/31/2011</p>	<p>Maintenance \$21,904</p> <p>Administrative \$6,834</p>
TX-80	<p>The child did not meet the financial need requirements for initial AFDC eligibility (Two Step Process) [§472(a)(3) of the Act and 45 CFR §1356.71(d)(1)(v)]</p> <p>Ineligible: Entire FC Episode; Reported Disallowance Period: 2/19/2008 – 8/30/2011</p>	<p>Maintenance \$18,243</p> <p>Administrative \$23,218</p>

**Maintenance**  
**\$ 213,213**  
**Administrative**  
**\$ 119,826**  
**Total: \$ 333,039**

**Underpayment Cases**

Sample Number	Improper Payment Reason & Eligibility Period	Improper Payments (FFP)
TX-28	Child was title IV-E eligible in a fully-licensed foster home placement and title IV-E was not claimed for one day that was allowable.  Eligible Period: 05/30/2010	Maintenance \$18
TX-69	Child was title IV-E eligible in a fully- licensed placement and title IV-E was not claimed for three days that were allowable.  Eligible Period: 09/14/2011 – 09/17/2011	Maintenance \$186

**Total: \$204**

***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 areas listed below. For each issue, there is a discussion regarding 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 AFDC Eligibility Determination:**

In preparation for 2012 title IV-E Review, CB requested and reviewed the algorithm for the automated Texas process for eligibility determinations and it was found that Texas was not applying the second step of the two-step income test for determining AFDC eligibility. Texas was given the opportunity to re-construct the eligibility determination for all 80 sample cases prior to the on-site review. Upon the re-construction there were six cases (TX-06, TX-07, TX-25, TX-26, TX-78, TX-80) that were determined not title IV-E eligible after applying the two-step process.

Along with the two-step error cases, there were three cases that were found to be in error because the child’s specified relative had income above the State’s threshold and financial need could not be established for AFDC eligibility. In sample TX 32, the

parent's income was incorrectly excluded from the eligibility determination because the parent was an undocumented alien. The parent cannot be included in the AFDC assistance unit because of her alien status; however, the parent's income and resources, unless exempt under statute, must be included to determine the child's financial eligibility (45 CFR 206.10(a)(1)(vii)). In sample TX 46, the relationship of the child's grandparents as the adoptive parents was not correctly assessed; consequently, their income was incorrectly excluded from the eligibility determination process. The birth or adoptive parents of the child are mandatory members of the AFDC assistance unit and their income and resources must be included in the eligibility determination unless otherwise exempt under statute (45 CFR 206.10(a)(1)(vii)). In sample TX 78, the Foster Care Eligibility Application had conflicting information. Information provided in the form stated that the Primary Wage Earner (PWE) worked less than 100 hours per month, but elsewhere it stated that the PWE worked at least 40 hours per week. When the eligibility determination was recalculated the child did not meet the financial need requirements and did not meet the unemployed parent deprivation requirement for initial AFDC eligibility.

Texas must ensure that all children meet the AFDC eligibility requirements prior to claiming title IV-E maintenance payments. The requirements include financial need and deprivation, as specified in the State's AFDC plan in effect July 16, 1996 and in accordance with §472(a)(3) of the Act and 45 CFR §1356.71(d)(1)(v).

Two additional cases (TX 09 and TX 58) were in error because the child had lived with another relative longer than six months prior to the court making a judicial finding of contrary to the welfare against the mother's home in each sample case. In these cases, the AFDC determination was incorrectly based on the home of the specified relative where the child lived during the removal month even though that was not the home from which the child was judicially removed. For the purpose of eligibility determinations, the child must have lived in the removal home at some point during the six months before the month in which the removal proceedings were initiated in a court-ordered removal, as required by §472(a)(1) and (3) of the Act; 45 CFR §§1356.21(k)(l) and 356.71(d)(1)(v). The removal home is the home of the parent or other specified relative on whom the judicial finding is based. The AFDC eligibility must be determined for that same specified relative's home as if the child had been living in that home in the month of the initiation of court proceedings for removal.

**Title IV-E Requirement:**

The purpose of the title IV-E foster care program is to provide financial assistance to States for maintaining children who meet the eligibility requirements for the AFDC program and cannot remain safely in their homes of origin. Section 471(a)(1) of the Act allows for Federal financial participation for foster care maintenance payments only in accordance with the requirements in section 472 of the Act. This includes the mandate that the child meet the AFDC eligibility requirements as outlined at section 472(a)(3) of the Act.

In determining AFDC eligibility, the State must ensure the child is a financial "needy" child who is deprived of parental support or whose principal wage earner parent is

unemployed. The State must apply the former AFDC program's two-step process to establish whether a child would have met the income test for need under the State's title IV-A plan in effect on July 16, 1996. In the two separate steps, the State must 1) determine whether the gross income of the AFDC family unit is less than or equal to 185% of the State's need standard; and, if eligible at this step, then 2) determine whether the unit's countable income is less than or equal to 100% of the State's need standard. The two-step process has been in place since 1981 (See section 8.4B Q/A #18 of the CB Child Welfare Policy Manual).

As such, the State must be able to establish and verify financial need and deprivation of parental support based on the home of the specified relative from whom the child was removed. The State also must determine that the child had been living with that same specified relative within six months prior to the removal for the child to be eligible under the title IV-E program per 472(a)(1) and (3) of the Act and 45 CFR §1356.21(k). If the eligibility criteria are not met initially as required, the child is not title IV-E eligible for the entire foster care episode.

**Recommended Corrective Action:**

Texas must ensure that the State is in compliance with the two-step income process. To address this issue while remaining compliant with Statewide Automated Child Welfare Information System requirements and meet title IV-E requirements, Texas must enhance the automated eligibility process within the Information Management Protecting Adults and Children in Texas (IMPACT) system to ensure that the system applies the two-step income test for determining financial need. Texas should consider reviewing the training for eligibility specialist and the information gathered by the IMPACT system to ensure applicable income is correctly included in the eligibility calculation. Developing and implementing quality assurance procedures is another measure that may prove useful to improve performance.

In the 2009 title IV-E Eligibility Review, DFPS also reconstructed five cases in which the "living with and removal from" determinations were not made with respect to the same specified relative's home. In these cases, the AFDC determination was incorrectly based on the home of the specified relative where the child lived during the removal month even though that was not the home from which the child was judicially removed and had lived at some point during the six months prior to the court-ordered removal. Additional training is recommended to help eligibility specialists understand the "living with and removal from" requirements and their linkage to determining the AFDC removal home for title IV-E eligibility. Consistent with §472(a)(2)(A) of the Act, the child must have been physically or constructively removed from the home of a specified relative according to a court order or voluntary placement agreement and must have lived with that same specified relative within six months of removal. The AFDC determination, then, considers the home of the specified relative who is the basis of the "contrary to welfare" determination in a judicial removal or who signs the voluntary placement agreement in a voluntary removal. However, if more than six months had expired since the removal, in either situation, then the "living with and removal from" requirement has not been met and the child is not IV-E eligible.

**Issue # 2 Court Orders and Judicial Findings:**

One of the key considerations in determining title IV-E eligibility is ensuring that there has been a judicial determination to the effect that the state made reasonable efforts to prevent the removal of the child from the home. One error case (TX 38) lacked a timely judicial determination regarding the efforts the agency made to prevent the removal of the child from the home. The required judicial determination to the effect that reasonable efforts were made to prevent removal or that reasonable efforts were not required must be obtained no later than 60 days from the date of the child's judicial removal. In this case situation, it appears that the incorrect court order form was used and the eligibility specialist failed to note that the required judicial determination was missing from the court order. A court transcript was not provided by the State to document the requirement was met. There also was one error case (TX 46) in which there was never a judicial finding regarding reasonable efforts to finalize permanency plan and the eligibility specialist failed to change the child's eligibility status to not eligible for the period beginning with the month following the month the judicial finding was due.

All of the other cases in the review sample were determined to have sufficiently satisfied the eligibility requirement at §472(a)(2)(A) of the Act; however, there were general concerns about the quality of the court orders which raised questions about whether the judicial requirements were sufficiently met. Reviewers found in many of the cases that court orders appeared to be form orders that did not address the child-specific facts of the case, the circumstances that were responsible for the child being in care, or the agency's efforts to achieve the child's permanency plan. For example, several of the court orders referencing sibling groups did not individualize the specific circumstances of each child. Also, many of the court orders relied on a template or had a check box/fill in the blank. These types of orders were of concern as many judges had not completed the check box selection or selected from the optional language. The concerns with court orders have been noted in the final reports for the title IV-E eligibility reviews that were conducted in 2000, 2003, 2006 and 2009.

**Title IV-E Requirement:**

A removal pursuant to a court order must be the result of judicial determinations of "contrary to the welfare" and "reasonable efforts" as specified in §472(a)(2)(A) of the Act. The judicial determinations must be made on a case-by-case basis; explicitly stated in the court order; and in conformity with regulatory timeframes. The court orders must definitively articulate the judge's child-specific ruling pertaining to the "contrary to the welfare" and "reasonable efforts" determinations. Courts may demonstrate, in numerous ways that the judicial determination is child specific and has been made on a case-by-case basis, including referencing in the court order "the facts of a court report, related psycho-social report, or sustained petition." [See Preamble to the Final Rule, 65 FR 4020, 4056 (January 25, 2000)]. Such documentation establishes that the judge reviewed the particular facts and circumstances of the specific child. Although not required for title IV-E eligibility purposes, including in the court order the facts upon which the "contrary to the welfare" and "reasonable efforts" determinations are based significantly improves the quality of the court order.

### **Recommended Corrective Action:**

As noted in the final reports of previous reviews, DFPS should collaborate with the State Court Improvement Program (CIP) to improve the quality of the court orders and to make court personnel aware of the importance of court orders that are child specific and explicitly detailed. Through the CIP, the State can educate the judiciary and other court officials about drafting court orders that adequately reflect State and title IV-E criteria of legal sufficiency and findings of “contrary to the welfare” and “reasonable efforts.” The State should ensure that the court orders provide clarity about the child’s removal circumstances and the specific efforts of the agency to make and finalize a permanency plan for the child. For example, the court orders should include the name of the individual against whom the ‘contrary to the welfare’ finding is made or specify the individual’s relationship to the child who is the subject of the court hearing and document the hearing dates in the court orders. If checklists or other templates are used, space on the form can be included to address the basis of the court’s rulings.

DFPS should review the eligibility specialists training to ensure the required judicial determinations are being assessed correctly for eligibility. Improved quality assurance procedures will help ensure cases are not determined eligible without the appropriate documentation regarding judicial findings.

### **Issue # 3 Safety Requirements:**

On March 26, 2010, CB issued Program Instruction ACYF-CB-PI-10-02 to further clarify the safety requirements for foster parents and child care institutions. There were three error cases (TX-10, TX-14, TX-42) in which criminal background checks were not completed on prospective foster parents prior to licensure and a title IV-E foster care maintenance payment was made for the child placed in the foster home. Additionally, there were five error cases (TX-06, TX-23, TX-34, TX-46, TX-78) in which Texas was not in compliance with its policy that addresses safety considerations with respect to caregiving staff in child care institutions. The Texas policy requires staff in child care facilities to have a new background check completed every 24 months. However, the State’s documentation showed the background checks either were not completed or were not completed timely.

### **Title IV-E Requirement:**

To ensure that a child is not placed in a foster care setting where the potential caregiver has caused or is likely to cause harm to a child, §471(a)(20) of the Act and 45 CFR 1356.30 require States to examine the potential safety risks posed to the child by a foster care provider. If, like Texas, the State did not opt out of the 1997 criminal record check (CRC) provisions, the State is required to complete a CRC on the prospective foster parent prior to the licensure of the foster family home and it must confirm that the foster parent had not been convicted of any of the felonies listed in sections 471(a)(20)(A)(i) and (ii) of the Social Security Act. For a foster parent who is newly licensed on or after the State’s effective date for implementing the fingerprint-based CRC requirement, the title IV-E agency must conduct a CRC that includes a fingerprint-based check of the National Crime Information Databases (NCID). States were

required to implement the fingerprint-based CRC requirement by October 2008 and Texas implemented it on October 1, 2006. The State agency must document that the foster care provider meets the established safety standards before a child is placed with the foster care provider and before title IV-E foster care maintenance payments are claimed.

For childcare institutions, 45 CFR §1356.30(f) requires States to set procedures that address safety considerations with respect to the caregiving staff of the institution. The mechanism used to satisfy the safety requirement should be written into State policy, procedures or statutes, and incorporated into the licensing documentation. The safety requirement is applicable to all child care institutions operating as foster care facilities licensed on or after March 27, 2000.

**Recommended Corrective Action:**

The State should put in place a quality assurance system or automated edit checks in the IV-E payment process to ensure that §471(a)(20) of the Act and 45 CFR 1356.30(f) are met for a child's foster care placement and that documentation of compliance sufficiently supports the State's claims for title IV-E foster care maintenance payment on behalf of the child in the placement.

***Strengths***

***Timely Court Hearings***

The frequency of court hearings supports consistency in having the required judicial findings related to reasonable efforts to achieve the permanency plan. Court hearings to review the reasonable efforts to finalize the placement or permanency plan for the child were often held more frequently than the six month regulatory requirement and this led to timely findings. Hearings were often held as frequently as every three months.

***Automated Data Systems***

The Texas IMPACT system has been described as robust in the amount and degree of its functionality and the eligibility determination process has been automated within the system. However, the eligibility process did not include the two-step income test. Despite having nine errors related to safety checks, the Texas CLASS system for tracking child care facility licensing and CRCs has the capability when it is utilized to be effective in tracking and reviewing the licensing and background check process for foster parents and child care facility staff when there was a requested CRC. However, it does not appear to have an alert or notice that is sent to staff if the check is not completed timely. The background check process is generally timely, especially given the volume of checks that are completed annually.

Texas also has a "RAP Back" feature with the Texas Department of Public Safety (DPS). This feature is automated and allows DPS to automatically notify DFPS Licensing of any new criminal information that is entered into its system on foster parents and child care facility staff. Also, this process is in place with the FBI for

Texas-only checks and is scheduled to conduct checks nationwide with the FBI in the future.

### ***Disallowance***

For the sixteen cases (16) determined to be in error for title IV-E foster care maintenance payments during the PUR, the State is ineligible to receive Federal Financial Participation (FFP). Also, the State is ineligible for title IV-E foster care administrative costs relating to these error cases. The amount of ineligible maintenance payments for these cases is \$213,213 in FFP. The associated unallowable administrative cost for these cases is \$119,826 in FFP. The erroneous maintenance payments and administrative costs include all payments claimed through January 31, 2012. In addition to this amount, any costs claimed subsequent to January 31, 2012 pertaining to the ineligible periods must be refunded to the ACF.

### ***Next Steps***

Texas has 90 days from receipt of this letter to develop, in consultation with the CB RO, its PIP to address the three areas listed in this report in addition to other areas in its title IV-E program that the State identifies during the PIP process that it needs to strengthen to improve overall program performance.