

State of Vermont
Department for Children and Families
Title IV-E Foster Care Eligibility
Secondary Review
Report of Findings for
April 1, 2013 - September 30, 2013

Introduction

During the week of April 28, 2014, the Children's Bureau (CB) of the Administration for Children and Families (ACF) conducted a secondary review of the Vermont title IV-E foster care program. The review was conducted in Burlington, Vermont in collaboration with the Vermont Department for Children and Families (DCF) and was completed by a review team comprised of representatives from Vermont DCF, CB Central and Regional Offices, and ACF's Regional Grants Management Office.

The purposes of the title IV-E foster care eligibility review were (1) to determine whether Vermont'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 Vermont'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 in June 2011. At that time, the Vermont DCF was determined not in substantial compliance with title IV-E eligibility requirements for the period under review (PUR) of April 1, 2010 through September 30, 2010. As required, the state submitted a Program Improvement Plan (PIP) to correct the areas found deficient in its eligibility determinations for the title IV-E foster care program. The CB's approval of the PIP was based on the state's reports of progress and planned improvements. The state's PIP contained eleven goals and associated activities addressing issues involving most aspects of title IV-E eligibility criteria. Many of these activities focused on the adequacy of court orders and on assuring that applicable licensing and criminal record background check requirements are met for foster family homes along with the presences of needed documentation with respect to safety requirements for children placed in childcare institutions.

Scope of the Review

The secondary review encompassed a sample of Vermont's foster care cases that received a title IV-E maintenance payment for a period during the six-month PUR of April 1, 2013 through September 30, 2013. A computerized statistical sample of 180 cases (150 cases plus 30 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 and fifty (150) cases were reviewed consisting of one hundred and thirty nine (139) cases from the original

sample plus eleven (11) oversample cases. Eleven cases were excluded from the original sample because no title IV-E foster care maintenance payment was made for the PUR. The state provided documentation to support excluding these cases from the review sample and replacing them with 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 of 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 information 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 safety considerations were met. Payments made on behalf of each child also were reviewed to verify the expenditures were allowable under title IV-E and to identify any underpayments that were eligible for title IV-E claiming. A sample case is determined to be in error when a title IV-E payment for a maintenance claim was made for an activity during the PUR on behalf of a child determined not to meet the criteria for title IV-E eligibility during the foster care episode. A sample case is cited as non-error with ineligible payment when a title IV-E payment for a maintenance claim was made for an activity solely outside the PUR on behalf of a child determined not to meet the criteria for title IV-E eligibility. A case also may be cited as non- error with ineligible payment when the title IV-E eligibility criteria was fully met, but an unallowable title IV-E maintenance payment (e.g. for a duplicate payment; for an overpayment; or for any other unallowable program cost) is paid for an activity during or outside of the PUR. In addition, underpayments are identified for a sample case when an allowable title IV-E maintenance payment is not claimed by the state for an eligible child during the 2-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 has expired.

For each of the selected sample and oversample case records, the title IV-E agency must provide the CB Regional Office with the complete payment history before the onsite review [45 CFR 1356.71(b)(2)]. The complete payment history consists of all foster care payments, which

includes foster care maintenance payments and administrative costs, claimed by the title IV-E agency for the child's most recent foster care episode. The DCF provided a payment history prior to the review as well as an updated payment history at the time of the onsite review. However, during the course of the review both DCF and ACF's Regional Grants Management staff noted discrepancies between the information provided to ACF and DCF's own records. Upon further review, DCF determined that both the payment history provided prior to the onsite review and the one provided at the review contained significant inaccuracies. A revised payment history was provided after the onsite review to the ACF Regional Grants Management Office on May 28, 2014 and this documentation was used to verify that expenditures were allowable under title IV-E for each child in the sample. The DCF attributed the payment history inaccuracies to a change in agency personnel, resulting in an inexperienced staff member compiling the original information in which some of the payments identified as title IV-E payments were actually not IV-E payments. A DCF manager experienced in the agency's systems for supporting accurate title IV-E claims was able to identify the mistakes made in compiling the data and produce an accurate payment history. This documentation was reviewed by the ACF Regional Grants Management Office to confirm its accuracy. We have thus accepted the revised payment history and used it to make determinations regarding the level of improper payments.

Compliance Finding

The review team determined that 110 of the 150 cases met eligibility requirements (i.e., were deemed non-error cases) for the PUR. Forty (40) cases were determined to be in error for part or all of the PUR resulting in a case error rate of 27 percent. Twenty-four (24) non-error cases were ineligible for federal funding for a period of claiming outside the PUR.

The total dollar value of the maintenance payments and administrative costs in the review sample was \$845,982 in federal financial participation (FFP) for the PUR of which \$73,660 in FFP represents amounts for the 40 error cases with ineligible payments for the PUR. This resulted in a total dollar error rate of 8.71 percent.

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 in substantial compliance with federal title IV-E program requirements when both the case error rate and the dollar error rate exceed 10 percent. Although Vermont's case error rate exceeds ten (10) percent of the sample, the dollar error rate is less than ten percent (10) of the sample dollars for the PUR. Therefore, the Vermont title IV-E foster care program is found in substantial compliance with federal eligibility requirements for the PUR. The next review of Vermont's title IV-E eligibility program will be a primary review, conducted within three years from the date of this secondary review.

Based on the payment history provided by the state of non-title IV-E payments made during the PUR for the sample cases, we did not find any cases that had periods of eligibility for which the state did not claim allowable title IV-E maintenance payments (underpayments).

Case Record Summary

The following charts record the error cases and non-error cases with improper payments; reason for the improper payments; improper payment amounts; and federal provisions for which the state did not meet the compliance mandates.

Error Cases:

Sample Numbers	Improper Payment Reason & Ineligibility Period	Improper maintenance payment FFP	Improper administrative payment FFP
9	Foster home not fully licensed during child’s placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 7/3/13-8/30/13	\$526	\$0
10	<ul style="list-style-type: none"> • Non-compliance with AFDC eligibility under such state plan as in effect on July 16, 1996. Payments continued after the month the youth turned 18. No evidence youth expected to graduate before reaching the age of 19. [45 CFR 1356.71(d)(1) (v)] Ineligible: 12/1/12-6/30/13 • No evidence of agency responsibility for placement and care after the youth’s 18th birthday/ [§472(a)(2)(B) of the Act; 45 CFR 1356.71(d)(1)(iii)] Ineligible: 11/19/12-9/30/13 	\$22,348	\$4,197

Sample Numbers	Improper Payment Reason & Ineligibility Period	Improper maintenance payment FFP	Improper administrative payment FFP
12	<ul style="list-style-type: none"> Invalid removal from the home of specified relative [§472(a)(2); 45 CFR 1356.21(k)] Ineligible: Entire FC episode; Reported Disallowance Period: 7/21/11-9/30/13 Judicial determination of reasonable efforts to finalize permanency plan not timely [§472(a)(2)(A)(ii) of the Act; 45 CFR 1356.21(b)(2)] Ineligible: 9/1/12-6/30/13 	\$6,808	\$14,671
18	<ul style="list-style-type: none"> Child not in a foster care placement. [§472(b) & (c) of the Act; 45 CFR 1355.20(a)] Ineligible: 4/25/13-9/30/13 No evidence of agency responsibility for placement and care after child adopted. [§472(a)(2)(B) of the Act; 45 CFR 1356.71(d)(1)(iii)] Ineligible: 4/25/13-9/30/13 	\$126	\$0
20	<p>Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)]</p> <p>Ineligible: 5/2/13-5/31/13</p>	\$105	\$600
25	<p>Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)]</p> <p>Ineligible: 6/24/13-6/30/13</p>	\$61	\$0
29	<p>Child not in a foster care placement. [§472(b) & (c) of the Act; 45 CFR 1355.20(a)]</p> <p>Ineligible: 9/23/13-9/30/13</p>	\$1,442	\$600

Sample Numbers	Improper Payment Reason & Ineligibility Period	Improper maintenance payment FFP	Improper administrative payment FFP
30	<p>Judicial determination of reasonable efforts to prevent removal not attained. [§472(a)(2)(A)(ii) of the Act; 45 CFR 1356.21(b)(1); 45 CFR 1356.21 (d)]</p> <p>Ineligible: Entire foster care episode; Reported Disallowance Period: 11/12/11-8/13/13</p>	\$17,442	\$8,809
37	<p>Judicial determination of reasonable efforts to finalize permanency plan not timely [§472(a)(2)(A)(ii) of the Act; 45 CFR 1356.21(b)(2)]</p> <p>Ineligible: 4/1/13-6/30/13</p>	\$875	\$1,799
40	<ul style="list-style-type: none"> • Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] <p>Ineligible: 4/1/13-5/31/13</p> <ul style="list-style-type: none"> • Safety requirements not met; No documentation of fingerprint-based background checks for foster parents. [§471(a)(20) of the Act; 45 CFR 1356.30] <p>Ineligible: 4/1/13-5/31/13</p>	\$6	\$600
42	<p>Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)]</p> <p>Ineligible: Placement #1: 8/30/13-9/2/13, Placement #2: 9/19/13-9/30/13</p>	\$66	\$0
43	<p>Judicial determination of reasonable efforts to finalize permanency plan not timely [§472(a)(2)(A)(ii) of the Act; 45 CFR 1356.21(b)(2)]</p> <p>Ineligible: 7/1/13-9/30/13</p>	\$12	\$0

Sample Numbers	Improper Payment Reason & Ineligibility Period	Improper maintenance payment FFP	Improper administrative payment FFP
44	<p>Judicial determination of reasonable efforts to finalize permanency plan not timely. [§472(a)(2)(A)(ii) of the Act; 45 CFR 1356.21(b)(2)]</p> <p>Ineligible: 8/1/13-9/30/13</p>	\$652	\$1,199
48	<ul style="list-style-type: none"> • Foster home not fully licensed during child's placement [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] <p>Ineligible: 8/26/13-9/30/13</p> <ul style="list-style-type: none"> • Safety requirements not met; No documentation for fingerprint-based background checks for foster parents. [§471(a)(20) of the Act; 45 CFR 1356.30] <p>Ineligible: 8/26/13-9/30/13</p>	\$70	\$0
49	<ul style="list-style-type: none"> • Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] <p>Ineligible: 5/13/13-6/21/13</p> <ul style="list-style-type: none"> • Safety requirements not met; No documentation of finger-print-based background checks for foster parents [§471(a)(20) of the Act; 45 CFR 1356.30] <p>Ineligible: 5/13/13-6/21/13</p>	\$249	\$0

Sample Numbers	Improper Payment Reason & Ineligibility Period	Improper maintenance payment FFP	Improper administrative payment FFP
50	<ul style="list-style-type: none"> <li data-bbox="331 323 867 422">• Invalid removal from the home of a specified relative [§472(a)(2); 45 CFR 1356.21(k)] Ineligible: Entire FC episode; Reported Disallowance Period: 5/3/13-9/30/13 <li data-bbox="331 590 846 688">• Child not in a foster care placement. [§472(b) & (c) of the Act; 45 CFR 1355.20(a)] Ineligible: 5/3/13-9/30/13 <li data-bbox="331 789 886 888">• Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 5/3/13-9/30/13 <li data-bbox="331 989 911 1121">• Safety requirements not met; No documentation of fingerprint-based background checks for foster parents. [§471(a)(20) of the Act; 45 CFR 1356.30] Ineligible:5/3/13-9/30/13 	\$55	\$0
52	<ul style="list-style-type: none"> <li data-bbox="331 1194 886 1293">• Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 11/26/12-4/30/13 <li data-bbox="331 1394 911 1526">• Safety requirements not met; No documentation of fingerprint-based background checks for foster parents. [§471(a)(20) of the Act; 45 CFR 1356.30] Ineligible: 11/26/12-4/30/13 	\$683	\$599

Sample Numbers	Improper Payment Reason & Ineligibility Period	Improper maintenance payment FFP	Improper administrative payment FFP
56	<p>Judicial determination of reasonable efforts to finalize permanency plan not timely [§472(a)(2)(A)(ii) of the Act; 45 CFR 1356.21(b)(2)]</p> <p>Ineligible: 3/1/12-8/31/13</p>	\$1,753	\$5,852
59	<ul style="list-style-type: none"> • Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] <p>Ineligible: Placement #1: 7/3/13-7/31/13 Placement #2: 8/9/13-9/30/13</p> <ul style="list-style-type: none"> • Safety requirements not met; No documentation of finger-print-based background checks for foster parents [§471(a)(20) of the Act; 45 CFR 1356.30] <p>Ineligible: Placement#1: 7/3/13-7/31/13 Placement #2: 8/9/13-9/30/13</p>	\$617	\$0
63	<p>Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)]</p> <p>Ineligibility: 6/13/13-7/31/13</p>	\$382	\$0
64	<ul style="list-style-type: none"> • Child care institution not fully licensed during child's placement [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] <p>Ineligible: 7/21/13-9/30/13</p> <ul style="list-style-type: none"> • No documentation verifying safety considerations with respect to staff of a child care institution [45 CFR 1356.30(f)] <p>Ineligible: 7/21/13-9/30/13</p>	\$1,102	\$1,199

Sample Numbers	Improper Payment Reason & Ineligibility Period	Improper maintenance payment FFP	Improper administrative payment FFP
67	<ul style="list-style-type: none"> • Child care institution not fully licensed during child's placement [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 8/30/13-9/30/13 • No documentation verifying safety considerations with respect to staff of a child care institution [45 CFR 1356.30(f)] Ineligible: 8/30/13-9/30/13 	\$473	\$600
80	<p>Child not in a foster care placement. [§472(b) & (c) of the Act; 45 CFR 1355.20(a)]</p> <p>Ineligible: 7/23/13-7/25/13</p>	\$359	\$0
81	<ul style="list-style-type: none"> • Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 4/12/13-4/16/13 • Safety requirements not met; No documentation of fingerprint-based background checks for foster parents. [§471(a)(20) of the Act; 45 CFR 1356.30] Ineligible: 4/12/13-4/16/13 	\$166	\$0
85	<p>Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)]</p> <p>Ineligible: 2/16/12-9/30/13</p>	\$5,599	\$8,932

Sample Numbers	Improper Payment Reason & Ineligibility Period	Improper maintenance payment FFP	Improper administrative payment FFP
88	Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 4/13/13-7/31/13	\$99	\$0
92	Judicial determination of contrary to the welfare not attained. [§472(a)(2)(A)(ii) of the Act; 45 CFR 1356.21(c)] Ineligible: Entire FC episode; Reported Disallowance Period: 9/11/10-9/30/13	\$9,248	\$5,903
94	Child not in a foster care placement. [§472(b) & (c) of the Act; 45 CFR 1355.20(a)] Ineligible: 9/6/13-9/30/13	\$822	\$0
95	Child not in a foster care placement. [§472(b) & (c) of the Act; 45 CFR 1355.20(a)] Ineligible: 5/11/13-5/15/13	\$187	\$0
96	<ul style="list-style-type: none"> • Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 2/13/13-7/31/13 • Safety requirements not met; No documentation of fingerprint-based background checks for foster parents. [§471(a)(20) of the Act; 45 CFR 1356.30] Ineligible: 2/13/13-7/31/13 	\$142	\$0

Sample Numbers	Improper Payment Reason & Ineligibility Period	Improper maintenance payment FFP	Improper administrative payment FFP
99	<ul style="list-style-type: none"> • Judicial determination of reasonable efforts to finalize permanency plan not timely [§472(a)(2)(A)(ii) of the Act; 45 CFR 1356.21(b)(2)] Ineligible: 4/1/13-6/30/13 • Child not in a foster care placement. [§472(b) & (c) of the Act; 45 CFR 1355.20(a)] Ineligible: 7/4/13-8/8/13 • No evidence of agency responsibility for placement and care after the child was reunified. [§472(a)(2)(B) of the Act; 45 CFR 1356.71(d)(1)(iii)] Ineligible: 7/4/13-8/8/13 	\$959	\$1,799
104	<ul style="list-style-type: none"> • Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 6/20/13-9/30/13 • Safety requirements not met; No documentation of fingerprint-based background checks for foster parents. [§471(a)(20) of the Act; 45 CFR 1356.30] Ineligible: 6/20/13-9/30/13 	\$73	\$0
109	<ul style="list-style-type: none"> • Child not in a foster care placement. [§472(b) & (c) of the Act; 45 CFR 1355.20(a)] Ineligible: 8/8/13-9/30/13 • No evidence of agency responsible for placement and care after the child was reunified. [§472(a)(2)(B) of the Act; 45 CFR 1356.71(d)(1)(iii)] Ineligible: 8/8/13-9/30/13 	\$51	\$600

Sample Numbers	Improper Payment Reason & Ineligibility Period	Improper maintenance payment FFP	Improper administrative payment FFP
110	Judicial determination of reasonable efforts to finalize permanency plan not timely [§472(a)(2)(A)(ii) of the Act; 45 CFR 1356.21(b)(2)] Ineligible: 1/1/13-4/18/13	\$1,379	\$2,398
118	Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 7/17/13-8/28/13	\$1,215	\$600
122	<ul style="list-style-type: none"> Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 6/18/13-6/30/13 Safety requirements not met; No documentation of fingerprint-based background checks for foster parents. [§471(a)(20) of the Act; 45 CFR 1356.30] Ineligible: 6/18/13-6/30/13 	\$25	\$0
123	Child not in a foster care placement. [§472(b) & (c) of the Act; 45 CFR 1355.20(a)] Ineligible: 8/18/13-8/27/13	\$237	\$0
147	Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 8/14/13-9/30/13	\$934	\$1,199

Sample Numbers	Improper Payment Reason & Ineligibility Period	Improper maintenance payment FFP	Improper administrative payment FFP
148	Judicial determination of reasonable efforts to finalize permanency plan not timely [§472(a)(2)(A)(ii) of the Act; 45 CFR 1356.21(b)(2)] Ineligible: 6/1/12-4/30/13	\$16,914	\$6,513
OS11	<ul style="list-style-type: none"> <li data-bbox="329 558 911 657">• Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 8/14/13-9/30/13 <li data-bbox="329 758 867 919">• Safety requirements not met; No documentation of fingerprint-based background checks for foster parents. [§471(a)(20) of the Act; 45 CFR 1356.30] Ineligible: Placement #1: 5/17/13-8/2/13; Placement #2: 8/14/13-9/30/13 	\$1,355	\$2,398
TOTALS:		\$95,617	\$71,067

Non-Error Case with Ineligible Payments:

Sample Numbers	Improper Payment Reason & Ineligibility Period	Improper maintenance payment FFP	Improper administrative payment FFP
5	<ul style="list-style-type: none"> • Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 3/27/12-5/31/12 • Safety requirements not met; No documentation of fingerprint-based background checks for foster parents. [§471(a)(20) of the Act; 45 CFR 1356.30] Ineligible: 3/27/12-5/31/12 	\$515	\$0
23	<p>Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)]</p> <p>Ineligible: 8/15/12-11/30/12</p>	\$4	\$0
33	<ul style="list-style-type: none"> • Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 5/24/12-6/30/12 • Safety requirements not met; No documentation of fingerprint-based background checks for foster parents. [§471(a)(20) of the Act; 45 CFR 1356.30] Ineligible: 5/24/12-7/31/12 	\$256	\$0
37	<p>Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)]</p> <p>Ineligible: 1/24/12-2/29/12</p>	\$182	\$0

Sample Numbers	Improper Payment Reason & Ineligibility Period	Improper maintenance payment FFP	Improper administrative payment FFP
51	<ul style="list-style-type: none"> • Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 4/9/12-12/31/12 • Safety requirements not met; No documentation of fingerprint-based background checks for foster parents. [§471(a)(20) of the Act; 45 CFR 1356.30] Ineligible: 4/9/12-11/30/12 	\$403	\$2,957
61	<p>Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)]</p> <p>Ineligible: 9/21/11-9/30/11</p>	\$55	\$0
63	<p>Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)]</p> <p>Ineligible: 9/21/11-9/30/11</p>	\$82	\$0
65	<p>Child not in a foster care placement. [§472(b) & (c) of the Act; 45 CFR 1355.20(a)]</p> <p>Ineligible: 2/25/13-3/24/13</p>	\$24	\$600
68	<p>Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)]</p> <p>Ineligible: 6/30/11-1/31/12</p>	\$718	\$1,690

Sample Numbers	Improper Payment Reason & Ineligibility Period	Improper maintenance payment FFP	Improper administrative payment FFP
71	<ul style="list-style-type: none"> • Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 2/21/13-2/28/13 • Safety requirements not met; No documentation of fingerprint-based background checks for foster parents. [§471(a)(20) of the Act; 45 CFR 1356.30] Ineligible: 2/21/13-2/28/13 	\$222	\$0
74	<ul style="list-style-type: none"> • Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 7/9/12-10/31/12 • Safety requirements not met; No documentation of fingerprint-based background checks for foster parents. [§471(a)(20) of the Act; 45 CFR 1356.30] Ineligible: 7/9/12-9/30/12 	\$57	\$0
81	<p>Child not in a foster care placement. [§472(b) & (c) of the Act; 45 CFR 1355.20(a)] Ineligible: 3/13/13-3/13/13</p>	\$105	\$0
84	<p>Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 8/1/12-12/31/12</p>	\$35	\$0

Sample Numbers	Improper Payment Reason & Ineligibility Period	Improper maintenance payment FFP	Improper administrative payment FFP
94	<ul style="list-style-type: none"> • Child care institution not fully licensed during child's placement [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 8/16/11-1/31/13 • Safety requirements not met; No documentation verifying safety considerations with respect to staff of a child care institution [45 CFR 1356.30(f)] Ineligible: 8/16/11-1/31/13 	\$49,026	\$10,474
98	<ul style="list-style-type: none"> • Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 9/10/12-2/31/13 • Safety requirements not met; No documentation of fingerprint-based background checks for foster parents. [§471(a)(20) of the Act; 45 CFR 1356.30] Ineligible: 9/10/12-2/31/13 	\$114	\$0
102	<ul style="list-style-type: none"> • Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 2/7/13-3/31/13 • Safety requirements not met; No documentation of fingerprint-based background checks for foster parents. [§471(a)(20) of the Act; 45 CFR 1356.30] Ineligible: 2/7/13-3/31/13 	\$56	\$0

Sample Numbers	Improper Payment Reason & Ineligibility Period	Improper maintenance payment FFP	Improper administrative payment FFP
107	<ul style="list-style-type: none"> • Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 2/3/12-7/31/12 • Safety requirements not met; No documentation of fingerprint-based background checks for foster parents. [§471(a)(20) of the Act; 45 CFR 1356.30] Ineligible: 2/3/12-7/31/12 	\$50	\$579
115	<p>Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)]</p> <p>Ineligible: 1/1/13-2/28/13</p>	\$330	\$0
125	<p>Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)]</p> <p>Ineligible: 4/28/11-7/31/11</p>	\$599	\$0
132	<p>Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)]</p> <p>Ineligible: 8/31/12-12/31/12</p>	\$11	\$0
139	<ul style="list-style-type: none"> • Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 7/17/12-8/31/12 • Safety requirements not met; No documentation of fingerprint-based background checks for foster parents. [§471(a)(20) of the Act; 45 CFR 1356.30] Ineligible: 7/17/12-7/31/12 	\$220	\$0

Sample Numbers	Improper Payment Reason & Ineligibility Period	Improper maintenance payment FFP	Improper administrative payment FFP
144	<ul style="list-style-type: none"> • Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 7/24/12-11/30/12 • Safety requirements not met; No documentation of fingerprint-based background checks for foster parents. [§471(a)(20) of the Act; 45 CFR 1356.30] Ineligible: 7/24/12-11/30/12 	\$475	\$599
OS2	<ul style="list-style-type: none"> • Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 1/18/13-3/31/13 • Safety requirements not met; No documentation of fingerprint-based background checks for foster parents. [§471(a)(20) of the Act; 45 CFR 1356.30] Ineligible: 1/18/13-1/31/13 	\$119	\$0
OS9	<ul style="list-style-type: none"> • Foster home not fully licensed during child's placement. [§472(b) & (c) of the Act; 45 CFR 1356.71(d)(1)(iv)] Ineligible: 1/18/13-3/31/13 • Safety requirements not met; No documentation of fingerprint-based background checks for foster parents. [§471(a)(20) of the Act; 45 CFR 1356.30] Ineligible: 1/18/13-3/31/13 	\$56	\$0
TOTALS:		\$53,714	\$16,899

Program Strengths & Promising Practices

The following positive practices and processes of the title IV-E foster care eligibility program were observed during the review. These approaches have led to improved program performance and successful program operations.

- *AFDC determinations.* The case review found the required determinations for Aid to Families with Dependent Children (AFDC) consistently and correctly documented in the case records. Vermont has maintained reliable procedures for determining financial need and deprivation of parental support according to the state's July 16, 1996 guidelines for AFDC, as required for title IV-E eligibility determinations of children removed from the home and placed into foster care. Vermont uses a template to clearly document AFDC eligibility decisions. All information pertinent to this decision is identified, including which family members are included in the calculation, how income compares to the standard of need, and what the deprivation factor was.
- *Automated Data System Interfaces.* Vermont has an automated data system which facilitates timely and accurate AFDC eligibility decisions. The system is able to interface electronically with other state agencies to obtain information pertinent in determining financial need and deprivation for AFDC eligibility. Information on public benefits is received from the state Economic Services Division, and wages and earnings from the Department of Labor reports. These electronic system interfaces eliminate duplicative data collection efforts by staff and increase the authenticity of data used for eligibility determinations.

Area 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. The total number of ineligible cases identified in this section will exceed the total number of cases determined to have periods of improper payments as some cases had more than one error and some cases had both errors and ineligible payments.

Issue #1: Invalid Removal from the Home of a Specified Relative. Two (2) cases were in error because DCF obtained legal custody of the child but did not timely remove the child from the specified relative. In one case, the removal court order specified an understanding that mother and child would remain together until the next hearing, at which time the court conveyed an expectation that the child continue to be placed with the mother. The child was subsequently physically removed from the mother four days later without a new removal order. In a second case, the child was judicially, but not physically, removed from the grandparents' home and remained in placement with the grandparents.

Title IV-E Requirement: A removal is not valid under title IV-E in accordance with federal provisions at §472(a)(1) of the Act and 45 CFR 1356.21(k)(2) when the child is removed from the specified relative through a court order and the child remains with that same specified relative under that relative's responsibility and the title IV-E agency's supervision.

Furthermore, the judicial determination that results in the child's removal must coincide with the agency's action to physically or constructively remove the child, unless the court order specifies an alternative timeframe for physical removal. Absent this alternative timeframe, if the physical removal does not occur by the end of the next business day the child is ineligible for the entire foster care episode.

Recommended Corrective Action: The DCF staff should ensure the required valid removal has been made when making title IV-E eligibility determinations. Workers should be trained to thoroughly review any case where the child remains with the specified relative after DCF is given custody (placement and care authority) to ensure compliance with title IV-E requirements on valid removals. In addition, the CB suggests that the state put in place a quality assurance system to monitor the accuracy of eligibility determination and claiming processes.

Issue #2: Lack of Judicial Determinations Pertaining to Removals:

Reasonable Efforts to Prevent Removal. One (1) case was in error because the court orders in the case file did not contain an explicit judicial determination that reasonable efforts had been made to prevent removal. The Temporary Care Order indicates a judicial determination was made that DCF exercised due diligence to use appropriate and available services to prevent the child's unnecessary removal from the home", along with a contradictory determination made that DCF has not made reasonable efforts to prevent the child's unnecessary removal from the home". The transcript provided by the state did not provide any clarity on what the required finding was, and the state did not provide any additional court orders to substantiate the judicial requirement. If a judicial determination of reasonable efforts to prevent removal is not made within 60 days of the child's removal from the home and is not explicitly documented, the child is not eligible for title IV-E foster care maintenance payments for the duration of that stay in foster care.

Contrary to the Welfare. One (1) case was in error because the judicial requirement of contrary to the welfare was not satisfactorily met. The child was removed from the home after normal working hours based on a judge's verbal order. Vermont's established practice is to document such a verbal order with an Emergency Care Order the next business day. This court order for the sample case did not include a finding of contrary to the welfare, although a subsequent court order did make this determination. The state did not provide a court transcript documenting that the requisite finding was made at the time the court sanctioned the child's removal from the home.

Title IV-E Requirements: For a child who is judicially removed and placed in foster care on or after March 27, 2000, federal provisions at §472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(b)(1) required a judicial determination to the effect that, prior to the placement of the child in foster care, reasonable efforts were made or were not required to be made to prevent or eliminate the need for removal. Findings must be made on a case by case basis and explicitly stated in the court order. If an acceptable court order containing the requisite judicial determination is not furnished, a transcript of the court proceeding is the only alternative to a court order to substantiate that the requirement is satisfactorily met. If the judicial determination of "reasonable efforts to prevent removal" is not made within the first 60 days after the child's removal from the home, the child is not eligible for title IV-E foster care maintenance payments for the duration of the foster care episode.

Federal provisions at §472(a)(2)(A)(ii) of the Act and 45 CFR 1356.21(c) require for these removals that a judicial determination is made to the effect that continuation in the home is contrary to the welfare, or that placement would be in the best interest, of the child. The judicial determination must in the first court order sanctioning (even temporarily) the removal of a child from home. Absent explicit, child-specific documentation of such in the first court order, or court transcript, the child is not eligible for title IV-E for the duration of the foster care episode.

Recommended Corrective Action: Vermont has multiple templates used as guides to document a court-ordered removal of a child from the home, four which include areas for the judge to record a finding of contrary to the welfare, and three which facilitate documentation of a reasonable efforts finding, as well as the basis for the determinations. The DCF staff should ensure the required judicial determinations have been explicitly documented when making title IV-E eligibility determinations. Staff training will help ensure that workers make eligibility decisions based on the elements needed for compliance and eliminate the authorization of payments prior to establishing compliance with requirements. In addition, the CB suggests that the state put in place a quality assurance system to monitor the accuracy of eligibility determination and claiming processes.

Issue #3: *Timeliness of Judicial Determinations Regarding Reasonable Efforts to Finalize a Permanency Plan.* Eight (8) cases were in error because the judicial requirement of "reasonable efforts to finalize a permanency plan was not satisfactorily met. Vermont, like most states, incorporated the federal requirement for a judicial determination of reasonable efforts to finalize a permanency plan into its court proceeding for the 12-month permanency hearing. However, if the permanency hearing is delayed, the delay results in the state obtaining a judicial determination beyond the twelve months required by federal regulation. The gap in eligibility in these error cases ranged from three to as many as eighteen months, with an average gap in eligibility of eight months. In one case the state provided a court order and transcript documenting a permanency hearing was held, but neither contained evidence of a judicial determination to the effect that DCF made reasonable efforts to finalize the permanency plan.

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 beginning of the month in which the judicial determination is made.

Recommended Corrective Action: DCF's system has been programmed to automatically cease payment authorization when a gap in eligibility exists due to a delayed court finding, which has been noted by the CB in past title IV-E eligibility reviews as a strength of Vermont's system. In this IV-E review, DCF's safeguards did not work as intended. The DCF is encouraged to investigate why the system failed to cease payment authorization as intended and take relevant steps to address this issue. The CB also suggests that the state put in place a quality assurance system to monitor the accuracy of eligibility determination and claiming processes. In addition, the state is reminded that 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.

Issue #4: Lack of Placement and Care Responsibility. One (1) case was in error because DCF did not provide documentation showing that the agency had placement and care responsibility after the youth's 18th birthday. Typically Vermont will ask youth remaining in care after they reach the state's age of majority to sign a voluntary placement agreement granting DCF placement and care responsibility. The state did not provide this documentation, or any evidence that DCF retained placement and care responsibility for this youth. In addition, two (2) cases were in error because DCF did not provide documentation showing the agency had placement and care responsibility after children were reunified and one (1) case was in error because the state continued to claim IV-E after the child was adopted.

Title IV-E Requirement: Federal provisions at §472(a)(2)(B) of the Act and 45 CFR 1356.71(d)(1)(iii) require that the responsibility for placement and care of a child be with the state agency administering the title IV-E plan approved under §471 of the Act. For the title IV-E eligibility review, this responsibility must be for the entire period of the child's placement during the PUR for which a title IV-E maintenance payment is made and must be clearly indicated in a court order or voluntary placement agreement. The term placement and care means that the state

agency is legally accountable for the day-to-day care and protection of the child who has come into foster care through either a court order or a voluntary placement agreement. Placement and care responsibility allows the state agency to make placement decisions about the child, such as where the child is placed and the type of placement most appropriate for the child. It also ensures that the state provides the child with the mandated statutory and regulatory protections, including case plans, administrative reviews, permanency hearings, and updated health and education records. Although responsibility for placement and care is generally associated with custody, the agency need not be given legal custody of the child as legal custody is not a title IV- E requirement. However, granting of legal custody or legal care and control to the title IV-E agency is an indication that the agency has responsibility for the placement and care of the child.

Recommended Corrective Action: The state must take steps to ensure DCF has placement and care responsibility for each child on whose behalf IV-E foster care payments are made, and that this responsibility is set forth clearly in a court order or voluntary placement agreement. Staff training and oversight will help to ensure 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. The CB also suggests that the state put in place a quality assurance system to monitor the accuracy of eligibility determination and claiming processes.

Issue #5: AFDC Eligibility for Youth Over the Age of 18. One (1) case was in error because the state did not adhere to its Aid to Families with Dependent Children (AFDC) state plan requirements for youth over the age of 18. Vermont's AFDC state plan exercises an option that allows title IV-E payments to be made on behalf of youth age 18 who are full-time students in secondary school and who may be reasonably expected to graduate before reaching age 19. The state did not provide any evidence that the youth was a full-time student or that the youth was expected to graduate before reaching age 19, so payments should not have been made on behalf of this youth after the end of the month in which the youth turned 18.

Title IV-E Requirements: Federal regulations at 45 CFR 1356.71(d)(1)(v) require IV-E agencies to adhere to the AFDC eligibility rules as in effect in their state plans on July 16, 1996. The purpose of the title IV-E foster care program is to provide financial assistance to states to help care for children in foster care who meet the eligibility requirements for the former AFDC program and cannot remain safely in their homes. Thus, a child's eligibility for title IV-E maintenance is, in part, predicated on the child's eligibility for AFDC. The AFDC eligibility is generally limited to children under the age of 18. However, states may have elected to include in their AFDC state plans eligibility coverage for youth over age 18 who are full-time students in a secondary school and who may be reasonably expected to graduate before reaching age 19. Under these circumstances, eligibility for title IV-E foster care ceases at the end of the month in which the child leaves school or when the child turns 19, whichever occurs earlier. Vermont has exercised this eligibility option.

Recommended Corrective Action: The DCF's system has been programmed to automatically cease payment authorization at the end of the month in which a youth age 18 leaves school, so it is unclear why payments continued in this case. The DCF is encouraged to investigate why the system failed to cease payment authorization as intended and take relevant steps to address this payment issue. The CB suggests that DCF put in place a system to review the IV-E eligibility of every child who reaches the age of 18 to ensure they remain in full compliance with IV-E requirements before authorizing payments. The CB also suggests that the state put in place a quality assurance system to monitor the accuracy of eligibility determination and claiming processes.

Issue #6: Child Not in a Foster Care Placement. Ten (10) cases were in error and two (2) non-error cases claimed ineligible payments because maintenance payments were made on behalf of a child who was not in a foster care placement as defined in federal statute and regulation. Of these cases, five (5) were in error and two (2) claimed ineligible payments because payments were made on behalf of the child while in a hospital or detention facility. In three (3) cases, maintenance payments were made on behalf of a child who had been reunified or adopted and was no longer in foster care. One (1) case was in error because payments were made on behalf of a child who was on runaway status and was not placed with the same provider upon return to foster care. One (1) non-error case claimed ineligible payments because payments were made on behalf of a child who was on runaway status that extended beyond fourteen days. Finally, one (1) case was in error because the child had been judicially, but not physically, removed from the legal guardians; however, continued placement in the home of removal does not meet the federal definition of foster care.

Title IV-E Requirements: Federal provisions at §472(b) & (c) of the Act and 45 CFR 1355.20(a) mandate that foster care maintenance payments be made only on behalf of a child otherwise eligible and placed in a foster family home or child care institution which meets the specifications set forth in regulation. In addition, federal policy allows a state to continue to claim maintenance payments to a licensed provider if a program eligible child runs away, as long as the brief absence does not exceed 14 days and the child's placement continues with the same provider upon return to foster care. Federal statute at §472(c) specifically prohibits detention facilities from being considered a foster care placement.

Recommended Corrective Action: The state must take steps to ensure children, on whose behalf title IV-E foster care payments are made, are placed in foster care settings that are within the scope of federal mandates provided for at 45 CFR 1355.20(a). The CB suggests DCF review the eligibility decisions in these cases to determine whether these errors were due to a lack of training or a data entry error. Staff training and oversight will help to ensure workers enter accurate data into the system and base eligibility decisions on federal policy establishing what constitutes an eligible placement. The CB also suggests that the state put in place a quality assurance system to monitor the accuracy of eligibility determination and claiming processes.

Issue #7: Unlicensed Placements. Twenty-one (21) cases were in error and twenty-one (21) non-error cases claimed ineligible payments due to children being placed in foster homes prior to complete licensure. In addition, two (2) cases were in error and one (1) non-error case claimed ineligible payments because the child was placed in an unlicensed facility. These instances of improperly paid cases raise concern that the state is not properly exercising its responsibility for insuring that children are placed in fully licensed foster homes or childcare institutions and that the licensing requirements are met before claiming title IV-E on their behalf, as required by §472(b) & (c) of the Act and 45 CFR 1356.71(d)(1)(iv).

Title IV-E Requirements: Federal provisions at §472(b) & (c) of the Act and 45 CFR 1356.71(d)(1)(iv) require children to be placed in a foster family home or child care institution licensed by the state in which it is located, or approved by the state as meeting the standards established for such licensing. The regulations at 45 CFR 1355.20(a) further state that anything less than full licensure or approval is insufficient for meeting title IV-E eligibility requirements. Licenses or approvals, such as probationary or provisional, that are issued because the facility fails to satisfy all of the state's standards for full licensure or approval render the children placed in such a facility ineligible for title IV-E funding. These requirements apply equally to relative and non-relative foster homes.

Recommended Corrective Action: The state must take steps to ensure children on whose behalf IV-E foster care payments are made are placed in fully licensed foster homes. According to state officials, DCF's system is supposed to be programmed to prevent the claiming of IV-E before a compliance date has been entered into the system. VT uses the compliance date to document when the foster home has met all licensing requirements upon initial licensure. DCF should investigate whether the automated system failed or there is a data entry issue, and implement internal controls to ensure the required licensing has been fully completed and documented prior to initiating any IV-E claims. In addition, many of these errors resulted not because the state claimed maintenance payments to the unlicensed foster parents but rather miscellaneous payments for expenses such as transportation or clothing. The DCF should review its practice to ensure that the state does not make any title IV-E claims until the child meets all title IV-E eligibility criteria, including placement with a fully licensed provider. Finally, it is strongly recommended the state revise the template letter notifying foster parent applicants of their license approval to include an effective date of the license. Currently this correspondence only includes an expiration date. Inclusion of an effective date would eliminate any confusion over what date the application was fully approved and therefore meets title IV-E requirements for full licensure. This would be particularly useful when a license is renewed. Since the compliance date reflects the date the initial license meets all requirements and does not change when an application for renewal is submitted timely, the exact date a renewal application meets all licensing requirements is unclear under the state's current practice.

Issue #8: Lack of Criminal Background Checks for Foster Parents. Eleven (11) cases were in error and eleven (11) non error cases claimed ineligible payments because the state was unable to document that the required criminal background checks for foster parents had been completed.

Title IV-E Requirements: Federal provisions at §471(a)(20) of the Act and 45 CFR 1356.30 require the state to provide documentation that criminal records checks have been conducted on all prospective foster parents before they receive final approval for placement of a child. Fingerprint-based checks must be conducted for all prospective foster parents licensed on or after October 1, 2008. While this does not prohibit the state from placing a child in the home of a prospective foster parent prior to completion of the criminal background check, the state may not claim title IV-E until the required check is completed and the records reveal that the parents did not commit any prohibited felonies in section 471(a)(20)(A)(i) and (ii) of the Act. These requirements apply equally to relative and non-relative foster homes.

Recommended Corrective Action: The state must take steps to ensure all required criminal background checks are completed on foster parents caring for children, in particular for children on whose behalf IV-E foster care payments are made. According to state officials, DCF's system is supposed to be programmed to prevent the claiming of IV-E before a compliance date has been entered into the system indicating the foster home has met all requirements for licensure, which would include all required criminal background checks. DCF must investigate whether this is a data entry issue or a failure of the automated system, and implement internal controls to ensure the required criminal records checks have been fully completed and documented prior to initiating any IV-E claims on behalf of the child. In addition, the review identified that many of the payments claimed for these error cases were not maintenance payments but rather miscellaneous payments for expenses such as transportation or clothing. Children are not eligible for title IV-E if their placement does not meet all title IV-E requirements, including satisfactory criminal records checks. The DCF should review its practice to ensure that the state does not make any title IV-E claims until these requirements are met and fully documented. The CB also suggests that the state put in place a quality assurance system to monitor the accuracy of eligibility determination and claiming processes.

Issue #9: Lack of Documentation of Safety Considerations for Staff of a Child Care Institution. Two (2) cases were in error and one (1) non-error case claimed ineligible payments because the state could not provide documentation that the required safety considerations for staff of a child care institution were completed for the period for which the title IV-E foster maintenance payment was made on behalf of the child. All three cases involve placements in an in-state child care institution. The two error cases involved placement in the same unlicensed facility, with no evidence of safety checks having ever been completed. In the non-error case, although documentation was available to support completion of safety checks for a more recent period of time, the state did not provide evidence that the required safety checks were completed at the time of the child's initial placement and continuing through the first six months of that placement.

Title IV-E Requirements: Federal provisions at 45 CFR 1356.30(f) require that the state provide evidence that the safety considerations with respect to the staff of the child care institution have been addressed in accordance with the requirements of the state in which the child care institution is located. Documentation must verify all of the governing safety requirements were met prior to making any title IV-E payments on behalf of the child. Documentation can include, but is not limited to, such official material as a checklist or monitoring report completed by the licensing authority; a letter or report signed by appropriate title IV-E agency staff or licensing staff that details the background check results; or electronic data maintained in the title IV-E agency's automated information system that records the results of the evidence examined to determine compliance with the governing safety requirements. The documentation will be accepted based upon the degree that the documentation clearly specifies the safety measures completed, the date completed and the evidence reviewed (and by whom). A mere review of the title IV-E agency's or child care institution's policy and regulation, however, is not sufficient to document compliance with the safety requirement. A statement by the title IV-E agency staff that simply declared all background checks had been completed and persons cleared also is not sufficient.

Recommended Corrective Action: The CB suggests that DCF put in place a system to ensure the required documentation is on file prior to initiating any IV-E claims on behalf of a child placed in a child care institution. The CB also suggests that the state put in place a quality assurance system to monitor the accuracy of eligibility determination and claiming processes.

Disallowance

A disallowance in the amount of \$95,617 in maintenance payments and \$71,067 in related administrative costs of Federal Financial Participation (FFP) is assessed for title IV-E foster care payments claimed for the error cases. Additional amounts of \$53,714 in maintenance payments and \$16,899 in related administrative costs of FFP are disallowed for title IV-E foster care payments claimed improperly for the non-error cases. The total disallowance as a result of this review is \$237,297 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, the CB strongly recommends that DCF examine the identified areas needing improvement and develop strategies to address the problems hindering the state from operating a fully accurate foster care eligibility program. Although the state passed this review, the CB would like to emphasize that 60 of the 150 sampled cases, or 40 percent, had improper payments. As such, the state is urged to enter into a voluntary program improvement plan (PIP), developed in consultation with the CB Regional Office. The state should review its prior PIP and update and revise relevant improvement activities.

Appropriate corrective action should be taken in instances of noncompliance with federal laws and regulations and to address general case management and documentation issues. By regulation, when a state passes a title IV-E review the next review does not take place for three years. The state is urged to put in place a quality assurance system that will allow for ongoing monitoring of the accuracy of eligibility determinations and claiming processes. The CB Regional Office and the ACF Office of Grants Management are available to provide technical assistance to support the systemic change necessary to ensure accurate claiming.