

ACF Administration For Children And Families	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration on Children, Youth and Families	
	1. Log No: ACYF-CB-IM-02-06	2. Issuance Date: May 23, 2002
	3. Originating Office: Children's Bureau	
	4. Key Words: Extension Criteria for Current Child Welfare Demonstration Projects	

INFORMATION MEMORANDUM

TO: State Agencies Administering or Supervising Current Child Welfare Demonstration Projects

SUBJECT: Title IV-E Child Welfare Demonstration Projects Requests for Extensions – Procedures and Criteria

LEGAL AND RELATED REFERENCES: Title IV-B of the Social Security Act
 Title IV-E of the Social Security Act
 Section 1130 of the Social Security Act, as amended by Public Law 105-89

PURPOSE:

The purposes of this Information Memorandum are: (1) to announce that the Department of Health and Human Services will accept requests for extensions of current child welfare demonstration projects; and (2) to inform the relevant State officials and other interested parties of the procedures to be followed in submitting a request for an extension and the criteria that the Department will use in exercising its discretion to grant extensions of demonstration projects conducted under the authority in Section 1130 of the Social Security Act.

SUPPLEMENTARY INFORMATION:

Under section 1130 of the Social Security Act (the Act), the Department of Health and Human Services is given authority to approve up to ten State child welfare demonstrations in each of the five fiscal years 1998-2002. These demonstration projects involve the waiver of certain requirements of titles IV-B and IV-E, the portions of the Act that govern foster care, adoption assistance, independent living, child welfare services,

promoting safe and stable families, family preservation and support, and related expenses for program administration, training and automated systems.

Section 1130(d) states that a demonstration project may be conducted for not more than five years, unless in the judgment of the Secretary, the demonstration should be allowed to continue. Some of the earliest child welfare demonstration projects are approaching the end of their fifth year, and the Department is receiving requests for extensions. In exercising its discretionary authority, the Department has developed a number of procedures and criteria for receiving and reviewing such requests. In order to ensure a sound decision-making process, the Department will be guided by the procedures and criteria described in this Information Memorandum.

Background

Child welfare systems throughout the country continue to face many complex and difficult challenges, including the need to serve large caseloads of children and families, many of whom are struggling with complex problems. New, creative and innovative efforts are needed to stimulate meaningful change in child welfare service delivery and to promote improved outcomes for children and families. The Child Welfare Demonstration Authority, authorized by Section 1130 of the Social Security Act, provides an important mechanism that affords States the opportunity to test such innovative strategies.

In granting States the authority to conduct such demonstrations, the Department has been guided by the statutory requirements that such projects must, among other requirements:

- Be cost-neutral to the Federal government for the duration of the project period;
- Be evaluated by an independent contractor to compare outcomes for children and families in the demonstration project with outcomes for children and families served under the existing State Plan; and to assess demonstration projects with respect to efficiency, economy and other appropriate measures of program management.

General Considerations

Under subsection 1130(d) of the Act, demonstration projects may be conducted for not more than five years, unless in the judgment of the Secretary of Health and Human Services, the demonstration should be allowed to continue. In exercising its discretion to extend demonstration projects, the Department will continue to be guided by the legislative requirements requiring cost-neutrality and emphasizing accountability and performance through evaluation. Consistent with the original purpose of the demonstration authority, the Department is particularly interested in learning about what has worked, what has not worked and how children and families have fared under the demonstration. In granting extensions, the Department will be looking to continue demonstrations that have documented success or show promise in improving outcomes for children and families. We realize that States have faced a number of challenges in implementing demonstrations and may not have achieved all of their intended goals and objectives. Therefore, in reviewing extension requests the Department will be

considering the degree to which goals and objectives were met. Where they were not fully met, the Department will be looking to see that the State has fully documented the factors that caused the project to fall short of its proposed goals and that the State has proposed detailed strategies to reach its goals in the future. The Department is unlikely to extend projects in which few of the stated goals and objectives were met.

Because of the Department's interest in gaining a full understanding of the impact of the existing demonstration projects, we will require that final evaluation reports and fiscal reports be submitted before a decision is made about granting a multi-year extension. However, we recognize that under the Terms and Conditions approved for the existing demonstration projects, final reports are not due until either six or nine months following the end of the approved demonstration period. Therefore, to allow States and their contractors the time needed to complete quality evaluation reports, to avoid a gap in services, and to allow the Department adequate time to review findings, we will initially grant any State requesting an extension a short-term extension, to extend four months beyond the due date for the final evaluation report specified in the original terms and conditions. At the conclusion of that period, final decisions will be made as to whether to extend or terminate the demonstration project.

Procedures to request an extension

1. Any State that has a child welfare demonstration project may apply for an extension by submitting a letter to the Associate Commissioner of the Children's Bureau no later than six months before the termination date of the demonstration project. The request should specify the current end date for the demonstration and indicate the desired length of the extension. The Department will consider extension requests of up to five years, but reserves the right to approve an extension for a period of time less than that requested by a State based on its review of the extension request. In general, extensions for greater than three years will only be granted to projects that can clearly demonstrate positive outcomes for the children and families enrolled in the waiver project. The letter should highlight the State's evaluation and cost-neutrality findings to-date and explain the reasons that the State wishes to continue the demonstration project. The letter requesting the extension must also indicate any proposed modifications to the existing project. The Department will consider only minor modifications to the existing project. If a State wishes to demonstrate a new program strategy, it must submit a separate request for a new waiver demonstration project.
2. Following receipt and review of the letter requesting the extension, the Department will grant a short-term extension to the date that is four months after the due date of the State's final evaluation report, as specified in the Terms and Conditions.
3. The State must submit the final evaluation report and all required fiscal reports by the due date specified in the original Terms and Conditions. To facilitate review of the evaluation findings, at the time that the final evaluation report is submitted the State must also submit a letter highlighting the pages or sections of the report addressing the evaluation criteria outlined below.

4. Within four months of the receipt of the final evaluation report, the Department will notify the State of its decision on whether or not to approve the extension. If a request for an extension is approved, the Terms and Conditions will be amended to reflect the new end date for the demonstration, as well as any agreed upon changes in service delivery, evaluation activities, or the formula for determining cost neutrality. If a request for extension is not approved, the State will be required to phase out the project, following the procedures specified in the plan required by the original terms and conditions, so as to assure that there are no waiver-related Federal costs incurred beyond the period approved by the Department.

Evaluation Criteria

In making determinations about extensions, the Children's Bureau will consider the following factors:

1. The State must have: (a) complied with the Terms and Conditions and any amendment(s); (b) implemented the demonstration project as intended; and (c) submitted high-quality progress reports, evaluation reports and other documents in a timely manner.
2. The extent to which the State has documented that the cost-neutrality formula was followed and that the demonstration is cost-neutral to the Federal government.
3. The extent to which the State has: (a) proven the project's hypothesis (i.e., the services provided produced the predicted positive results) and achieved or made substantial progress toward meeting its stated goals; and (b) provided evidence of the beneficial outcomes for children and families as a result of the demonstration project.
4. The extent to which the State has: (a) identified factors that delayed or adversely affected implementation; (b) adequately explained the steps/approaches to be taken under the extension to prevent future delays; and (c) described any improved/enhanced strategies proposed under the extension request.
5. For States with demonstration projects involving the testing of flexible funding or intensive service programs, the Children's Bureau will also consider the extent to which the State has for each alternative service intervention: (a) indicated the number of program sites and families that participated in the demonstration; (b) documented that the counties and local agencies, particularly in those States with flexible funding, participated in and cooperated with the demonstration plan; (c) adequately explained the differences between anticipated and actual participation, as applicable; (d) explained clearly the types of alternative service intervention strategies tested and the extent to which each strategy has been successful or unsuccessful; and (e) the extent to which the State justifies which of these strategies will be continued.

Other Requirements for Demonstration Projects that Receive an Extension

1. The State must describe the steps it plans to take to ensure that the project will remain cost-neutral to the Federal government during the extension period, as well as assurances that the State will continue to assume responsibility for any costs above the cost-neutrality formula. The Department reserves the right to request that an alternative cost-neutrality formula be used during the extension period if the cost-neutrality results were not conclusive. The Department will work with the State to make any needed revisions to the cost-neutrality formula, as appropriate.
2. The demonstration project must continue to include the evaluation component to track the outcomes of the project. The Department will consider a modified or simplified evaluation of the project if the State has provided clear and convincing evidence that the project has proved its hypothesis; has achieved its goals; and that the alternative method of evaluation can provide the data necessary to document the project's ongoing results.
3. Section 1130(a)(4) of the Act requires States operating child welfare demonstration projects to provide health insurance to any special needs child currently covered by an adoption assistance agreement. As a condition of its request being approved, a State must certify in its letter requesting the extension that it is meeting this requirement.

FOR FURTHER INFORMATION:

The Children's Bureau staff is available to the States to answer questions on developing a request for extension. For further information, please contact Patricia Campiglia at (202) 205-8060, Pat Hagen at (202) 205-8575 or Gail Collins at (202) 205-8552.

Joan E. Ohl
Commissioner
Administration on
Children, Youth and Families