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<b>ACF</b>  Administration  for Children and Families	<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b> <b>Administration for Children, Youth and Families</b>	
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	<b>3. Originating Office:</b> Children's Bureau	
	<b>4. Key Words:</b> Rescission, Administrative Costs, Child Placement Services, Training	

### INFORMATION MEMORANDUM

**TO:** State Agencies Administering or Supervising the Administration of Titles IV-B and IV-E of the Social Security Act.

**SUBJECT:** Possible limitation on amount of allowable child placement services, administrative expenditures and training costs reimbursable under title IV-E in and for Federal Fiscal Year (FY) 1995

**LEGAL AND RELATED REFERENCES:** Section 474 of the Social Security Act.

**CONTENT:** On March 3, 1995, the Appropriations Committee of the U.S. House of Representatives reported out HR 1158, a bill which would rescind over \$20 billion in spending authority for FY 1995. One provision of this legislation, if enacted, would limit the amount of title IV-E child placement services, administrative expenditures and training costs for which Federal reimbursement could be provided. As of this date, the legislation has not been passed by either house of Congress.

The following is the language adopted by the Committee:

Of the funds made available under this heading in P.L. 103-333 for payments to States under section 474(a)(3) of the Social Security Act, an amount is hereby rescinded such that the total made available to any State under such section in fiscal year 1995 does not exceed 110 percent of the total paid to such State thereunder in fiscal year 1994 which, notwithstanding any other provision of law, is the maximum amount to which any such State shall be entitled for payments under such section 474(a)(3) for fiscal year 1995.

Our understanding of this language is that it would limit the maximum amount that could be paid to any State in FY 1995 for title IV-E child placement services, administrative expenditures and

training costs to 110 percent of the total amount paid to that State for IV-E administrative costs in FY 1994.

In addition, the total amount of administrative costs reimburseable to any State for FY 1995 incurred expenditures would also be limited to 110 percent of total administrative costs paid to the State in FY 1994, even though some of the costs for FY 1995 could be claimed in FY 1996 and FY 1997.

The attached table shows for each State the maximum reimbursement amount which could be allowed under this provision for title IV-E administrative costs claimed in FY 1995, based on the latest information available and the capped level that would be imposed by the proposed legislation. The same limitation would also apply to the amount of reimbursement available to States for costs applicable for FY 1995, but claimable in subsequent years.

The proposed language would limit total reimbursable administrative costs which include training under title IV-E and enhanced funding (at 75 percent Federal matching) for Statewide Automated Child Welfare Information Systems (SACWIS).

**NOTE:** This is a preliminary analysis of proposed legislation which has not yet been enacted and which may be amended substantially during subsequent Congressional action. This material is being provided solely for informational purposes.

**ACTION REQUIRED:** None at this time.

**INQUIRIES:** Norman L. Thompson, Director  
Office of Financial Management  
(202) 401-9238

/S/

Olivia A. Golden  
Commissioner

[Attachment:](#) House-Proposed FY 95 Limit

House Proposed FY 1995 Limit for Foster Care and Adoption Assistance State and Local  
Administration\*

<b>State</b>	<b>HOUSEPROPOSED FY 1995 LIMIT</b>
Alabama	\$7,661,030
Alaska	2,865,419
Arizona	15,374,942
Arkansas	18,529,256
California	334,873,663
Colorado	20,556,378
Connecticut	27,836,746
Delaware	3,809,674
District of Columbia	10,670,338
Florida	63,330,717
Georgia	10,908,350
Hawaii	8,145,577
Idaho	2,698,582
Illinois	83,152,835
Indiana	18,885,244
Iowa	10,093,419
Kansas	14,033,499
Kentucky	25,884,214
Louisiana	21,265,243
Maine	3,164,979
Maryland	26,877,793
Massachusetts	56,832,615
Michigan	56,994,537
Minnesota	18,401,057
Mississippi	3,522,169
Missouri	19,472,566
Montana	2,346,696
Nebraska	5,835,974
Nevada	1,877,295
New Hampshire	4,451,710
New Jersey	18,403,444
New Mexico	3,347,200

New York	231,310,317
North Carolina	5,684,111
North Dakota	4,801,295
Ohio	76,919,723
Oklahoma	3,880,787
Oregon	13,007,872
Pennsylvania	72,195,996
Rhode Island	8,061,241
South Carolina	5,097,132
South Dakota	2,185,433
Tennessee	8,337,608
Texas	40,009,703
Utah	4,100,103
Vermont	3,568,970
Virginia	10,290,766
Washington	12,025,716
West Virginia	2,468,122
Wisconsin	25,990,919
Wyoming	710,697
<b>Totals</b>	<b>\$1,452,749,672</b>