

**Amended in June 2018 to extend the demonstration project until September 30, 2019. (See Sections 1.4, 3.5, 4.2, 4.2.2, 4.2.2.2.1, 4.3 Revised Table 2, 5 5.5 and 5.7.)**

**Amended April 2017, to reflect adjustments to the capped allocation for actual CPI-U factor data, application of a trigger provision for out of home client population increases and to incorporate unexpended capped allocation amounts authorized for this demonstration project in prior periods into the current five-year capped allocation. (See sections 4.2.1, 4.2.2.1(a)(6&7), 4.2.2.1(c) and 4.3).**

**Amended May 2016 to permit Florida to exclude administrative costs from its Title IV-E Student Stipend Training Program paid on or after October 1, 2015 from the capped allocation. See section 4.2.2.2(e).**

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES  
ADMINISTRATION ON CHILDREN, YOUTH AND FAMILIES  
CHILDREN'S BUREAU

WAIVER AUTHORITY

STATE: **FLORIDA**

Waivers of the following provisions of the Social Security Act and Program Regulations are provided to the State to operate a child welfare demonstration project:

Section 472 (a): Expanded Eligibility: To allow the State to expend title IV-E funds for children and families who are not normally eligible under Part E of title IV of the Act as described in the Terms and Conditions.

Section 474(a)(1): Expanded Claiming: To allow the State to claim at the Federal medical assistance percentage any allowable expenditures of foster care maintenance payment cost savings.

Section 474(a)(3)(E) and 45 CFR 1356.60(c)(3): Expanded Services: To allow the State to make payments for services that will be provided that are not normally covered under Part E of title IV of the Act; and to allow the State to use title IV-E funds for these costs and services as described in the Terms and Conditions, Section 2.0.

All waivers are granted only to the extent necessary to accomplish the project as described in these Terms and Conditions.

## DEMONSTRATION PROJECT TERMS AND CONDITIONS

### **FLORIDA**

#### SECTION 1: GENERAL

- 1.0 The Department of Health and Human Services (hereinafter referred to as “the Department”) will grant waivers to the State of **Florida** (hereinafter referred to as “the State”) under Section 1130 of the Social Security Act (hereinafter referred to as “the Act”) to operate a demonstration project (hereinafter referred to as “the demonstration”) as set forth in these Demonstration Project Terms and Conditions. The Department reserves the right, in its sole discretion, to withdraw approval of this demonstration project, including withdrawal of any and all waivers granted by the Department at such time(s) that the Department determines that the State has materially failed to meet the requirements as set forth in these Demonstration Project Terms and Conditions. The State also retains the right to terminate the demonstration.
- 1.1 Failure to operate the demonstration as approved and according to Federal and State statutes and regulations will result in withdrawal of approval of this demonstration project. The Federal statutes and regulations with which the State must comply in the operation of the demonstration include civil rights statutes and regulations that prohibit discrimination on the basis of race, color, national origin, disability, sex, age, and religion, including title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, title II of the Americans with Disabilities Act, the nondiscrimination provisions of the Omnibus Budget Reconciliation Act of 1981, and the Multiethnic Placement Act as amended. After the demonstration is approved, the Department reserves the right to withdraw approval if agreement cannot be reached on any item(s) cited in this document as needing approval by the Department. The State also has the same right.
- 1.2 If Federal or State statutes or regulations that would have a major effect on the design and impacts of this demonstration are enacted, or if any deficiencies or serious problems in implementation of these Terms and Conditions are noted by the Department, the Department and the State will reassess the overall demonstration and develop a mutually agreed-upon strategy for dealing with the demonstration in the context of such changes. If such a mutually agreed-upon strategy cannot be developed, the Department reserves the right, in its sole discretion, to withdraw approval at such time(s) as the Department determines.
- 1.3 All provisions of the Act not waived remain in effect.
- 1.4 **The demonstration’s provisions were initially implemented on October 1, 2006 with a project period not to exceed five years under the waiver provisions of the Act, unless in the judgment of the Secretary the demonstration should be allowed to continue. To allow the Secretary to make that determination, the demonstration**

was extended until December 31, 2013. The Secretary ~~has determined~~ that the demonstration should be allowed to continue and ~~has approved~~ a further five-year extension retroactive to October 1, 2013 and ending September 30, 2018. ~~The implementation date of the demonstration was the first day on which the State offered services, subsidies, or other supports under the provisions of these Demonstration Project Terms and Conditions to participating children, caregivers, or other targeted individuals. For cost-neutrality purposes, the demonstration was deemed to have begun on October 1, 2006, the first day of the calendar quarter (hereinafter "quarter"), which includes the implementation date. For the purpose of calculating costs for the initial quarter of the demonstration, only costs incurred beginning with the month that includes the implementation date will be counted.~~

The demonstration provisions shall be as specified in Sections 2 and 3. Waivers necessary for the demonstration are approved upon acceptance by the Department and the State of these Demonstration Project Terms and Conditions. They ~~will become~~ became effective as of the implementation date and will remain in effect ~~for the duration of the project~~ until the last day of the 20<sup>th</sup> quarter ending after the deemed beginning date, unless the demonstration is terminated earlier. ~~The State's project demonstration period may not exceed a maximum of five total years under the provisions of the Act, unless in the judgment of the Department, the demonstration project shall be allowed to continue. The State submitted a request to further extend the project beyond the approved five-year (20 quarter) term and that request has been approved by the Secretary. The demonstration shall end no later than September 30, 2019.~~

- 1.5 Federal approval of these Demonstration Project Terms and Conditions shall not be construed to establish any precedent that the Department will follow in the approval of any subsequent request for Terms and Conditions.
- 1.6 Nothing in these Terms and Conditions shall create eligibility for any child or family for any Federal program or entitlement for which that child or family would not otherwise be entitled, except that title IV-E funds may be expended, according to the provisions of these Terms and Conditions, for persons who would not be eligible for title IV-E funds in the absence of the demonstration. Receipt of services reimbursable under title XIX but provided under these Terms and Conditions for children and families who are not eligible under title IV-E does not constitute eligibility for Medicaid. Children under this demonstration who are determined to be eligible under title IV-E will retain that eligibility through the duration of the demonstration project, so that such children will remain eligible for Medicaid, title IV-E Adoption Assistance, title IV-E Foster Care, and title IV-E Guardianship Assistance Program, if applicable.

## SECTION 2: IMPLEMENTATION

- 2.0 Under these Waiver Terms and Conditions, the State will receive a waiver of certain provisions of title IV-E of the Social Security Act for the purposes of implementing a flexible funding demonstration. This waiver demonstration will involve a capped allocation of title IV-E funds to the State to maintain and improve the array, intensity and accessibility of child welfare services that improve safety, permanency, and well-being outcomes for children who are in or at risk of entering out-of-home placement. The overall goals of the State's waiver demonstration are to:

- Improve child and family outcomes through the flexible use of title IV-E funds;
- Provide a broader array of community-based services, and increase the number of children eligible for services; and
- Reduce administrative costs associated with the provision of child welfare services by removing current restrictions on title IV-E eligibility and on the types of services that may be paid for using title IV-E funds.

The demonstration will target title IV-E-eligible and non-IV-E-eligible children ages 0-18 who (1) are currently receiving in-home services or who are in out-of-home placement at the beginning of the demonstration period, and (2) all new families with a report of alleged child maltreatment during the course of the demonstration.

Implementation of the waiver demonstration will occur statewide.

- 2.1 **The State's flexible funding demonstration will continue to incorporate the following components:**

**Capped Allocation of Title IV-E Funds:** The State will receive a capped allocation of Federal title IV-E foster care funds to support community-based services and activities that promote child safety, prevent out-of-home placement, expedite permanency and improve well-being.

**Contracts with Community-Based Care Lead Agencies:** The State will distribute its capped allocation of title IV-E funds either through payment for activities performed by the State agency or through contracts with local government entities or private and non-profit Community-Based Care Lead Agencies (Lead Agencies) throughout the State, or through other entities under contract with the State agency. The Lead Agencies will be responsible for coordinating and providing services, programs, and supports funded using title IV-E dollars for all eligible children and their families in their respective service areas in the State.

The State will incorporate into the contract with each Lead Agency provisions specifying the payment rate(s) for waiver-funded services and supports only and specific standards for:

- Contact between Lead Agency case managers and children and their families;

- Documentation and reporting requirements; and
- Mechanisms for regular review of progress towards achieving each child and family's safety, well-being, and permanency goals.

The contracts will also specify the responsibilities of the State in supporting each Lead Agency in providing services and supports to eligible children and their families and in monitoring the contract.

**Improved Array of Community-Based Services:** Under the waiver demonstration, the State will expand the array of community-based services and programs provided by Lead Agencies or other contracted service providers using title IV-E funds pursuant to this waiver. Expanded services, supports, and programs may include, but are not limited to:

- Development and implementation of family-centered evidence-based programs and case management practices to assess child safety; support and facilitate parents and caregivers in taking responsibility for their children's safety and well-being; enhance parent and family protective factors and capacity; develop safety plans; and facilitate families' transition to formal and informal community-based support networks at the time of child welfare case closure.
- Early intervention services for families to prevent crises that jeopardize child safety and well-being.
- One-time payments for goods or services that reduce short-term family stressors and help divert children from out-of-home placement (e.g., payments for housing, child care).
- Evidence-based, interdisciplinary, and team-based in-home services to prevent out-of-home placement.
- Services that promote expedited permanency through reunification when feasible, or other permanency options as appropriate.
- Improved needs assessment practices that take into account the unique circumstances and characteristics of children and families.
- Long-term supports for families to prevent placement recidivism.
- Strategies that increase children's access to consistent medical and dental care; improve adherence to immunization schedules and well-child check-ups; and holistically address the physical, social/emotional, and developmental needs of children.
- Strategies to improve the monitoring and oversight of psychotropic medication management.
- Development and deployment of consistent statewide metrics to improve performance in educational outcomes, including, high school graduation/general equivalency diploma (GED) completion rates, receipt of developmental screens and early intervention services as needed by children ages birth to three, increased enrollment of young children in quality early childhood programs, increased school enrollment and attendance, and improved school stability.

- **Implementation of evidence-based practices to increase the effectiveness of mental health and substance abuse screening and treatment services for parents, as well as strategies to improve timely access to and engagement in these services.**
- **Expansion of the functions of the ACCESS (Public Assistance and Supplemental Nutritional Assistance Program) Child in Care Units to ensure eligible parents receive Medicaid and other health and economic assistance.**
- **Development of resource family recruitment and training strategies that attract capable and effective foster parents, “professionalize” the role of foster parents, emphasize foster parent co-parenting as a mechanism to promote reunification with biological parents, and promote normalcy for children in foster care.**

**In addition to existing programs, new community-based services and programs that demonstrate sufficient evidence of their ability to address client needs, and to positively affect the demonstration’s goals outlined in Section 2.0, may be provided to eligible children and families using title IV-E funds.**

- 2.2 The State shall comply with the following general provisions over the full term of the demonstration project. The State will, or where appropriate, will ensure that **child welfare case managers, child welfare supervisors, and staff from contracted Lead Agencies or other service providers:**
- a. Work closely with the evaluator to maintain the integrity of the evaluation.
  - b. Develop and deliver services to meet the individual needs of each child and family.
  - c. Ensure that any services being provided to a child or family member at the time the demonstration ends will be completed.
  - d. Ensure the confidentiality of the information collected on the children and families under the demonstration.
  - e. Ensure that the rights of children and their families are protected, and that the safety of the children is a paramount concern of the demonstration project.
  - f. Ensure that title IV-E eligibility determinations are made for all children who are involved in the demonstration project, throughout the life of the demonstration project, to ensure that eligible children retain their eligibility after the demonstration ends.
  - g. Bear any costs that exceed the amount of Federal funds provided for the demonstration.
  - h. Ensure that the State is organizationally and legally prepared for all aspects of demonstration project implementation.

- i. Ensure that a conventional title IV-E program is maintained for those children and families that are not designated to receive demonstration services, and that these children and families continue to receive services that are consistent with the “traditional services” available to such children and families in the State at the time the demonstration begins.
- j. Ensure that all applicable provisions of the Act apply to all demonstration components except for those provisions that are explicitly waived above.
- k. Ensure that children who are eligible for the Medicaid program will retain their eligibility for a full range of Medicaid services under the demonstration.
- l. Ensure that any “savings” resulting from the demonstration, whether they are savings to the Federal government, to the State, or to a county or to another jurisdiction within the State, will be used for the further provision of child welfare services. For the purposes of this provision, “savings” means any amount that would have been expended for conventional title IV-E purposes in the absence of this demonstration, or that could have been expended under title IV-B of the Act.
- m. Ensure that in each year throughout the duration of this demonstration the appropriate State official(s) and evaluators will attend and participate in an annual meeting of the Child Welfare Demonstration States in the Washington, D.C. area.
- n. For the duration of the demonstration project, assure that the State shall provide health insurance coverage to any child with special needs (as determined under Sec. 473(C) of the Act) for whom there is in effect an adoption assistance agreement between the State and an adoptive parent or parents.

2.3 The State will submit an Initial Design and Implementation Report within 90 days following acceptance of these Terms and Conditions (see Section 5.1). This report will include updated information about program design and implementation. Report section regarding implementation will include:

- A Final Work Plan, outlining the key tasks, reporting requirements, and timelines throughout the course of the demonstration;
- A phase-down plan for the demonstration so that case plans for children and their families can be adjusted, if necessary, for the post-demonstration portion of their placement (See Section 6.1);
- The detailed protocol or set of policies that will guide decisions about which families or children are to be selected to participate in the demonstration, how the selection will be made, and how the suitability of services will be determined;
- Standards of quality and safety and practice requirements identified by the State to be

incorporated into any agreements with public and private providers that are expected to provide support and services; and

- The status of evaluation activities, including efforts to engage a third-party evaluator.

The demonstration project will be reviewed periodically by the Department to ensure that the demonstration activities are consistent with the purposes of titles IV-B and IV-E of the Act and these Terms and Conditions in providing child welfare services, including an assurance of the safety of the children and families involved. The review is intended to ensure that benefit eligibility will not be impaired and that improved outcomes for the children and families will result. Any proposed amendment to these Terms and Conditions is subject to prior approval by the Department.

### SECTION 3: EVALUATION

3.0 The State will conduct an evaluation of the use of title IV-E funds to **determine the effectiveness of an expanded array of child welfare services and supports in improving permanency, safety, and well-being outcomes for children in or at risk of entering out-of-home placement. Specifically, the evaluation will test the hypotheses that an expanded array of community-based care services available through the flexible use of title IV-E funds will:**

- **Improve physical, mental health, developmental, and educational well-being outcomes for children and their families.**
- **Increase the number of children who can safely remain in their homes.**
- **Expedite the achievement of permanency through either reunification, permanent guardianship, or adoption.**
- **Protect children from subsequent maltreatment and foster care re-entry.**
- **Increase resource family recruitment, engagement, and retention.**
- **Reduce the administrative costs associated with providing community-based child welfare services.**

The evaluation will consist of three components: A process evaluation, an outcome evaluation, and a cost analysis.

The State is required to engage a third party to conduct an evaluation of the demonstration program. The evaluator shall be an independent organization that is not affiliated with state or local government, except that state universities may be engaged to conduct the evaluation. The evaluator shall be responsible for the development of the final evaluation design within the basic evaluation parameters outlined below. The evaluator shall develop and execute data collection and analysis plans; **develop and implement a design for tracking changes in child welfare outcomes over time and procedures for examining the relationship between observed changes and waiver implementation while controlling for potential confounds;** and prepare interim and final reports.

3.1 **Evaluation Design: The State will implement a longitudinal research design for the evaluation of its waiver demonstration that analyzes historical changes in child welfare outcomes and expenditures. Longitudinal changes in child welfare outcomes will be analyzed by measuring the progress of successive cohorts of children entering the State's child welfare system toward the achievement of the demonstration's primary goals as defined in Sections 2.0 and 3.0. Evaluation cohorts will be defined and identified using data available in the State's Automated Child Welfare Information System (SACWIS).**

To measure the historical progress of each evaluation cohort, the State or its evaluation contractor will establish a baseline for each key outcome measure (see Section 3.3) prior to the implementation of the demonstration and will track performance on each outcome measure at pre-determined time intervals. The longitudinal research design will also incorporate the use of inferential statistical methods where appropriate to assess and control for factors that may be related to variations in observed outcomes.

In addition, the State may implement one or more sub-studies of specific waiver-funded interventions using alternative research designs that may include randomized controlled trials and matched case comparison groups. Cases enrolled in any sub-studies will maintain their assigned status for the full period of the demonstration.

To the extent possible, the historical tracking of outcome measures and implementation of sub-studies will be based on the collection and analysis of client-level child welfare data available through State and Federal administrative data sources or through primary data collection.

Throughout the evaluation, the State will apprise the Department of any difficulties encountered in achieving estimated sample sizes **for any sub-studies that are implemented or in using any data sources**, and in consultation with the outside evaluator will determine if such difficulties will affect the State's ability to identify statistically significant differences in key demonstration outcomes. **In addition, if client-level data are not available or are otherwise not used for certain components of the evaluation, the State will provide a written explanation and justification for the use of alternative data sources.** The State will notify the Department as soon as any serious problems are noted.

Semi-annual progress reports (see Section 5.2) will include updates on sample sizes **for any sub-studies that are implemented** and progress toward meeting the targeted sample sizes. Modifications to the sampling plans **for any sub-studies that are implemented** may be proposed to the Department for approval if the sample sizes for the experimental and control/**comparison** groups are such that the number of clients in each group will provide adequate statistical power to detect differences in outcomes of interest between the two groups.

- 3.2 Process Evaluation: The evaluation will include interim and final process analyses that describe how the demonstration was implemented and that identify how demonstration services differ from services available prior to implementation of the demonstration, or from services available to children and families that are not designated to receive demonstration services. The analysis will include a logic model that describes the demonstration's objectives, the services or other interventions provided, and the way the intervention is linked to measurable outcomes. In addition, the process analysis will examine, at a minimum, the following:

- The planning process for the demonstration including whether any formal needs assessment, asset mapping, or assessment of community readiness was conducted;
- The organizational aspects of the demonstration, such as staff structure, funding committed, administrative structures, and project implementation, including ongoing monitoring, oversight, and problem resolution at various organization levels;
- The number and type of staff involved in implementation, including the training they received, as well as their experience, education and characteristics;
- The service delivery system, including procedures for determining eligibility, referring subjects for services, the array of services available, the number of children/families served and the type and duration of services provided;
- The role of the courts in the demonstration and the relationship between the child welfare agency and court system, including any efforts to jointly plan and implement the demonstration;
- Contextual factors, such as the social, economic and political forces that may have a bearing on the replicability of the intervention or influence the implementation or effectiveness of the demonstration. This discussion will note any possible confounding effects of changes in these systems, or changes resulting from other demonstrations or reforms that were implemented during the title IV-E demonstration;
- The degree to which demonstration programs and services are implemented with fidelity to their intended service models; and
- The barriers encountered during implementation, the steps taken to address these barriers, and any lessons learned during implementation.
- **Other relevant factors based on the nature of the State's demonstration and research questions of interest.**

For each of the factors described above, the process analysis will note any differences, as appropriate for the State's evaluation design, in implementation before and after the start of the demonstration, among participating counties or other administrative units, or between the experimental and control/comparison groups.

**3.3 Outcome Evaluation: The State's outcome evaluation will address, at a minimum, changes in the following outcome measures:**

- **Number and proportion of children exiting foster care within 12 months of removal from the home.**
- **Number and proportion of children remaining in foster care 12 months following removal from the home.**

- **Mean/median length of stay in foster care.**
- **Number and proportion of children adopted within 24 months of out-of-home placement.**
- **Rates of maltreatment as a proportion of the State's child population and/or as a proportion of the child population in each Lead Agency's service region.**
- **Number and proportion of children that experience maltreatment while receiving child welfare services.**
- **Number and proportion of children that experience maltreatment within a specified period of time following termination of services or supervision.**
- **Foster family recruitment and retention rates.**
- **Improvement in well-being outcomes for children and families related to activities described in Section 2.0. Examples of well-being outcomes to be examined include:**
  - **Increased timeliness and consistency of medical and dental services for children**
  - **Increased number of children who graduate with a high school diploma or a GED**
  - **Improved school attendance**
  - **Improved school stability**
  - **Increased proportion of children aged birth to 3 that receive developmental screens and early intervention services as needed**
  - **Increased proportion of children enrolled in quality early childhood programs**
  - **Increased proportion of children and families that receive and complete needed mental health or substance abuse treatment**
  - **Increased parental protective factors and capacity.**

**In tracking key outcomes of interest the State will control for the influences of gender, age, race, geography, and, as appropriate, placement type or setting.**

The State is free to propose additional research questions and outcome measures for inclusion in the evaluation, **and to use analytical techniques that control for other major statewide initiatives such as the phased implementation of the new Florida Safety Decision Making Methodology, Independent Living Program Redesign, and Foster Care Extension to Age 21.**

The State **or its evaluation contractor** will collect data to address these **outcomes** from the State's automated child welfare information systems, child welfare agency case records, and additional information sources as appropriate. The State will work with its evaluation contractor to identify other appropriate data sources to address the process and outcome measures described above.

- 3.4 **Cost Study:** The cost analysis will examine, at a minimum, the costs of the key elements of services received by children and families designated to receive demonstration services and will compare these costs with those of services available prior to the start of the demonstration, or that were received by the children and families that were not

designated to receive demonstration services. The cost analysis will also include an examination of the use of key funding sources, including all relevant Federal sources such as titles IV-A, IV-B, IV-E and XIX of the Act, as well as State and local funds. The purpose of the analysis will be to compare the costs of services available through the demonstration with those of services traditionally provided to children and their families. Where feasible, a cost-effectiveness analysis will be conducted to estimate the costs of each successful outcome achieved through the demonstration. This analysis will be conducted using one or more of the key outcome measures for which a statistically significant difference is identified.

3.5 Evaluation Reporting Requirements: The following reports and documents shall be provided to the Department for review and approval (also noted in Section 5):

- The State will submit to the Department for review a draft of the specifications or Request for Proposals (RFP) for the agreement to conduct an evaluation of the demonstration within **90** days after acceptance of these Terms and Conditions. The draft specifications or RFP must detail the objectives of the project, the evaluation design, the specific tasks to be conducted, the time frames for conducting those tasks, and a schedule and list of deliverables. The research questions, key variables, data collection methods, sample sizes (**as appropriate for any sub-studies**) and other aspects of the evaluation noted in these Terms and Conditions will be clearly described.
- The State will submit an evaluation plan to the Department for approval within 90 days after the evaluation contract is awarded. The evaluation plan must present the underlying logic linking interventions to expected outcomes, the research questions to be studied, the major variables to be measured, final sampling plans (**as appropriate for any sub-studies**), the data sources (including an assessment of the reliability and validity of each source), data collection procedures, and the major data analyses to be performed. **For any sub-studies that are to be conducted**, the plan will describe the procedures for assigning cases to **experimental and control groups or for otherwise identifying comparison cases, as appropriate.**
- Not later than **60** days after the conclusion of the 10<sup>th</sup> quarter **following the effective date of the demonstration's extension period**, the State will submit an interim evaluation report (see Section 5). The report will include a process analysis of the evaluation to date and any outcome data available at that time. The report will also include a brief description of the outcome and cost components of the evaluation planned and note any issues or problems anticipated in completion of these components. If the findings are unclear or incomplete, the Department may request revisions and resubmission of the report.
- Not later than six months after the conclusion of the **previously approved five-year demonstration period ending on September 30, 2018** ~~Not later than six months after the conclusion of the demonstration (20<sup>th</sup> quarter)~~, a final report integrating the process, outcome and cost components of the evaluation will be submitted. If the findings are unclear or incomplete, the Department may request revisions and

resubmission of the report.

- The State will post copies of the interim and final evaluation reports on the State's child welfare agency Website (see Section 5.6).
- Not later than six months after the conclusion of the **previously approved five-year demonstration period ending on September 30, 2018** (20<sup>th</sup> quarter), the State will have the evaluation contractor produce and make available public-use data tapes, including documentation necessary to permit re-analysis of the data gathered during the course of the evaluation.

Public release of any evaluation or monitoring reports required under this agreement will be made only by the Department or the State. Prior to public release of such reports, the Department and the State will have at least a 30-day period for review and approval.

- 3.6 Program Changes: Additional program changes that are not applied equally to experimental and control/comparison groups, or that would substantially affect the evaluation of the demonstration, must be approved by the Department as an amendment to these Demonstration Project Terms and Conditions.

## SECTION 4: COST NEUTRALITY

- 4.0 As required by section 1130(h) of the Act, the amount of Federal funds expended for this project may not exceed the amount of such funds that would be expended by the State under the State plans approved under parts B and E of title IV if the demonstration project were not conducted. Therefore, except for costs of evaluating and developing this project (as specified in Sections 4.4 and 4.5 below), starting with the deemed beginning date (see Section 1.4) the operation of this demonstration is to be cost-neutral to the Federal government with respect to maintenance and administrative costs for titles IV-B and IV-E of the Act.

### 4.1 Section 4 Terms:

**Costs.** All references made to costs (unless otherwise specifically noted) consist of total computable (gross) costs. The Federal share of demonstration project costs will be computed using the matching rate applicable to the funding category.

**Maintenance Costs.** All references made to maintenance costs include title IV-E allowable foster care maintenance assistance payments (per Section 475(4)(A) of the Act), and such other costs for cases deemed as title IV-E allowable through a waiver granted for this demonstration project.

**Administrative Costs.** All references made to administrative costs include title IV-E allowable administrative costs (per Federal regulations at 45 CFR 1356.60(c) and other costs deemed as title IV-E allowable through a waiver granted for this demonstration project.

**Cumulative.** All references made to cumulative in the context of costs will indicate that costs are to be summed for all quarters from the deemed beginning date through the quarter in question.

- 4.2 The total costs of foster care payments shall be an amount determined by a base allocation as determined in Section 4.2.1 below plus any annual change factor or exclusions as specified in Section 4.2.2. The results of this calculation are shown in Section 4.3, Table 2. The aggregate **five-year** sum of Federal share payments **for the approved operational period** shall be the cumulative fixed payment that shall be made to the State. Receipt by the State of payments not greater than the cumulative fixed payment shall be considered cost neutral to the Federal government.

Within 30 days following acceptance of these Terms and Conditions, **and upon approval of amended payments**, the State shall submit to the Department for approval a document showing a fixed schedule of payments for the **five-year demonstration period covering Federal Fiscal Years (FFYs) 2014 through 2019**. The State may receive quarterly payments in accordance with a schedule of quarterly payments the sum of which do not exceed the total cumulative payments under the demonstration.

- 4.2.1 The foster care base allocation amount to be used for purposes of establishing a cap to reflect cost neutrality to the Federal government for demonstration project operations has been determined for each of the funding categories impacted by the demonstration project through the following processes:

**Source of claims:** The base amount is the calculated Federal Fiscal Year (FFY) 2013 total computable (gross) title IV-E Foster Care demonstration project allocation for Florida. The initial allocation for this project (in FFY 2007) was derived from the title IV-E Foster Care allowable Federal financial participation (FFP) claims (including current and prior quarter adjustments) submitted by Florida on quarterly reports of expenditures and estimates (i.e. form ACF-IV-E-1) during previous time periods. Calculations are applied to separately identify amounts by cost categories and to convert FFP to total computable amounts for the following cost categories as specified below:

- **Foster care maintenance costs:** Total computable costs of \$110,965,740. This total is calculated from the FFY 2013 project adjusted (to exclude training costs) total allocation of \$169,979,007 FFP. The adjusted total FFP allocation is multiplied by the ratio of maintenance assistance payment FFP claims to the combined total of maintenance assistance payments plus administrative cost FFP claims for Florida in FFY 2005 of 37.92% and then divided by the FFY 2013 Federal medical assistance percentage (FMAP) rate for Florida of 58.08%.
- **Foster care administrative costs (excluding *SACWIS, Training*):** Total computable costs of \$211,060,211. This total is calculated from the FFY 2013 project adjusted (to exclude training costs) total allocation of \$169,979,007 FFP. The adjusted total FFP allocation is multiplied by the ratio of administrative cost FFP claims to the combined total of maintenance assistance payments plus administrative cost FFP claims for FFY 2005 of 62.08% and then divided by the FFP rate for Administration of 50%.

**Application of base allocation:** The base amount will be applied separately in determining annual allocations for maintenance assistance payments and administration.

- 4.2.2 The payments for each full FFY during the approved ~~5-year~~ operational period of the demonstration project shall consist of the base amount adjusted each FFY by the change factor(s) and the exclusions described in the subsections below. Thus, payments in the second and subsequent full FFYs of demonstration operations will equal the amount calculated for the prior FFY plus any further applicable changes. Payments for demonstration

operations during any partial FFY will be pro-rated proportionally by quarter to reflect the portion of the FFY when the demonstration project is operational. Based upon the approval of the state's request for an extension through September 30, 2019, Section 4.2.2.1 describes the annual allocation change factors through FFY 2019.

**4.2.2.1 The annual allocation change factors applied have been determined by the following process:**

- a. **Maintenance assistance payments: Growth rate based on three year average annual rate of change in the ratio of total computable maintenance payment claims to average monthly number of children computed as follows:**
  1. The average total computable claims for maintenance assistance payments for FFY 2004-2006 of \$92,982,909 are trended forward through FFY 2012 by adjusting the total to reflect the percentage change in the proportion of statewide children in foster care in Florida who are classified as title IV-E eligible.
  2. The average monthly claim for maintenance assistance payments per child for FFY 2012 is calculated by dividing the amount for that FFY in step #1 above by the reported (Form CB-496, line 41) average monthly number of title IV-E foster care eligible children in the same FFY.
  3. The average monthly claim for maintenance assistance payments per child for FFY 2013 and for subsequent FFYs during the project operational period is calculated by multiplying the result from the prior FFY by the three year average annual change rate in this factor.
  4. An initial change rate is computed for each of FFYs 2013 – 2018 2019 by calculating total computable maintenance assistance payments (per the above listed steps) and comparing it to the amount so calculated for the FFY that is three years prior (e.g. FFY 2014 is compared to FFY 2011). The percentage difference is the initial annual change rate.
  5. Starting in FFY 2015 and for each FFY thereafter for the duration of the waiver agreement, the average monthly claim for maintenance assistance payments per child used in step #3 will be inflated to reflect mandated rate increases actually implemented under Florida law. These increases are scheduled for January of each year and are equal to the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, All Items, not seasonally adjusted, or successor reports, for the preceding December compared to the prior December as

initially reported by the United States Department of Labor, Bureau of Labor Statistics.

6. The maintenance payment allocation amounts shown in Section 4.3, Table 2 includes application of an estimated CPI-U derived rate increase (as described in step #5 above) of +1.754 percent beginning in January for each FFY from 2015 through ~~2018~~ 2019. This change factor will be revised to reflect the actual percentage increase in Florida's maintenance payment rate in FFYs 2015-~~2018~~ 2019. The Table 2 maintenance payments allocation will be adjusted in each applicable FFY by applying an adjustment factor to reflect the difference (plus or minus) obtained through application of the actual CPI-U derived payment rate increase documented by Florida as compared to the embedded CPI-U estimate.
7. Total computable maintenance for a given FFY will be subject to supplementation, at the request of Florida, if the Florida out of home client population, of children under age 18 documented by the state exceeds by 10% the estimated population number utilized in the capped allocation calculation detailed in Table 1 for the same given FFY. The maintenance allocation for that FFY would then be increased by multiplying the number of additional children (over the Table 1 number) by the average claim per child as calculated in step #3 and step #5 above. The definition of out of home client population will be the same for the endurance of the waiver agreement.

b. **Administrative Costs:** Growth rate based on three year average annual rate of change in the ratio of total computable maintenance payment claims to average monthly number of children computed as follows:

1. The average total computable claims for administrative costs for FFY 2004-2006 of \$159,711,412 are trended forward through FFY 2012 by adjusting the total to reflect the percentage change in the proportion of statewide children in foster care in Florida that are classified as title IV-E eligible.
2. The FFY 2013 projection for total computable administrative costs is computed by multiplying the FFY 2012 amount (from step #1 above) by the three year average annual change rate in these computed claims observed for the prior FFY. The total for each of FFYs 2014 - 2018 is calculated in the same manner.
3. The percentage difference between the FFY calculated number and the equivalent number in the FFY three years

prior (e.g. FFY 2014 is compared to FFY 2011) constitutes the annual change rate.

4. The change rate in step #3 above is applied to the total computable administrative cost allocation for the previous FFY to determine the full allocation for the current FFY.

c. Additional change factors for maintenance assistance payments and administrative costs are as follows:

1. Florida has identified unclaimed portions of the capped allocations provided for operation of this project during the FFY 2007 through FFY 2013 period totaling \$20,626,440 in federal financial participation (FFP). These title IV-E funds, after apportionment and conversion to total computable amounts, are added to the current capped allocation amount in each capped allocation funding category under this project for FFY 2017.
2. The percentages of Florida's title IV-E total computable claims during the original base period (FFY 2005) for this project in each of the three then existing funding categories (i.e. maintenance payments, administration and training) included in the capped allocation are used to apportion the total unclaimed FFP allocation to the two funding categories (i.e. maintenance payments and administration) currently included in the capped allocation. The maintenance payments and training percentages are assigned to the maintenance payments funding category since they both represent enhanced federal matching rates. The administration percentage is assigned to the administration funding category since it continues to use the same matching rate.
3. A total computable amount of \$11,695,413 is added to the maintenance assistance payment capped allocation for FFY 2017. This amount is calculated by multiplying the unclaimed capped allocation FFP balance by 34.64% and then dividing by the FFY 2017 federal medical assistance percentage (FMAP) rate for Florida of 61.10%.
4. A total computable amount of \$26,961,085 is added to the administrative costs capped allocation for FFY 2017. This amount is calculated by multiplying the unclaimed capped allocation FFP balance by 65.36% and then dividing by the applicable federal financial participation rate of 50.00%.

<b>Table 1</b>	FFY 2014	FFY 2015	FFY 2016	FFY 2017	FFY 2018	FFY 2019
Out of Home Clients assumed in the capped allocation calculation	6,736	6,540	6,371	6,235	6,139	6,011
Trigger: 10% over	7,410	7,194	7,008	6,859	6,753	6,612
Trigger Applied: Actual Out of Home Clients or N/A	N/A	7,812	7,990	8,096	N/A	N/A

**4.2.2.2 The foster care costs excluded from the cost neutrality calculation and thus subject to payment outside of the capped allocation are as follows:**

- a. Any allowable SACWIS or non-SACWIS child welfare information system development or operational costs will be excluded from the calculation of the demonstration's capped allocation (see Section 4.3), and will be reimbursable separately in addition to the amount of the capped allocation. Costs associated with the development, maintenance and operation of the State's SACWIS project will be subject to applicable advance planning document and approval processes.
- b. Any allowable staff/provider or professional partner training costs will be excluded from the calculation of the demonstration's capped allocation (see Section 4.3), and will be reimbursable separately in addition to the amount of the capped allocation.
- c. Any allowable title IV-E claims on behalf of those title IV-E eligible children ages 18 to 21 participating in the demonstration project will be reimbursable separately and in addition to the amounts of the capped allocation for any FFY when the demonstration project is operational.
- d. Any allowable title IV-E claims on behalf of those title IV-E eligible children receiving a title IV-E Guardianship Assistance Payment or an Adoption Assistance payment.
- e. Any allowable administrative costs from the "Title IV-E Student Stipend Training Program" paid on or after October 1, 2015 will be excluded from the calculation of the demonstration's capped allocation (see Section 4.3), and will be reimbursable separately in addition to the amount of the capped allocation.

4.3 Federal title IV-E payments to the State for this demonstration, including expenditures of any realized savings, will be made for amounts in accordance with Table 2 (shown below) quarterly based on State estimates of demonstration expenditures for the next quarter in accordance with the payment schedule (as determined in Section 4.2 above).

**Table 2 - Florida Title IV-E Foster Care Total Computable Demonstration Project - Capped Allocation Payments\***

Demonstration Project Funding Category	Base FFY Amount	FFY 2014 Allocation	FFY 2015 Allocation	FFY 2016 Allocation	FFY 2017 Allocation	FFY 2018 Allocation	FFY 2019 Allocation
Maintenance Payments	110,965,740	114,083,877	138,567,293	148,524,444	164,621,244	119,350,811	121,117,203
Adjustment Factor (Act. CPI-U Rate Change)			0.73%	2.07%	2.11%	-	-
Administration	211,060,211	212,664,268	215,471,436	220,901,316	251,242,191	228,295,738	232,747,505
All Capped Categories	\$322,025,951	\$ 326,748,145	\$ 354,038,729	\$369,425,760	\$ 415,863,436	\$ 347,646,549	\$ 353,864,708

\*The amounts in Table 2 include application of change factors discussed in Sections 4.2.2.1(a)(6&7) for periods thru FFY 2017. An estimated CPI-U rate of 1.754% is included in the maintenance payment calculation for periods after FFY 2017. This adjustment is subject to change to reflect actual data.

**Table 2 – Florida Title IV-E Foster Care Total Computable Demonstration Project  
Capped Allocation Payments\***

Demonstration Project Funding Category	Base FFY Amount	FFY 2014 Allocation	FFY 2015 Allocation	FFY 2016 Allocation	FFY 2017 Allocation	FFY 2018 Allocation
Maintenance Payments	110,965,740	114,083,877	138,567,293	148,524,444	131,093,983	119,350,811
Adjustment Factor (Act. CPI-U Rate Change)			0.73%	2.07%	-	-
Administration	211,060,211	212,664,268	215,471,436	220,901,316	251,242,191	228,295,738
All Capped Categories	\$ 322,025,951	\$ 326,748,145	\$354,038,729	\$369,425,760	\$ 382,336,174	\$ 347,646,549

\*The amounts in Table 2 include application of change factors discussed in Sections 4.2.2.1(a)(6&7) for periods thru FFY 2016 and the FFY 2017 change factor discussed in Section 4.2.2.1(e). An estimated CPI-U rate of 1.754% is included in the maintenance payment calculation for periods after FFY 2016. This adjustment is subject to change to reflect actual data.

<b>Table 2 – Florida Title IV-E Foster Care Total Computable Demonstration Project</b>						
<b>Capped Allocation Payments*</b>						
Demonstration Project Funding Category	Base FFY Amount	FFY 2014 Allocation Cap	FFY 2015 Allocation Cap	FFY 2016 Allocation Cap	FFY 2017 Allocation Cap	FFY 2018 Allocation Cap
Maintenance Payments (W Est. CPI-U Rate)	110,965,740	114,083,877	117,232,592	120,397,872	119,398,570	119,350,811
Adjustment Factor (Act. CPI-U Rate Change)			-	-	-	-
Administration	211,060,211	212,664,268	215,471,436	220,901,316	224,281,106	228,295,738
All Capped Categories	\$ 322,025,951	\$ 326,748,145	\$ 332,704,028	\$ 341,299,188	\$ 343,679,676	\$ 347,646,549

\* The amounts in Table 2 are subject to change based on application of the contingency factors discussed in Section 4.2.2.1 in each FFY. An estimated CPI-U adjustment rate of +1.754% is included in the maintenance payments calculation for FFY 2015 and each subsequent FFY. This adjustment is subject to change to reflect actual data.

Federal title IV-E payments for demonstration operational expenditures will be made for any quarter beginning in accordance with the dates specified in section 1.4 of these terms and conditions when the demonstration is in operation and for a total period of no longer than five years (20 quarters) thereafter.

Actual expenditures claimed for the demonstration project, including expenditures of any realized savings, along with estimates in advance of each quarter, will be identified separately on the ACF quarterly claim form, CB-496. Summary fiscal information on the results of the project must be reported in Part 3 as well as other applicable parts of form CB-496. These estimates and claims relating to the demonstration will be subject to review and deferral or adjustment according to the normal procedures for reviewing title IV-E estimates and paying title IV-E claims. All other title IV-E claims that are not related to this demonstration will continue to be filed in accordance with current quarterly claiming requirements for payments for allowable cost. The State must examine its cost allocation plan to determine whether any of the components will affect the calculation of or claiming for any administrative costs under title IV-E, and if so the State must submit an amendment to the cost allocation plan prior to the implementation date to address any such effects appropriately.

- 4.4 Developmental Costs.** Developmental costs are the expenses the State incurs to establish the demonstration prior to the project's implementation. These costs are excluded from the cost neutrality calculation. This waiver demonstration was originally implemented on October 1, 2006; therefore, no further developmental

costs may be claimed during the period of the five-year extension beginning October 1, 2013.

- 4.5 Evaluation Costs.** Evaluation costs are expenses incurred by the external evaluator as well as those incurred by the State that are directly related to the evaluation effort. These costs are excluded from cost-neutrality calculation. Evaluation costs begin with the first evaluation planning activities and continue until the final evaluation report is submitted. Such costs will encompass all costs necessary to carry out the approved evaluation plan, including costs for evaluation activities carried out by State and local agencies as well as those carried out by the evaluation contractor. The costs of approved evaluation activities may be charged to title IV-E administrative costs without cost allocation so that the State may claim a full 50 percent of these costs as title IV-E administrative costs. The State shall address any changes needed to implement this provision through submission of appropriate amendments to its approved State cost allocation plans. Costs of evaluation that arise from the demonstration project(s) approved under these Terms and Conditions may be claimed for a reasonable period of time after the expiration of the period of this demonstration (Section 1.4) so long as the costs are for activities required by the evaluation plan(s) approved by the Department and are otherwise allowable and reasonable. Evaluation components not approved by the Department will not qualify for Federal matching funds.

## SECTION 5: MONITORING

The State will send all reports required in this section to the Children's Bureau, the Regional ACF Office, and the evaluation technical assistance contractor for this initiative.

- 5.0 Within 90 days of acceptance of these Terms and Conditions, the State will submit to the Department a draft of the evaluation specifications or Request for Proposal (RFP) for review and approval.
- 5.1 Within 90 days following acceptance of these Terms and Conditions, the State will submit an Initial Design and Implementation Report to the Department for approval (see Section 2.3 for detailed elements of the report).
- 5.2 Once implementation has begun, semi-annual progress reports will be required throughout the project period summarizing project and evaluation activities and accomplishments during the reporting period as well as interim findings from the evaluation, if available. The semi-annual monitoring reports shall indicate issues or problems and resolutions regarding the implementation of the demonstration or evaluation as approved, including updates on the resolution of any significant problems identified in the implementation report. These reports are due no later than 30 days after the conclusion of each reporting period.
- 5.3 The State will submit an evaluation plan to the Department for approval within 90 days after the evaluation contract is awarded (Section 3.5). The evaluation plan must be approved by the Department prior to implementation.
- 5.4 The State will submit an Interim Evaluation Report 60 days after the conclusion of the 10<sup>th</sup> quarter **following the effective date of the demonstration's extension period** (Section 3.5). Additional reports may be proposed by the State and, subject to approval by the Department, may be considered allowable components of the evaluation of the demonstration.
- 5.5 The State will submit a Final Evaluation Report six months after the **project ends end of the previously approved five year demonstration period ending on September 30, 2018**, integrating the process study, the outcomes study, and the cost analysis (Section 3.5).
- 5.6 The State will post copies of the interim and final evaluation reports on the State's child welfare agency Website (see Section 3.5).
- 5.7 The State will submit, or have the evaluation contractor produce and make available, public-use data tapes, including documentation necessary to permit re-analysis of the data gathered during the course of the evaluation, six months after the **project ends end of the previously approved five year demonstration period ending on September 30, 2018** (Section 3.5).

## SECTION 6: TERMINATION PROCEDURES

- 6.0 Federal financial participation in demonstration activities requiring waivers will not be provided beyond the period approved by the Department.
- 6.1 As part of the Initial Design and Implementation Report (Section 2.3), the State will submit for the Department's approval a plan to phase down and end the demonstration to ensure that there are no demonstration-related Federal costs incurred beyond the period approved by the Department. All activities requiring Department approval must cease on the date decided by the Department if the project is terminated prior to the end of the **effective date of the demonstration's extension period.**

Approval:

Acceptance:



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Jerry Milner  
Associate Commissioner  
Children's Bureau



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Mike Carroll  
Secretary  
Florida Department  
of Children and Families

June 26, 2018

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Date

July 3, 2018

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Date