



**REVENUE MAXIMIZATION and
CERTIFICATION OF LOCAL FUNDS
AS STATE MATCH
ANNUAL REPORT 2019**

Department of Children and Families
Office of Child Welfare

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Executive Summary

Sections 409.017(3)(h), and 409.26731, Florida Statutes, authorize the use of certified local funding for federal matching programs to maximize federal funding of local preventive services and local child development programs. Section 409.26731, Florida Statutes, establishes the authority of the Department of Children and Families (department) to certify publicly-appropriated, local funds as state match for eligible Title XIX and Title IV-E expenditures.

A public agency, or “local government,” is defined by sections 472, 474(a)(1), and 474(a)(3)(C), of the Social Security Act, as a county, municipality, city, township, local public authority, school district, intrastate district, council of governments (whether or not incorporated as a non-profit corporation under state law), any other regional or interstate government entity, or any agency or instrumentality of a local government.

The local match process currently applies to all counties having local public agencies that meet the federal requirements pursuant to 42 CFR 433.51 - Public Funds as the State share of financial participation and 45 CFR 235.66 – Sources of State Funds provisions, of services to eligible children. The local match process enables public agencies to use expended publicly-appropriated, local funds as a match for earning federal funds.

This process has been in place since 1998 and local agencies have received significant federal reimbursement as a result of the partnership between the department and agencies expending local funds on allowable reimbursable expenditures. While the state was under the Title IV-E federal waiver, reimbursement opportunities with the local agencies for Title IV-E expenditures were significantly reduced. Instead, Title IV-E waiver dollars were used to reimburse the local agencies for expenditures incurred on traditionally ineligible costs.

With the expiration of the Title IV-E waiver, effective September 30, 2019, additional claiming for Title IV-E costs is expected. Communication between the department and the local agencies is occurring with revised interagency agreements for implementation effective October 1, 2019.

**Department of Children and Families
Revenue Maximization and
Certification of Local Funds as State Match for Federally Funded Services**

Fiscal Year 2019 Annual Report

Section 409.017(3)(h), Florida Statutes, authorizes the use of certified local funding for federal matching programs to maximize federal funding of local preventive services and local child development programs.

409.017 Revenue Maximization Act; legislative intent; revenue maximization program. —

(3) (h) Each agency, respectively, shall annually submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives, no later than January 1, a report that documents the specific activities undertaken during the previous fiscal year under this section. The report must include, but is not limited to, a statement of the total amount of federal matching funds generated by local matching funds under this section, reported by federal funding source; the total amount of block grant funds expended during the previous fiscal year, reported by federal funding source; the total amount for federal matching fund programs, including, but not limited to, Temporary Assistance for Needy Families and Child Care and Development Fund, of unobligated funds and unliquidated funds, both as of the close of the previous federal fiscal year; the amount of unliquidated funds that is in danger of being returned to the Federal Government at the end of the current federal fiscal year; and a detailed plan and timeline for spending any unobligated and unliquidated funds by the end of the current federal fiscal year.

Section 409.26731, Florida Statutes, establishes the authority of the department to certify publicly appropriated, local funds as state match for eligible Title IV-E expenditures. This statute gives the department the authority to reimburse local governmental agencies for expenditures that are determined allowable and eligible under Title IV-E, on behalf of dependent children who are eligible under Title IV-E of the Social Security Act.

409.26731 Certification of local funds as state match for federally funded services. The department is authorized to certify local funds as state match for eligible Title IV-E expenditures in excess of the amount of state general revenue matching funds appropriated for such services by the General Appropriations Act. Title IV-E funds provided to the state as federal financial participation consequent to certified local matching funds shall automatically be passed through to the local entity that provided the certified local match. Notwithstanding the provisions of s. 215.425, Florida Statutes, all such federal funds earned for the current fiscal year as a result of using certified local match, except for up to five percent of such earnings

that the department is authorized to retain for administrative purposes, shall be distributed as set forth in this section and this process shall not impact the department's allocation to any district. All the provisions of this section are based upon federal approval of the provisions as specifically limited in this section and shall not become effective if any further modifications are required of the state, unless and until federal approval has been obtained. The department shall annually prepare a report to be submitted to the Legislature no later than January 1 documenting the specific activities undertaken during the previous fiscal year pursuant to this section.

This report is specific to Title XIX – Medicaid and Title IV-E funding as no other federal block grant funds, Temporary Assistance for Needy Families, Social Services Block Grant and Child Care and Development Fund, were expended under these provisions of Florida Statutes during state fiscal year 2018-2019. Additionally, there are no unliquidated funds in danger of being returned to the federal government at the end of the federal fiscal year.

Part E – Federal Payments for Foster Care & Adoption Assistance

Under Title IV-E, several partially federally-funded programs are authorized, which are designed specifically to care for eligible children residing in fully licensed and eligible out-of-home care placements, and to provide adoption subsidy payments for children who are in adoptive placements.

There are eligibility criteria that must be met to claim Title IV-E reimbursement on behalf of a child. The department completes a determination of a child's eligibility for each specific program and maintains the child's eligibility status throughout the entire time the child is in out-of-home care. For any period of time the child does not meet the eligibility criteria, Title IV-E reimbursement may not be claimed for the child. The department is the single state agency authorized to enter into an interagency agreement with another public agency for the purpose of making a pass-through of Title IV-E reimbursements. When a public agency certifies that local funds have been appropriated and expended for eligible, allowable Title IV-E expenditures, federal reimbursement grant funds provided to the state are passed through to the public agency that provided the "certified match."

Under state statutes, the local match process is available to all public agencies and taxing authorities and enables those agencies to use locally-appropriated public funds as a match for earning federal funds.

In March 2006, the department received approval from the Department of Health and Human Services, Administration for Children and Families (ACF), to implement a Title IV-E Foster Care Demonstration Waiver starting October 1, 2006. As of October 1, 2019, Florida's Title IV-E Foster Care Waiver expired,

requiring that Title IV-E eligibility be reviewed under the traditional processes for determination of eligibility.

On February 9, 2018, the Family First Prevention Services Act (FFSPA) of 2018 was passed. This legislation opens Title IV-E claiming opportunities to include children who remain in the home of the parents or relatives. No longer is Title IV-E limited to the children who enter the foster care or adoption assistance system of care. While the department is extending the start date for FFSPA to begin, the benefits of this opportunity will afford Children Services Councils and local county governments the opportunity to claim additional funding reimbursement when funds are committed to support the objectives of the program.

Through the 2018 Legislative Session, the department was provided with the authority to implement a Title IV-E reimbursable Extension of Foster Care Program (EFC), Extended Maintenance Adoption (EMAS), and Title IV-E Guardianship Assistance Program (GAP). The expansion of Title IV-E services will enhance the opportunities to support aging out youth as well as supporting children remaining with relatives or fictive kin. In addition, these programs will also allow the expansion of the local agencies to support children who are served under these new programs. Implementation for EFC and EMAS began on January 1, 2019, and GAP on July 1, 2019. These new programs are potential areas for local agency participation in the coming year. At least one agency is supporting children who are adopted and are claiming for the costs associated with post-adoption services to children in adoptive homes.

On January 7, 2019, ACF released a policy in the Child Welfare Policy Manual (CWPM) that allows for a Title IV-E state agency to claim administrative costs for legal representation provided by public agency or tribal attorneys for all legal activities related to all stages of foster care proceedings. In addition, ACF provided further clarification in the CWPM on July 26, 2019 that costs associated with independent representation under an agreement with the state agency may be claimed.

Title XIX – Medicaid Administrative Claiming

Title XIX of the Social Security Act allows for a portion of the administrative costs incurred in support of the necessary administration of the Medicaid state plan. Under section 1903 (a)(7) of the Act, federal payment is available at a rate of 50 percent for amounts expended by a state or through a contracted local entity. The costs must meet the following requirements: must be “proper and efficient” for the state’s administration of its Medicaid state plan; be supported by an allocation methodology that appears in the state’s approved Public Assistance Cost Allocation Plan, and must be provided on behalf of an eligible child.

Allowable services claimed for federal reimbursement for Medicaid will consist of either case management services or referrals and assistance and information to establish eligibility for a child and their family.

Participating Counties

Prior to the implementation of the Title IV-E Foster Care Demonstration Waiver, the department had interagency agreements with the local agencies listed below. These agreements were revised, when possible, to accommodate reimbursements under the waiver and potential claiming for Title IV-E Waiver Funds, Title IV-E Adoption Assistance, or Medicaid.

1. Brevard County Board of County Commissioners
2. Children's Services Council (CSC) of Broward County
3. Children's Board of Hillsborough County
4. Manatee County Board of County Commissioners
5. Children's Services Council of Palm Beach County
6. Palm Beach County Board of County Commissioners
7. Children's Services Council of Martin County

During the 2018 – 2019 fiscal year while the Title IV-E Foster Care Demonstration Waiver was in place, the following local agencies maintained interagency agreements with the department:

1. Children's Services Council (CSC) of Broward County
2. Palm Beach County Board of County Commissioners
3. Children's Services Council of Martin County

Progress Toward Expansion

In 2018-2019, CSC of Broward County continued claiming federal reimbursement for eligible services under the Title IV-E Waiver through September 30, 2019. These services have provided resources to support keeping children in their homes when at risk of further abuse and neglect or removal from the home.

Broward and Palm Beach have participated by providing adoption recruitment and post-adoption services through the Title IV-E Adoption Assistance Program. Broward financially supported the Heart Gallery Program by financing the professional portraits of children available for adoption. Palm Beach paid for services for pre-and post-adoption services to support adoptive families and children.

Throughout this year, the Children's Services Council of Martin County has continued to claim Medicaid reimbursement for allowable costs through the Whole Child Connection Program. This program has provided children and their families in Martin County access to medical care and referral services.

In addition, with changes to federal policy in 2019, the additional Title IV-E claiming is available for local agencies. ACF established policy that allows for the costs of attorneys for children and their families to be claimed through the state agency with an interagency agreement. Discussions have been initiated and agreements are being finalized with Broward and Palm Beach Children Services Councils to begin the process of claiming reimbursement.

Allowable costs for claiming, which includes the local match and federal share as of June 30, 2019, for the state fiscal year 2018 – 2019 totaled \$839,515.60. Cumulatively since 1998, Florida counties have received \$12,490,693.39 in federal reimbursements through this process. The federal reimbursement amount per year is as follows:

State Fiscal Year	Federal Reimbursement	Match	Total
1998-2008	\$ 5,948,343.62	\$ 4,923,813.70	\$10,872,157.32
2008-2009	\$ 847,256.49	\$ 753,961.43	\$ 1,601,217.92
2009-2010	\$ 998,137.26	\$ 792,409.61	\$ 1,790,546.87
2010-2011	\$ 977,931.15	\$ 937,858.89	\$ 1,915,790.04
2011-2012	\$ 779,655.98	\$ 769,960.37	\$ 1,549,616.35
2012-2013	\$ 781,470.23	\$ 401,932.08	\$ 1,183,402.31
2013-2014	\$ 577,528.72	\$ 440,966.27	\$ 1,018,494.99
2014-2015	\$ 261,252.70	\$ 261,252.70	\$ 522,505.40
2015-2016	\$ 325,030.86	\$ 325,030.86	\$ 650,061.72
2016-2017	\$ 289,371.16	\$ 289,371.16	\$ 578,742.32
2017-2018	\$ 284,957.42	\$ 284,957.42	\$ 569,914.84
2018- 2019	\$ 419,757.80	\$ 419,757.80	\$ 839,515.60

For programmatic purposes, administrative expenditures necessary for the proper and efficient administration of the Title IV-E State Plan or the Title XIX Medicaid State Plan are detailed in Appendix A of this report and outlined in 45 CFR 1356.60(c). The department is authorized in section 409.26731, Florida Statutes, to retain up to five percent of local match earnings to administer the program, although the department has never exercised that option.

Lessons Learned

Prior to the implementation of the Title IV-E Foster Care Waiver, earnings were restricted mainly in two areas. One area imposed 1996 Aid to Families with Dependent Children (AFDC) look-back eligibility criteria and the other area related to federally allowable costs. The Title IV-E Foster Care Waiver removed these two restrictions for reimbursements for foster care services, thus streamlining the claiming and reimbursement process. Even though the ability to increase such earnings for foster care services does not exist under the waiver, agencies have been encouraged to consider claiming opportunities under the uncapped programs – Title IV-E Adoption Assistance and Medicaid Administration.

Participating agencies have been provided with information regarding claiming under the two uncapped programs.

With the passage of the Local Funding Revenue Maximization Act, state agencies are required to work more closely with the local agencies and to certify local public agency funding for other federal matching programs to maximize federal funding of local preventive services and local child development programs within the state. Title IV-E, unlike Temporary Assistance for Needy Families or Child Care Development Block Grant, maintains restrictions on what type of funds can be used as match for reimbursement. The costs must be expended by the cognizant agency receiving the Title IV-E grant or Medicaid, or another public agency or a county-based agency that has an interagency agreement in place. A public agency may use certified public expenditures to leverage Title IV-E reimbursement when those funds are paying for Title IV-E eligible costs and are not used as match for other federal funds. No private provider funds can be used to match Title IV-E expenditures unless the private provider transfers funds to a public agency. In addition, steps will need to be taken by the department to ensure that local agency funds are handled in a manner to ensure compliance with Title IV-E, specifically the provisions outlined in 42 CFR 433.50 and 45 CFR 235.66(b) (1-3).

Eligibility Under Title IV-E

Pre-Waiver Requirements:

While the department must determine initial and ongoing eligibility for Title IV-E, it is crucial that the local governmental entity understands the eligibility criteria, since the local entity must report periods when the child is not eligible and therefore not reimbursable. The eligibility criteria are highly complex, and steps of the process require staff to make extremely subjective determinations, especially in the required judicial determination. The following is a basic description of the criteria that must be met:

1. **Removal Situation.** Title IV-E stipulates that several conditions must have existed at the time of a child's removal from the home for the child's costs to be eligible for reimbursement. At the time of the child's removal, the child's family must have been receiving AFDC or would have qualified for such, if they would have applied, per requirements under the Title IV-A State Plan dated July 1996 (this is referred to as the AFDC look-back date).
 - a. The child must have lived with a specified relative within six months of the petition filing date which led to court-ordered judicial removal. Specified relatives include any blood relatives, such as parents, grandparents, siblings, aunts, uncles, cousins, and stepfamily.
 - b. The child must have been living with and removed from the same specified relative.

- c. The child must have been in financial need, meaning that the family income and resources were below certain established levels.
 - d. The child must be deprived of one or both parents because of death, separation, abandonment, incapacity or disability, or under- or unemployment.
2. **Removal Order.** Title IV-E requires that a formal removal petition be filed with the court and that the court issues a removal or shelter order removing the child from his or her home.
3. **Legal Stipulations.** The court order that results in a child's removal and placement into foster care must clearly stipulate that:
- a) The child was removed because remaining in the home would be contrary to the welfare, safety, or best interest of the child.
 - b) Reasonable efforts were made by the department to prevent removal and keep the child at home, or that no reasonable efforts could be made.
 - c) The department (a single state agency) maintains court-ordered full responsibility for the placement and care of the child.
4. **Placement Requirements.** To satisfy Title IV-E requirements, an out-of-home placement must be fully approved or licensed by the department and be one of the following: foster family home, group home, public institution of 25 children or fewer, or private non-profit or for-profit child care institution. The department has the discretion to determine what independent living settings are Title IV-E eligible based on guidance in the Child Welfare Policy Manual (8.3A.8d TITLE IV-E, Foster Care Maintenance Payments Program, Eligibility, Facilities requirements, supervised independent living, Question 1).

Ineligible Placements. Children or youth in detention facilities, forestry camps, training schools, facilities operated primarily for detention, medical facilities, psychiatric hospitals, jails, state training schools, mental hospitals, public facilities serving more than 25 children, and hospitals.

If the child is placed in a non-licensed placement or a public facility with over 25 beds or any other ineligible placement, neither maintenance nor administrative expenditures may be claimed for that child during the period the child is in that placement.

5. **Ongoing Eligibility for Title IV-E Funds.** After the initial eligibility criteria for Title IV-E are met, certain conditions in the child's life must continue in order for reimbursement to continue. As these conditions change, the child may move in and out of reimbursable status. Because the department and the Community-Based Care Lead Agencies (CBCs) are responsible for

determining a child's ongoing eligibility and reimbursability status, it is important for local contracted agencies to keep the department and CBCs apprised of changes that occur in each Title IV-E case. If Title IV-E is claimed during any period in which a child is temporarily not reimbursable due to a change in the child's condition, any funds received will need to be returned.

The conditions that must continue in order for a child's Title IV-E reimbursability to continue are as follows:

- (1) Continued financial need. As long as the child is in foster care, the child must remain in financial need.
 - (2) Continued placement in licensed placements. All foster care placements must be fully licensed placements. Title IV-E cannot be claimed for any period during which a child is not in a licensed placement.
 - (3) Continued placement in eligible placement. Placements considered outside the scope of foster care cannot be reimbursed.
 - (4) Permanency hearing. All children in the foster care must have a hearing no less than 12 months from the date of removal that finds that the department is making reasonable efforts to finalize a permanency plan. A subsequent hearing must be held no less than 12 months from the date of the last permanency hearing.
6. **Runaway Status**. When a child is on runaway status, the local agency is not eligible for Title IV-E reimbursement because the child is not in a licensed placement. Once the child returns to a licensed placement, the agency may file a claim for room and board reimbursement once again, but not for that time during which the child was on runaway status.
 7. **Adjustments to Title IV-E Claims**. Should a claim be filed for a child during a period in which the child is temporarily not eligible for reimbursement, an adjustment can be made to correct the error. The local agency should contact the department every quarter as to any adjustments that must be made for that quarter and forward a copy of any incorrectly claimed invoice(s) with a written explanation for the error.

Post Waiver Requirements:

The Waiver in Brief

- The waiver allowed federal Title IV-E foster care funds to be used for a wide variety of child welfare purposes rather than being restricted to eligible

children in licensed foster care homes or institutions, as is normally the case under federal law.

- This permitted funds to be used for more child welfare services, including prevention, diversion from out-of-home placement through intensive in-home services, reunification (when this could be accomplished safely), and permanency, as well as foster care.
- The state had been receiving a defined amount of federal funds since October 1, 2006, based on projections of what the state would have received under Title IV-E rules. Under the amended Waiver Terms and Conditions, the funds increased by approximately 1.2% per year over the amount of federal foster care funds received in the federal fiscal year that ended September 30, 2005.
- Savings in federal, state, or local funds are used to further the provision of child welfare services.
- An independent evaluator assessed the effectiveness of the demonstration waiver based on program outcomes.

ACF approved a five-year waiver demonstration period that ended September 30, 2018. Due to the anticipation that no congressional action would be taken to reform child welfare funding, the department filed a request for an extension that was granted on June 18, 2018, to extend the waiver until September 30, 2019.

On October 1, 2019, the federal waiver authority for Title IV-E waiver projects expired. As a result, the department is working with local agencies supporting the children within the child welfare system to support their future claiming of Title IV-E funding through the funded programs they have in place.

Key Advantages

- The demonstration put funding incentives in line with program goals and good practice. For children who can safely remain in their homes with appropriate services or be returned home through appropriate reunification services, this can provide an alternative to children entering or remaining in expensive out-of-home care.
- For children who cannot safely remain in the home or return home, the department and its partner agencies work on moving the children toward permanency through adoption or other appropriate alternatives.

- By reducing high-cost, out-of-home care, the resulting savings can be invested in additional services to families rather than resulting in a reduction of federal funding.
- Under the waiver, money followed the service needs of the family and child, not the outdated requirements of federal regulations.
- Funds were being used flexibly to expand the array of services needed by the children and their families.

Appendix A

Public Agency Procedures

A public agency, or local government, is defined and governed by 2 CFR Part 200—Uniform Administrative Requirements, Cost Principles, And Audit Requirements for Federal Awards.

For a public agency to claim federal reimbursement for an expenditure related to the maintenance and/or administrative costs for the care of eligible children, the public agency must:

1. Enter into an interagency agreement with the Department of Children and Families: An interagency agreement must be executed prior to any Title IV-E claims being submitted.
2. Develop cost allocation plans (if applicable): A cost allocation plan must be submitted as partial documentation of Title IV-E and Medicaid administrative expenditures in accordance with 45 CFR 200.
4. Document the child's eligibility: Document that the expenditure was made for a child who was eligible for Title IV-E or Medicaid at the time the expenditure was made.
5. Provide certification of match: Provide documentation, such as invoices and billing receipts that include the amount of the expenditure and certify that the expenditure was made from public funds.
6. Develop expenditure projections: Along with the quarterly claim, the agency must submit projections for the upcoming quarter.

Appendix B

Department Accounting Procedures

Upon completion of documentation as set forth in the interagency agreement between the public agency and the department, the following accounting procedures are initiated in order to reimburse local agencies for their Title IV-E expenditures:

1. The public agency must require the local public agency to submit to the public agency quarterly documentation of Title IV-E expenditures and an estimate of eligible expenditures for the upcoming quarter.
2. The public agency will submit documentation to a local match liaison of the Office of Child Welfare to certify that the expenditures were made with public funds. The local match liaison will review the documentation for payment approval.
3. The expenditures will be claimed, and the upcoming quarter estimates will be included on the CB-496 Statement of Expenditures Report on a quarterly basis.

Office of Child Welfare/Region Procedures

Eligibility and reimbursability determination. Each department circuit or region will ensure that expenditures are made per the Title IV-E program, and/or Medicaid program.

Interagency Agreement

The department has established guidance through the interagency agreement that will guide the local match process and must be signed by all key local county officials and the regional department contract staff. Compliance and review of the application of the requirements will be provided by regional contract staff with support from the Office of Child Welfare.