



**CERTIFICATION OF LOCAL FUNDS  
AS STATE MATCH  
ANNUAL REPORT 2007**

Department of Children and Families  
Office of Family Safety

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Secretary

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# Contents

Executive Summary .....	A1
Part E - Federal Payments for Foster Care & Adoption Assistance .....	A2
Participating Counties .....	A3
Progress Towards Expansion .....	A4
Eligibility Under Title IV-E .....	A5
Appendix A.....	A9
Appendix B.....	B1
Appendix C .....	C1

## **Executive Summary**

Section 409.26731, Florida Statutes, establishes the authority of the Department of Children and Families to certify publicly-appropriated, local funds as state match for eligible Title IV-E expenditures.

A public agency is defined by the Office of Management and Budget (OMB Circular A-87) 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 applies to all counties having community agencies that appropriate funds to private providers of services to Title IV-E eligible children. The local match process enables public agencies to use expended publicly-appropriated, local funds as a match for earning federal funds.

**Department of Children and Family Services**  
**Certification of Local Funds as State Match for Federally Funded Services**

**Fiscal Year 2007 Annual Report**

Section 409.26731, Florida Statutes, establishes the authority of the Department of Children and Families 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 children in foster care 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, all such federal Title IV-E funds earned for the current fiscal year as a result of using certified local match, except for up to 5 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 of 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.

**Part E – Federal Payments for Foster Care & Adoption Assistance**

Title IV-E of the Social Security Act is an open-ended entitlement grant. 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 in order 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 of Children and Families 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 statute, 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 to implement a Title IV-E Foster Care Demonstration Waiver starting October 1, 2006. Title IV-E Foster Care Waiver allows for more flexible use of federal dollars and a more streamlined process for claiming reimbursements. The amount of IV-E foster care funds Florida receives each year is capped. The state receives a defined amount of federal foster care funds based on the amount of funds received in the federal fiscal year that ended September 30, 2005 with an annual 3 percent increase. As such, the state no longer has the ability to increase foster care earnings with additional certified match dollars generated by local agencies.

The demonstration waiver, however, does not limit earnings for Title IV-E Adoption Assistance.

### **Participating Counties**

Prior to 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 to accommodate reimbursements under the waiver and potential claiming for Title IV-E Adoption Assistance.

1. Brevard County Board of County Commissioners
2. Broward County Board of County Commissioners
3. Children’s Board of Hillsborough County\*
4. Manatee County Board of County Commissioners
5. Children’s Services Council of Palm Beach County\*

Note: \*While Hillsborough County and Palm Beach County have a current agreement, no request for reimbursement was received during the past year.

## Progress Towards Expansion

Participating agencies will continue to receive funding for eligible services under the foster care program. These agencies have also been encouraged to consider participating in claiming/reimbursement options under Title IV-E Adoption Assistance and Medicaid Administration.

Allowable costs for claiming which includes the local match and federal share as of June 30, 2007 for the State Fiscal Year 2007 totaled **\$1,131,962.20**. Cumulatively since 1998, Florida counties have received **\$4,258,673** in federal reimbursements through this process. The reimbursement amount per year is as follows: SFY 1998-99 \$326,898; SFY 1999-2000 \$458,514; SFY 2000-01 \$1,314,244; SFY 2001-02 \$679,763; SFY 2002-03 \$245,815; SFY 2003-04 \$60,005; SFY 2004-05 \$185,603; SFY 2005-06 \$421,850 and **SFY 2006-07 \$565,981**. For programmatic purposes, administrative expenditures necessary for the proper and efficient administration of the Title IV-E 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, F.S., to retain up to five-percent of local match earnings to administer the program. The Department will continue to promote the local match process to nonparticipating counties who indicate a desire to participate, to increase the level of services in Florida communities to children who were abused or neglected.

## Lessons Learned

Prior to 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 IV-E Foster Care Waiver has 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 service providers 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.

## **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 provider understands the eligibility criteria, since the provider 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 judicial determinations areas. 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 in order 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 Aid to Families with Dependent Children (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 relative 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, 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 (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 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.

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.

**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, hospitals or youth who are in Subsidized Independent Living status are not eligible for Title IV-E reimbursement.

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 is responsible for determining a child's ongoing eligibility and reimbursability status, it is important for local agencies to keep the Department 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 parental deprivation.** At least one parent must be absent due to death, separation, abandonment, etc., or the parent must be unable to care for the child due to incapacity or disability, under- or unemployment.
- (3) **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.
- (4) **Continued placement in eligible placement.** Placements considered outside the scope of foster care cannot be reimbursed.

6. **Runaway Status**. When a child is in runaway status, the provider 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 in 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 allows federal IV-E foster care funds to be used for a wide variety of child welfare purposes rather than being restricted to eligible children in foster care, as is normally the case under federal law.
- This permits 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 can be accomplished safely, and permanency, as well as foster care.
- The state will receive a defined amount of federal funds over a five year period based on projections of what the state would have received under IV-E rules. The funds under the waiver will increase by 3 percent 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 will be used to further provision of child welfare services.
- An independent evaluator will assess the effectiveness of the demonstration based on program outcomes.

#### **KEY ADVANTAGES**

- The demonstration puts funding incentives in line with program goals and good practice. For children who can safely remain in their home 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 can not safely remain in the home or return home, the focus should be on moving the children towards permanence 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 will follow the service needs of the family and child, not the arcane requirements of federal regulations.
- Funds can be used flexibly for an array of services to provide services needed by the family.

## Appendix A

### Public Agency Procedures

A public agency is defined by the Office of Management and Budget (OMB Circular A-87) 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.

For a public agency to claim Title IV-E reimbursement for an expenditure related to the maintenance and 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 administrative expenditures.
3. Document Title IV-E eligibility:  
Document that the expenditure was made for a child who was eligible for Title IV-E at the time the expenditure was made. Under the waiver, any child known to the child welfare system may be eligible for services.
4. 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.
5. Develop expenditure projections: Along with the quarterly claim, the agency must submit projections for the upcoming quarter.

## Appendix B

### Allowable Costs

Costs must be paid through publicly-allocated funds that are not already being used to earn or used as match for any other federal program grant dollars.

Allowable administrative costs necessary for the administration of the Title IV-E program:

45 CFR 1356.60(c) outlines the criteria and classification of administrative costs which are reimbursable at the federal financial participation rate of 50 percent. Title IV-E administrative costs are claimed through a time study methodology that calculates, from an entire cost pool, the administrative expenses that are reimbursable.

A time study is a staff time log on which a staff member records his/her activities.

The following are examples of basic reimbursable administrative costs:

- (a) Referral to services and information.
- (b) Preparation for and participation in judicial determinations.
- (c) Placement of the child.
- (d) Development of the case plan.
- (e) Case reviews.
- (f) Case management and supervision.
- (g) Recruitment and licensing of foster homes and institutions.
- (h) Rate setting.
- (i) A proportionate share of related agency overhead.
- (j) Costs related to data collection and reporting.

Allowable maintenance costs:

Title IV-E maintenance costs are those costs associated with the room, board and daily supervision of a child who has been removed from his/her home and placed in a fully licensed eligible setting. Section 475(4) of Title IV-E of the Social Security Act defines the term "foster care maintenance payments". In order for a maintenance cost to be reimbursable, it must fit certain criteria.

Costs to be claimed must be made as an individual case payment transaction for a child who is Title IV-E eligible. To be eligible for reimbursement a cost must be linked directly to an identified child (using a case number or Social Security number) who is eligible for Title IV-E during the month the cost is incurred. Hence, there must be an audit trail between the child and each cost related to items/services provided for that child.

Costs must be for activities or services that are eligible for Title IV-E reimbursement. The following is a list of the types of maintenance costs that are reimbursable. The list is not inclusive, but is intended to illustrate care costs that are reasonable and that would be incurred by any prudent parent.

Examples of the types of maintenance costs that are reimbursable:

- (a) Food.
- (b) Clothing.
- (c) Shelter.
- (d) Daily supervision.
- (e) School supplies.
- (f) Child's personal incidentals.
- (g) Liability insurance with respect to a child.
- (h) Reasonable travel of the child for visitation.
- (i) In the case of institutional care, such term shall include the reasonable costs of administration and operation of such institution as are necessarily required to provide the above items, including related transportation.

(Pre-Waiver) Non-reimbursable expenditures. The following expenditures are not Title IV-E reimbursable:

- (a) Medical or psychological treatment, counseling or therapy.
- (b) Schooling costs other than school supplies.
- (c) Transportation related to services listed under (a), (b), (d) and (e).
- (d) Social services.
- (e) Medical and health services.

(Post Waiver) Examples of other allowable maintenance costs:

- (a) School tuition.
- (b) Transportation to school.
- (c) Social Services.

Allowable costs necessary for the administration of the Title IV-E Program:

- (a) Referral to services
- (b) Preparation for and participation in judicial determinations.
- (c) Case reviews.
- (d) Cost related to data collection and reporting.

## **Appendix C**

### **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 provider 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 Family Safety to certify that the expenditures were made with public funds. The local match liaison will review the documentation for payment approval.
3. Upon completion of the review of the documentation submitted, the local match liaison will forward the information to Office of Financial Management for a reimbursement of 95 percent to the public agency. The department retains up to five percent of the reimbursement to cover some of the administrative costs of operating the local match process. The amount retained is posted to the Office of Family Safety Federal Grants Trust Fund.
4. The expenditures will be claimed and the upcoming quarter estimates will be included on the ACF IV-E-1 Statement of Expenditures Report on a quarterly basis.

### **Office of Family Safety/Circuit Procedures**

Eligibility/reimbursability determination. The Department of Children and Families in each circuit or region will ensure that expenditures are made per the Title IV-E program and/or per the demonstration waiver.

### **Administrative Rule 65C-19**

The Department's procedures for administering the local match process statewide went into effect July 4, 2001 and were titled Chapter 65-19, Florida Administrative Code, Certification of Public Agency Funds as Title IV-E Match (Local Match Initiative).

## NOTICE OF FILING

<b>Reporting Agency:</b>	Department of Children and Families
<b>Recipient Agency:</b>	Legislature
<b>Subject:</b>	Certification of Local Funds as State Match
<b>Report Due Date:</b>	January 1, 2008
<b>Statutory Requirement:</b>	s. 409.26731, F.S.
<b>Abstract:</b>	<p>Section 409.26731, Florida Statutes establishes the authority of the Department of Children and Families to certify publicly appropriated local funds as a 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 children in foster care or adoptive placement who are eligible under Title IV-E of the Social Security Act.</p>
<p>Copies of this report may be obtained by contacting:</p> <p>Dept. of Children and Families Office of Family Safety 1317 Winewood Boulevard. Tallahassee, FL 32399-0700</p> <p>Attn: Mukweso Mwenene at (850) 922-0510, or e-mail <a href="mailto:Mukweso_Mwenene@dcf.state.fl.us">Mukweso_Mwenene@dcf.state.fl.us</a></p>	

## LEGISLATIVELY MANDATED REPORT – STATUTORY REQUIREMENT

<b>REPORT TITLE</b>	<b>STATUTORY REFERENCE</b>	<b>SPECIFICATIONS</b>
Certification of local funds as state match for federally funded services.	s. 409.26731, F.S.	Section 409.26731, Florida Statutes, establishes the authority of the Department of Children and Families to certify publicly appropriated, local funds as a 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 children in foster care or adoptive placement who are eligible under Title IV-E of the Social Security Act. 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.