



DEPARTMENT OF HEALTH & HUMAN SERVICES

Administration for  
Children & Families

Refer to:

Region IX  
90 7th Street  
San Francisco, CA 94103

NOV 20 2013

Mr. Gregory E. Rose, Deputy Director  
Family and Youth Services Division  
California Department of Social Services  
744 P Street  
Sacramento, California 95814

Dear Mr. Rose:

This letter provides the results of the Administration for Children and Families Regional Office (RO) recent administrative costs review associated with title IV-E claims made on behalf of candidates for foster care youth who are under the supervision of the State's Probation Department (PO).

In accordance with our letter to you dated August 21, the RO, in partnership with California Department of Social Services staff from the title IV-E Foster Care Funding and Eligibility Unit and the Fiscal Policy Bureau, conducted the review in [REDACTED] and [REDACTED] counties during the weeks of September 16, 2013 and September 23, 2013, respectively. The period under review was April 1, 2013-June 30, 2013.

We thank you, your staff, and the local staff in the two counties for all of the work completed to prepare for the review. We understand everyone's busy schedules and appreciate all that was done to make our job on site a little easier.

The purposes of the review were to determine how the California PO identifies a candidate for foster care, determines and documents eligibility, and makes claims for title IV-E reimbursement.

To do this the RO:

- Reviewed State and local policies and procedures for determining candidate or foster care
- Reviewed fiscal claim documents
- Reviewed methodology for allocating title IV-E costs
- Reviewed California's Cost Allocation Plan
- Reviewed cases to validate eligibility determination,
- Interviewed staff to determine the level of understanding about
  - candidacy eligibility determination and the
  - time study survey process, which is used to allocate title IV-E funds

**Findings and Recommendations**

The RO identified significant systemic concerns regarding title IV-E administrative claims the State makes for candidates for foster care on cases that are under the jurisdiction of the Probation Department. We note that while there are instructions as to how to claim cost associated with this population of youth, there are no policies or procedures in place at State or local level to guide the practice of distinguishing between those cases that may meet the candidates for foster care criteria and other in-home cases. As a result, activities associated with all in-home cases are allocated to the title IV-E program. This is not permissible.

Although we found that about 16 of the sampled cases had acceptable documentation we could not discern how the decisions were made in these cases because staff are not trained on how to do so. Most important, we understand that its current policies and practices may preclude California PO from defining any children as “candidates for foster care” and from title IV-E claiming costs for pre-placement activities associated with this population because court action is required before a youth may be removed from home and this action requires that the youth first enter a detention facility. From there, with court sanction, the youth may then be placed in a foster care setting. Section 8.1D Q & A #11 (below) of the Child Welfare Policy Manual (CWPM) clarifies that among other things, to be a candidate for foster care, the placement setting in which a child would be placed at removal is an allowable foster care setting.

***CWPM Section 8.1D Q & A #11***

***Question:*** *In order for a child to be considered a foster care candidate for purposes of section 472(i)(2) of the Social Security Act (the Act), among other things, the State must have documented that the child is at imminent risk of removal from the home. Does the out of home placement for the child have to be a foster care setting?*

***Answer:*** *Yes. Section 472(i)(2) of the Act explicitly states that, among other requirements, to be a candidate for foster care, a child has to be potentially eligible for title IV-E foster care benefits. Therefore, this means that the State has made a decision that the out of home placement for the child will be a foster care setting. A child is not a candidate for foster care when the planned out of home placement for the child is an arrangement outside of foster care, such as a detention facility.*

For these reasons, the State will need to cease title IV-E claiming associated with these cases that are supervised by the PO beginning with the fiscal quarter October 1, 2013 until it has successfully addressed the issues identified.

The following sections provide more detailed listings of the findings and recommendations.

**Systemic findings**

- There are no practices, procedures, or policies in place to identify a candidate for foster care.
- The counties are unable to distinguish between those cases that are candidates for foster care and other in-home cases. All in-home cases are time studied for IV-E reimbursement.
- There is no identified CDSS program entity that provides oversight to this title IV-E Agreement with the PO

- Staff at the counties report that the current system does not permit them to place a child who is on probation and supervised in his/her home to be placed directly from that home in to an allowable foster care placement setting. We were told that the “child would have to go to detention” before a placement in foster care is ordered.
- Staff do not distinguish between removals from the home because the child committed a crime and removals because the home environment is harmful to the child. All removals are considered for title IV-E purposes.
- The time study survey process is flawed. The process does not adequately tease out those activities that are IV-E allowable from those that should be covered by other funding sources. Therefore counties are allocating unallowable activities to the IV-E program.

### Case findings

A total of 75 cases were reviewed: 30 in [REDACTED] and 45 in [REDACTED]. Of the total number of cases reviewed, 16 had acceptable documentation of candidacy eligibility; 59 did not have documentation for the PUR and therefore did not meet the eligibility criteria. It should be noted that the number of cases not meeting the criteria could actually be higher because we learned that at least one reviewer considered documentation as meeting the criteria even though it did not have the required signatures.

How criteria were documented in the 16 cases:

- We note that the electronic case plan template has a case plan goal option, which states that “minor to remain in-home/family maintenance. Absent services or should preventive services fail, the minor may be removed from the home and placed in a suitable foster/group home.” For purposes of the review, when this box was marked in a fully executed case plan, we used it as the documentation for candidacy for foster care, if all other criteria were met.

NOTE: While for purpose of the review we used the dropdown box in the case plan that contains the specified language mentioned above, consistent with guidance provided in the CWPM section 8.1D Q & A #1, “...the case plan used to document a child’s candidacy for foster care must be a written document developed jointly with the parent(s) or guardian of the child and include a description of the services offered and provided to prevent removal of the child from the home. In addition, the State must document, in said plan, that the goal for the child is foster care if the services described in the plan are not effective.”

- In a couple of cases in [REDACTED] one reviewer also used foster care eligibility determination forms as evidence that the PO was actively taking steps to remove the child because the county explained that it had no specific practice.

Reasons identified as NOT meeting the criteria:

- Case plan is included with acceptable language included but case plan not signed by all relevant parties
- No case plan at all
- Case plan was signed but had a different case plan goal
- Child already in foster care placement setting
- Child in an unallowable placement setting—detention facility

### **Staff Interviews**

Twelve (12) staff interviews were conducted. More were scheduled but the decision was made to cancel remaining interviews because in more than half of the scheduled interviews responses were unanimously consistent in both counties:

#### **Staff on knowledge of “candidate for foster care”**

- Staff do not understand candidacy for foster care.
- Staff do not know how or what circumstances are required to determine a candidate.
- Staff do not know how to identify a candidate for foster care—generally this is done when a child is in detention facility and is awaiting a placement setting.
- Staff have received no training.

#### **Staff understanding of Time Study Survey Process**

- Staff have received no training.
- Staff time study for title IV-E even if the activity they are performing or type of case (child in detention, not a candidate for FC) they are working on should prohibit claims for IV-E.
- Generally, staff understand that they should use a title IV-E code for everything unless they are investigating crimes, conducting searches, or attending training that is only applicable to probation officers. This occurs for some probation officers whose job should preclude title IV-E allocation (for example, staff housed in the detention hall whose job is to process youth once arrested and the coordinator of a work detail program).

### **Recommendations**

California must:

- cease claiming title IV-E for candidates for foster care that are under the supervision of the PO for all counties beginning the fiscal quarter October 1, 2013
- develop policies and procedures for identifying and documenting candidates for foster care that ensures consistency statewide
- assess whether current laws and processes prohibit a child’s placement in foster care directly from home into a qualified placement setting, if needed
- revise the time study survey process to ensure that only allowable activities on eligible IV-E cases are claimed
- revise the methodology for claiming costs associated with title IV-E claims, including a process to allocate any candidate related title IV-E activities between title IV-E and non-title IV-E categories.
- revise the cost allocation plan to include how title IV-E costs are claimed under this title IV-E Agreement

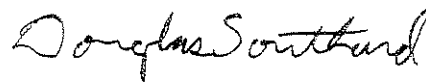
While our review focused only on the PO, we encourage the State to assess the extent to which the Child Welfare agencies and other agencies that have entered into a IV-E agreement with the state are claiming costs for pre-placement activities for candidates for foster care in accordance with Federal and state requirements. The RO is available to work with you and provide technical assistance to you, your staff, and the PO to improve the areas identified as a result of the review. If you have questions about the review or program matters please contact Debra Samples, Child

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Welfare Program Specialist at (415) 437-8626 or e-mail her at [debra.samples@acf.hhs.gov](mailto:debra.samples@acf.hhs.gov). For question related to fiscal claims please contact John Bausch, Financial Operations Specialist at (415) 437-8652 or e-mail him at [john.bausch@acf.hhs.gov](mailto:john.bausch@acf.hhs.gov).

We look forward to our continued work together to improve the lives of California's children and families in the child welfare programs.

Sincerely,



Douglas Southard,  
Regional Program Manger  
Children's Bureau Region IX

cc: Martin Tom, Regional Grants Manager; Office of Grants Management, Region IX; San Francisco, CA  
John Bausch, Financial Operations Specialist; Office of Grants Management Region IX; San Francisco, CA  
Debra Samples, Child Welfare Program Specialist; Children's Bureau, Region IX; San Francisco, CA