



**REVENUE MAXIMIZATION AND
CERTIFICATION OF LOCAL FUNDS
AS STATE MATCH
ANNUAL REPORT 2017**

Department of Children and Families
Office of Child Welfare

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Executive Summary

Sections 409.017(3)(h), and 409.26731, Florida Statute (F.S.), 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, F.S., establishes the authority of the Department of Children and Families (Department) to certify publicly-appropriated, local funds as state match for eligible 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 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 Families
Revenue Maximization and
Certification of Local Funds as State Match for Federally-Funded Services**

Fiscal Year 2017 Annual Report

Section 409.017(3)(h), F.S., 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, F.S., 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 Title IV-E 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 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.

This report is specific to Title IV-E funding as no other federal block grant funds, Temporary Assistance for Needy Families, and Child Care and Development Fund, were expended under these provisions of Florida Statutes during FY 2016-17. 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 and 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 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 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 Florida 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 U.S. 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. The 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 Title 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. Effective October 1, 2013, the Department receives an annual 1.2 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

Progress Toward Expansion

Participating agencies in Broward, Hillsborough, and Palm Beach counties will continue to receive funding for the federal share of expenditures for eligible services under the Title IV-E 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, 2017, for FY 2016-17 totaled \$578,742.32. Cumulatively since 1998, Florida counties have received \$11,785,978.17 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

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 5 percent of local match earnings to administer the program.

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 Title 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 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, 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 (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 more than 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 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.
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 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 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.
- Florida has been receiving a defined amount of federal funds over the past 11 years based on projections of what the state would have received under IV-E rules. Under the amended Waiver Terms and conditions, the funds increase by approximately 1.2 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 are used to further the provision of child welfare services.
- An independent evaluator assesses the effectiveness of the demonstration based on program outcomes.

In 2013, the ACF approved a new five-year Waiver demonstration period that ends September 30, 2018. Assuming no congressional action is taken to reform child welfare funding, the Department plans to request an extension of the waiver. If granted, the new Waiver demonstration period would end September 30, 2019.

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 cannot safely remain in the home or return home, the Department and its partner agencies work on moving the children toward permanence through adoption or other appropriate alternatives.
- By reducing costly out-of-home care, the resulting savings can be invested in additional costly services to families rather than resulting in a reduction of federal funding.

- Under the waiver, money follows the service needs of the family and child, not the outdated requirements of federal regulations.
- Funds are being used flexibly to expand the array of services needed by children and their families.

Appendix A

Public Agency Procedures

A public agency, or local government, is defined by the Office of Management and Budget 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: 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

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 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. The Department, 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 65C-19, Florida Administrative Code, Certification of Public Agency Funds as Title IV-E Match (Local Match Initiative).

		<p>certified local match. Notwithstanding the provisions of s. <u>215.425</u>, 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.</p>
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