

## Costs Associated With Delayed Implementation of the Family First Prevention Services Act of 2018

October 5, 2018

### ***Background***

The federal Family First Prevention Services Act (FFPSA), included in the 2018 Bipartisan Budget Act, focuses on services to prevent children from entering foster care; limits reimbursement for congregate care; and makes changes affecting adoption subsidies, reunification, and extended foster care supports. FFPSA's effective date is October 1, 2018. States can elect to delay implementation of certain FFPSA provisions for up to two years.<sup>1</sup> Florida Department of Children and Families' (DCF) officials have said informally that the state will seek to delay implementation of certain FFPSA provisions, such as limitations of Title IV-E funding for placements that are not family foster homes, until at least October 1, 2020 and potentially until October 1, 2021.<sup>2</sup> The state must notify the federal government of the request for delay by November 9, 2018.<sup>3</sup>

Throughout this research memorandum, we refer to DCF cost estimates related to the loss of federal funding, earnings to offset those losses, as well as estimates concerning participation in certain programs. It is important to note that DCF continues to refine its estimates. While we identified factors that should be taken into account when considering the department's estimates, we did not validate the department's calculations.

When the IV-E waiver expires in September of 2019, Florida will revert to traditional IV-E eligibility determination and reimbursement processes. Since 2006, Florida has operated under a Title IV-E demonstration waiver. Title IV-E of the Social Security Act (SSA) of 1935 is the largest single source of child welfare funds and reimburses a portion of state costs for licensed foster care and adoption assistance, including certain administrative and training costs. In federal Fiscal Year 2016, total federal funding for child welfare was \$8.7 billion, of which \$7.8 billion was Title IV-E funds. Title IV-B of the SSA provides funding for a broad range of child welfare services but the funding amount is much smaller, \$668 million in federal Fiscal Year 2016. States may also use other federal funding streams to pay for child welfare services, including the Social Services Block Grant and Temporary Assistance to Needy Families (TANF).

Traditional IV-E eligibility provides services for children who

- are from a home with very low income (less than 50% of the federal poverty level in most states);
- have been determined by a judge to need to be in care;
- are living in a licensed family foster home or a child care institution; and
- are less than 18 years of age, unless the state has included older youth in its Title IV-E plan.

<sup>1</sup> Provisions of FFPSA have varying effective dates occurring from January 1, 2018 through October 1, 2027.

<sup>2</sup> Florida's current IV-E waiver does not expire until September 30, 2019. On October 1, 2019, the state would implement FFPSA unless the state formally requests a delay.

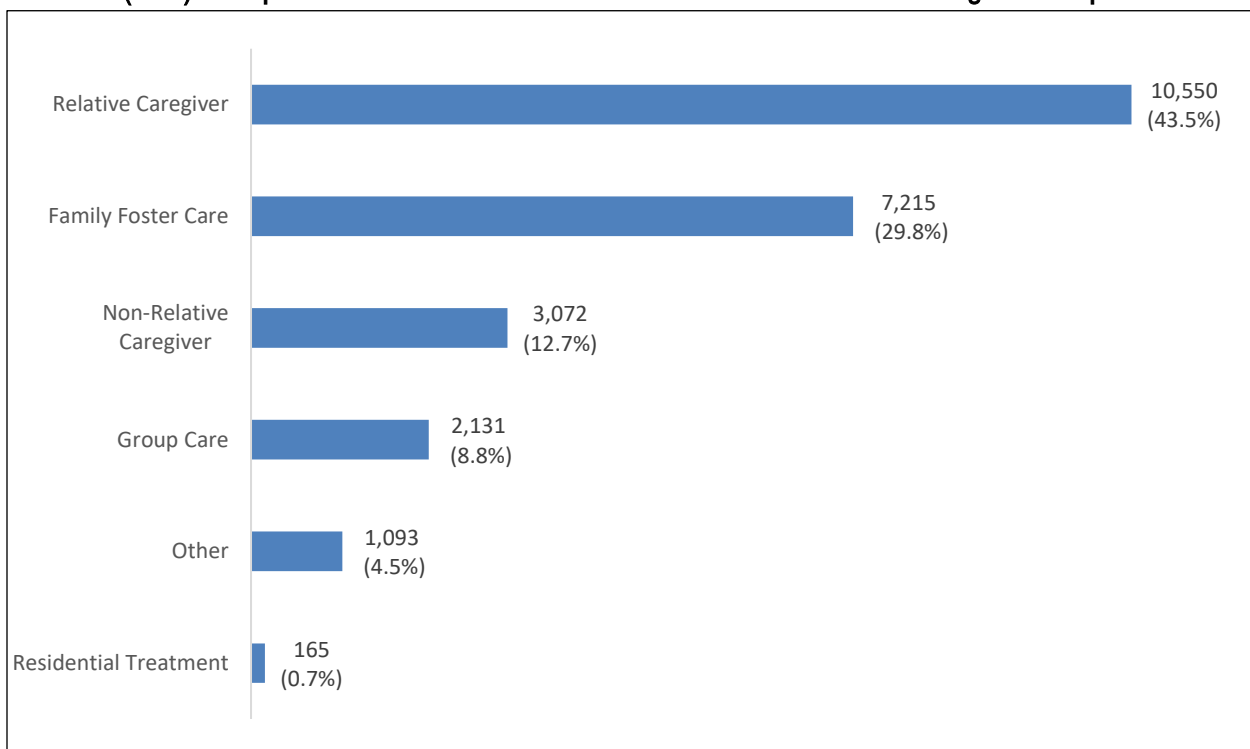
<sup>3</sup> The federal Administration for Children and Families has indicated that the November 2018 deadline is for planning purposes and therefore not binding on the states.

However, Florida’s IV-E waiver, which expires on September 30, 2019, has allowed the state greater flexibility in the use of IV-E funds to provide a broad array of community-based services, improve child and family outcomes, and reduce administrative costs. The waiver includes a cap on the amount of funds distributed to the community-based care lead agencies and also allows the state to serve children who, while eligible for child welfare services generally, might not meet Title IV-E eligibility requirements. Following the end of Florida’s IV-E waiver and during the time corresponding to the delay in FFPSA implementation, Florida’s eligibility will revert to traditional IV-E eligibility and limit federal reimbursement to licensed foster care and adoption assistance.

We will refer to the period following the end of the IV-E wavier and prior to implementation of FFPSA as the post-waiver period. The primary focus of our review is the costs associated with the post-waiver period, followed by a brief discussion of initial factors that may increase costs during FFPSA implementation.

At the end of April 2018, 41,352 children were receiving child welfare services in Florida. Of these children, 3,892 were receiving family support services, 13,234 were in in-home protective services, and 24,226 were in out-of-home care. Among the out-of-home care children, 10,550 were placed with relative caregivers, 3,072 were with non-relative caregivers, and 7,215 were in licensed foster care. (See Exhibit 1.)

**Exhibit 1**  
**Over Half (56%) of Dependent Children Resided With Relative or Non-Relative Caregivers in April 2018<sup>1,2</sup>**



<sup>1</sup> Children with placements listed as other could include temporary hospitalizations, placement in a Department of Juvenile Justice facility, or a home visit.

<sup>2</sup> Children residing in residential treatment centers include those with a mental health, behavioral health, or substance abuse disorder, or other related issues.

Source: Florida Department of Children and Families’ Dashboard.

When DCF child protective investigators (CPIs), or in some areas CPIs under the county sheriff’s office, investigate an allegation of child abuse or neglect, they first must determine if a child can

remain safely in his or her own home. When a CPI determines that a child's caregiver(s) do not present a danger to the child and can provide necessary care and supervision, DCF makes a non-judicial intervention and refers the child and his or her family for voluntary family support services during or at investigation closure. Non-judicial intervention also includes cases where the child may be safe, but is at higher risk, stays in his or her home, and receives a non-judicial case plan and case coordination services. Children who remain in their homes may receive prevention services.

Judicial intervention refers to instances when a CPI deems a child unsafe in his or her home, and DCF submits a petition of dependency to the court.<sup>4</sup> When a child is adjudicated dependent, services from DCF are ongoing and non-negotiable. The child receives either an in-home judicial case plan with case management or an out-of-home placement with case management.

Children who are removed due to abuse or neglect are provided with safe and appropriate temporary homes. These temporary placements, referred to as out-of-home care, provide housing and services to children until they can return home to their family or achieve permanency with another family through adoption or guardianship. The state's priority is to keep children with family members, and CPIs and case managers take steps to identify relatives or non-relative caregivers willing to care for these dependent children.<sup>5</sup> When the state is unable to identify a relative or non-relative caregiver, dependent children may be placed with a foster care family. Some children may have needs that require placement in an alternative licensed out-of-home care placement, i.e., residential group care. The primary purpose of residential group care is to provide a setting that addresses the unique needs of children and youth who require more intensive services than a family setting can provide. DCF's Office of Child Welfare licenses these providers as residential child-caring agencies.

## Findings

### ***The End of Florida's Title IV-E Demonstration Waiver Will Result in Fewer Children and Services Being Eligible for Reimbursement***

Beginning October 1, 2019, known as the post-waiver period, Florida will revert to traditional Title IV-E eligibility requirements. Traditional Title IV-E allows for reimbursement for administration, training, and foster care maintenance payments to support children in licensed out-of-home care. Florida's IV-E waiver has allowed the state to provide services not normally reimbursed under traditional IV-E and to also serve children who would not be financially eligible for IV-E services; these costs will not be allowable expenditures under traditional IV-E requirements.

DCF's efforts to estimate the fiscal impact of the IV-E waiver expiration are on-going. The department has expressed caution regarding its estimates because the rationales and calculations related to the projections may continue to evolve. Our review examines factors influencing these estimates rather than validating the calculations used to project the loss of federal dollars or costs offsetting those losses. To date, the department has used two methods to estimate costs related to the end of the IV-E waiver. In the first analysis, department officials based their estimate on the recurring IV-E waiver funds of \$187.2 million in the department's Fiscal Year 2017-18 general appropriation. These calculations, recently made public by DCF, estimate \$89.4 million in losses from two sources: (1) \$71.8 in IV-E Foster Care and (2) \$19.5 million in IV-E Adoption, offset by \$1.9 million in earnings against the losses. The IV-E Foster Care losses cover services in three

<sup>4</sup> Section 39.501(1), F.S., also allows any other person with knowledge of the facts of a child's case to file a dependency petition.

<sup>5</sup> A non-relative caregiver would be someone known to the child such as a family friend, teacher, or other adult.

main areas: (1) dependency case management, (2) children's legal services, and (3) prevention services.

In the second analysis, provided at OPPAGA's request, the department used Fiscal Year 2016-17 waiver expenditures to estimate costs for non-IV-E eligible children as well as costs for services that will no longer be reimbursable after the end of the waiver. The department calculated total IV-E expenditures using both recurring and non-recurring funds for that year and identified \$142.2 million in costs for non-IV-E eligible children and non-reimbursable services that are described below.

According to DCF's analysis for Fiscal Year 2016-17, the \$142.2 million is composed of an estimated \$52.5 million in waiver dollars that was spent for non-IV-E eligible children and \$89.7 million in waiver dollars that was spent for both IV-E and non-IV-E eligible children for services that were only reimbursable because of the waiver. Our understanding after discussion with DCF staff is that the costs for non-IV-E eligible children are based on an estimated 31.5% of children in out-of-home care. The service costs pertain primarily to any children (whether or not IV-E eligible) receiving in-home services that are not allowable under traditional IV-E.

Our review of DCF's analysis shows that costs for dependency case management comprise the highest expenditures for non-IV-E eligible children and for services not reimbursable under the waiver. In Fiscal Year 2016-17, DCF incurred dependency case management costs of \$247.5 million, for which the state received federal reimbursement of \$135.1 million. Using a series of formulas, the department estimated \$26.4 million in dependency case management costs for non-IV-E eligible children (i.e., the portion of non-IV-E eligible children in out-of-home care) as well as \$51.4 million in costs for services that would not be eligible under the waiver (i.e., dependency case management for children receiving in-home services). The remaining costs in DCF's analysis for IV-E and non-IV-E eligible children and services not reimbursable except under the waiver include expenditures for prevention services, children's legal services, safety management services, licensed foster care, and licensed residential group care.

### ***Several Factors May Affect DCF's Ability to Address the Projected Loss of Federal Revenue Post-Waiver***

DCF has several initiatives to increase Title IV-E funding and thereby mitigate the projected loss of federal revenue from the expiration of the state's Title IV-E waiver.<sup>6</sup> The department plans to increase from 68% to 72% the percentage of children receiving child welfare services that are IV-E eligible. At the same time, the department estimates that implementation of the Guardianship Assistance Program and the eventual implementation of FFPSA will provide opportunities to increase IV-E funding. In a best-case scenario, the options could offset more than **\$71 million** in losses. Our review of these estimates focuses on factors that may influence the department's estimates but does not attempt to validate these estimates.

DCF expects to generate additional federal revenue by increasing the number of children eligible for Title IV-E funding. To mitigate the loss of federal revenue from the end of the IV-E waiver, the department plans to increase the percentage of children determined eligible for Title IV-E. Prior to the waiver, DCF reported that 77% of children were determined to be eligible for IV-E funding, but during the 12 years of the waiver, the percentage of children eligible decreased to 68.5%. The department's revenue projections assume that the percentage of children eligible will increase to 72% of all children, including both in-home and out-of-home care. However, the department's

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<sup>6</sup> The deficit in Title IV-E funds of nearly \$90 million is expected by 2021.

ability to increase IV-E eligibility remains uncertain. The most recent national study found that approximately 50% of children in out-of-home placements were covered by Title IV-E funds, ranging from a low of 20% in Wyoming to a high of 77% in Ohio. Florida was one of only 10 states with more than 60% of children eligible.<sup>7</sup>

The department's projection indicates that increasing the percentage of children eligible for IV-E could increase Title IV-E funding by **\$10 million**. To achieve an increased percentage of children eligible, the department will need to replace the simplified eligibility process used during the waiver period with the traditional IV-E eligibility determination and claiming processes. In addition, frontline and revenue maximization staff will need to be trained in the more rigorous eligibility determination and claiming processes. The 2018 Legislature has provided \$5.7 million for DCF to maximize eligibility and claiming opportunities for federal Title IV-E funding.

Implementing a Guardianship Assistance Program may be more gradual than DCF anticipates. The 2018 Legislature established a Title IV-E Guardianship Assistance Program (GAP) in Florida to provide guardianship assistance payments for the care of children by relatives who have assumed legal guardianship of children for whom they previously cared for as foster parents.<sup>8,9</sup> As a result of implementing the GAP program, DCF estimates federal reimbursements starting at \$8.7 million in Title IV-E earnings in Fiscal Year 2019-20 and increasing to approximately **\$21.3 million** in Title IV-E earnings by Fiscal Year 2023-24. The \$21.3 million projected earnings include GAP payments as well as program-related administration and training costs.

GAP was originally established by the federal Fostering Connections to Success and Increasing Adoptions Act of 2008. The law allows states to operate GAP as part of their child welfare permanency continuum under Title IV-E.<sup>10</sup> GAP helps children spending at least six consecutive months in foster care, who are cared for by licensed relatives, or relatives approved as meeting the licensure requirements as a family foster home. Children must be eligible for federal foster care payments under Title IV-E of the Social Security Act and living with relatives who become their legal guardians.<sup>11,12</sup>

The department's projections for the GAP program distinguish among three groups of children: those in the current Relative Caregiver Program, which includes children placed with relative and non-relative caregivers, and new children entering out-of-home care. The department's projections, using Fiscal Year 2016-17 data, are based on estimates of new children entering foster care only and do not include the transition of those children currently placed with relatives and non-relatives. The department's position is that the current relative and non-relative caregiver program will remain in effect until children reach 18 years of age or exit the program for other reasons. Specifically, department officials reported that children currently placed with relative and non-relative caregivers do not meet the IV-E eligibility criteria for GAP (15,202 actual census as of June 30, 2017) because cases involving these children are judicially closed and the children are no longer under DCF supervision even though the families receive financial support. In addition,

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<sup>7</sup> *Child Welfare Financing SFY 2014*, Child Trends, 2016.

<sup>8</sup> The Guardianship Assistance Program goes into effect July 1, 2019.

<sup>9</sup> Beneficiaries are children who have been eligible for Title IV-E foster care maintenance payments during at least a six-month consecutive period during which the child resided in the home of the prospective relative guardian who was licensed or approved as meeting the licensure requirements as a foster family home. While the child must be *eligible* for Title IV-E foster care maintenance payments, the act does not require that Title IV-E foster care maintenance payments be paid.

<sup>10</sup> Public Law 110-351.

<sup>11</sup> Section 473(d)(3)(A)(i)(II) of the Fostering Connections to Success and Adoption Assistance Act.

<sup>12</sup> The act does not require Title IV-E foster care maintenance payments to have been paid on behalf of the child during the six-month timeframe.



the department stated that of the approximately 4,000 relative caregiver cases open and receiving case management services, only a small percentage will be able to meet the eligibility criteria for GAP as of the July 1, 2019 GAP implementation date because these cases would need to be adjudicated and the licensing process completed prior to the implementation date.<sup>13</sup>

The department's existing estimates reflect gradual attrition in the Relative Caregiver Program with open cases under the current program decreasing to zero as all families move to GAP. According to these estimates, by Fiscal Year 2023-24, the number of children receiving relative caregiver payments will decrease from 14,555 to 4,924 for cases closed to permanent guardianship as these children reach age 18; the 4,199 cases open to case management services will decrease to 0. According to the department, there were 2,440 children with non-relative caregivers receiving payments under the Relative Caregiver Program at the end of Fiscal Year 2016-17. The department estimated that the number of cases closed to permanent guardianship would decrease from 647 to 388, while the number of open cases will decrease from 1,793 to 0. By Fiscal Year 2023-24, the department projected that 16,787 children will be in GAP or in the process of becoming GAP eligible.

Because the Legislature ensured the Relative Caregiver Program would remain open, the department is revising its projections based on an estimated 40% to 60% GAP participation rate with the remaining families in the Relative Caregiver Program. The department is also considering a legislative proposal that would require families to be denied GAP participation before they could apply for the existing Relative Caregiver Program. Should DCF enroll a limited number of new relatives and non-relatives in the Relative Caregiver Program after July 1, 2019, some of the TANF and general revenue funds used for the program could be used elsewhere in the child welfare program.

However, the department's projections may over-estimate the families willing to participate in GAP. The Relative Caregiver Program is optional; families are not required to participate and must meet the program's requirements as a condition of financial support. At the time of this review, only 39% of relatives and 64% of non-relatives currently participate in the Relative Caregiver Program.

Research studies further suggest a more limited GAP impact. A 2012 study that reviewed subsidized guardianship assistance programs in 29 states and the District of Columbia identified a number of concerns that may affect Florida's ability to redirect TANF funds and access additional Title IV-E funds.<sup>14</sup> The report points out several potential issues that should be considered, including the

- willingness of relatives to undergo licensure as a relative foster care home, which is required by the Fostering Connections Act;
- need to educate child welfare staff and current and prospective guardians that guardianship is an appropriate permanency option; and
- need to familiarize all staff, especially frontline staff, with the requirements of the program and its new eligibility procedures.

In a more recent study, the federal Department of Health and Human Services reviewed Title IV-E GAP programs in 36 states and reported uneven implementation, with many states with approved

<sup>13</sup> The department anticipates 1,953 children will enter the GAP program before July 1, 2019, which is slightly more than one-quarter of the estimated new entries to case management for children receiving benefits.

<sup>14</sup> *Making It Work: Using the Guardianship Assistance Program to Close the Permanency Gap for Children in Foster Care*, Children's Defense Fund, Child Trends, et al., October 2012.

guardianship plans infrequently placing children in subsidized guardianships.<sup>15</sup> Specifically, the review found that while approximately three-quarters of children in foster care nationally live in states with approved GAP plans, only 7% of foster care exits in states with GAP programs were to guardianship. Furthermore, in federal Fiscal Year 2016, states made Title IV-E GAP claims on behalf of an average monthly caseload of 24,689 children nationally, and six states accounted for 75% of Title IV-E GAP-funded guardianships.<sup>16</sup>

However, department officials believe that the GAP benefit option will be more attractive to caregivers than the relative and non-relative caregiver programs. According to department staff, case workers will be trained to emphasize that

- guardianship is the preferred permanency option after reunification;
- payments are higher for GAP than the relative caregiver program and may be negotiated according to the child's needs and what a foster care maintenance payment for the child might be;
- relatives may apply for child-only TANF benefits while awaiting the completion of the licensing process;
- one-time, non-recurring payments are available to facilitate the guardian process, such as travel for guardians or home repairs to bring the home up to licensing standards;
- Medicaid eligibility is still available for the child, which is the case for the Relative Caregiver Program as well;
- payments may follow the child out of state should the guardian chose to move, unlike relative caregiver payments; and
- guardians are not required to cooperate with the child support enforcement program, as is the case with the relative caregiver program.<sup>17</sup>

Adopting the federal definition of a candidate for foster care would allow the state to claim administrative costs for children receiving in-home services. A candidate for foster care is a child who is at serious risk of removal from home as evidenced by the state pursuing his or her removal from the home or making reasonable efforts to prevent such removal.<sup>18</sup> Another initiative to mitigate the loss of federal revenue from IV-E waiver expiration pertains to DCF adopting a provision allowed under traditional IV-E known as candidacy; this provision was not included as part of the waiver. To make this change, the department is seeking to amend the state IV-E plan for the post-waiver period. If approved, DCF projects the candidacy option could provide as much as **\$40 million** in federal reimbursements. According to federal law, as long as the state reasonably views the child as a candidate for foster care maintenance payments consistent with s. 472(i)(2) of the SSA, the state can claim federal financial participation for administrative costs (at a 50% reimbursement rate) regardless of whether the child is actually placed in foster care and becomes a recipient of title IV-E foster care benefits.<sup>19</sup>

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<sup>15</sup> *Title IV-E GAP Programs: A Work in Progress*, U.S. Department of Health and Human Services, Administration for Children and Families, 2017.

<sup>16</sup> The six states are California, Illinois, Missouri, Oregon, Pennsylvania, and Texas.

<sup>17</sup> Relatives are currently encouraged to apply for child-only TANF while waiting for relative caregiver payments to begin after the child is adjudicated.

<sup>18</sup> A child cannot be considered a candidate for foster care when the state has no formal involvement with the child or simply because he or she has been described as at risk due to circumstances such as a dysfunctional home environment.

<sup>19</sup> Section 472(i)(2) of the SSA pertains to administrative costs associated with otherwise eligible children not in licensed foster care settings. Specifically, it states that administrative expenditures with respect to a child not residing in a licensed foster home or institution may be covered under certain conditions including children who are potentially eligible for benefits under the state IV-E plan and at imminent risk of removal from the home, as long as reasonable efforts are being made to prevent the need for, or if necessary to pursue, removal of the child from the home.

## ***DCF Will Require a Number of System Changes During the Post-Waiver Period and Prior to Full FFPSA Implementation***

Reimbursement is changing and requires improved state information systems. During the waiver period, administrative expenses related to training, the state's case management system, and adoption assistance expenditures were paid for with traditional IV-E funds. Other costs such as those associated with program administration and services were reimbursed under the capped waiver.

DCF will need to use an administrative claiming process for IV-E reimbursement during the post-waiver period and under FFPSA, including costs for service expenditures for eligible children. Department officials have expressed publicly that they will need time to develop the systems necessary for administrative claiming. It appears that the department will need to retrain DCF personnel and community-based care lead agency staff to use administrative claiming and also make sure that information systems can accurately track costs for claiming purposes.

Changes to the state's child welfare information system will affect GAP and FFPSA. Florida's implementation of GAP allows the state to claim federal reimbursement for payments to GAP participants. The shift to GAP will require changes to the Florida Safe Families Network (FSFN). FSFN is the state's child welfare case management system that contains 30 years of child welfare data and includes information on more than 8 million people. Due to changes in federal law, DCF is currently transforming the case management system.<sup>20</sup> Any FSFN changes needed for GAP will be made within the current system transformation process to ensure that they comply with new federal requirements.<sup>21</sup> DCF officials announced that they had held a FSFN design meeting regarding GAP during the summer of 2018 and that the needed changes are in development.

Along with GAP implementation, FFPSA implementation may also be influenced by the FSFN transformation. Estimated costs for the transformation, which are being funded apart from FFPSA, are projected at \$14.6 million. DCF plans to seek federal reimbursement for some FSFN administrative costs under FFPSA. Time rather than cost could be a more significant issue; any changes to FSFN needed for FFPSA implementation must occur within the context of the system transformation.

DCF's draft FFPSA implementation plan has identified potential business processes and corresponding FSFN system changes needed in response to FFPSA including

- data collection and reporting related to prevention services and programs;
- payments for children with parents in licensed residential family-based treatment facilities;
- evidence-based kinship navigator programs;
- licensing standards for family foster homes;
- changes in reimbursements for group homes;
- Chaffee Foster Care Independence Program and related provisions; and
- changes needed to meet federal data exchange standards.

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<sup>20</sup> Established in 1993, Statewide Automated Child Welfare Information Systems regulations governed the applications used to track and manage their child welfare caseloads. To address changes in child welfare practice and technology, states must now meet more recent Comprehensive Child Welfare Information System regulations to take advantage of modern technology that will facilitate data sharing among multiple systems rather than building large one size fits all systems.

<sup>21</sup> The 2018 Legislature separately authorized \$1.3 million for system enhancements to the ACCESS Florida Online Recipient Integrated Data Access system to enable disbursements for the GAP program.



DCF officials indicated that they would be holding a FSFN design meeting to address eligibility changes in September 2018 and that the changes needed for IV-E eligibility would be extensive.

### ***Several Key Reimbursement Issues Could Have Additional Financial Impact Once the State Fully Implements FFPSA***

Once FFPSA is fully implemented, the state could realize renewed prevention funding if programs meet strict federal standards. The FFPSA Title IV-E prevention services option provides funding for mental health, substance abuse, and in-home parent skill-based programs for foster care candidates. Under FFPSA, states can provide IV-E services for a child in foster care who is pregnant or parenting as well as candidates for foster care, defined as a child identified in the state's prevention plan who is at imminent risk of entering foster care but who can remain safely at home as long as services or programs that are necessary to prevent the entry of the child into foster care are provided.<sup>22</sup> It appears the federal government will let states define candidacy. In addition, states may waive IV-E financial eligibility for foster care candidates to receive prevention services or programs under FFPSA Title IV-E.<sup>23</sup>

In Fiscal Year 2016-17, the community-based care lead agencies spent \$8.7 million for prevention services, including IV-E matching funds. With the implementation of FFPSA, the state could again receive federal reimbursement for prevention services that were provided under the waiver but are not allowable under traditional IV-E. In addition, Title IV-E funds comprise 21% of lead agency expenditures for prevention services. States providing Title IV-E prevention services or programs under FFPSA must maintain the same level of state foster care prevention expenditures each fiscal year as the amount spent in federal Fiscal Year 2014.<sup>24</sup>

Questions remain regarding the extent to which Florida has or will have programs that meet the FFPSA requirements in place at the time of FFPSA's implementation. For reimbursement under FFPSA, services or programs for Title IV-E prevention funding must be trauma-informed; provided in accordance with general practice requirements; and promising, supported, or well-supported practices. In addition, at least 50% of the amount paid to the state in any fiscal year must be for prevention services meeting the well-supported practice criteria.<sup>25,26</sup> The federal government plans to have a clearinghouse of programs that meet these criteria.

DCF is currently surveying regional and lead agency staff about the array of evidenced-based practices and programs provided by geographic region. Implementing evidence-based services and programs can be costly, requiring organizational readiness assessments, expenditures for program manuals and curricula, specialized training for program staff, fidelity monitoring by the program's developer, and evaluation of program outcomes.

Training reimbursements will be lower under FFPSA. Pre-service and in-service training, which Florida maintained under traditional Title IV-E, had federal reimbursement rates that ranged from 50% to 75% depending on the specific training. With the end of the waiver and the implementation

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<sup>22</sup> Based on congressional testimony by the Acting Commissioner of the Administration for Children and Families, it appears that no additional direction will be provided for the candidate for foster care definition and that states may define candidacy as broadly or as narrowly as they chose in their prevention plan.

<sup>23</sup> Beginning with FFPSA implementation, costs for administration of prevention services and programs as well as training for state and local child welfare personnel are reimbursable at 50%. Allowable administrative and training costs are reimbursable without regard to whether expenditures are incurred for a child who is eligible or potentially eligible for Title IV-E foster care maintenance payments.

<sup>24</sup> State foster care prevention expenditures that can be considered for maintenance of effort are Title IV-B, TANF, Social Services Block Grant, and state or local funds used for prevention services or activities.

<sup>25</sup> Claiming for prevention services reimbursement does not begin until federal Fiscal Year 2020.

<sup>26</sup> From federal Fiscal Year 2010 to federal Fiscal Year 2026, prevention services are reimbursable at 50%. Beginning in federal Fiscal Year 2027, prevention services are reimbursable at the state's Federal Medical Assistance Percentage rate.

of FFPSA, all training will be reimbursed at 50%, resulting in a higher state share for training under FFPSA.

According to its operating budget for state Fiscal Year 2017-18, DCF spent approximately \$3.4 million in matching funds for IV-E training, requiring a 75/25 federal/state share. To provide the same level of training under FFPSA and spend the same level of federal IV-E dollars for training moving forward, the state would need to double the existing match to \$6.8 million or reduce IV-E training. If the state maintains the current level of match (\$3.4 million), the corresponding federal training funds would be reduced.

Group care reimbursements under FFPSA will be limited to 14 days. FFPSA limits Title IV-E foster care payments for placements that are not foster family homes to 14 days for child care institutions (CCI).<sup>27</sup> Title IV-E agencies may claim 14 days of Title IV-E for foster care maintenance payments paid on behalf of an eligible child each time a child is placed in a CCI regardless of whether the child has had previous CCI placements during the foster care episode. After two weeks, Title IV-E foster care maintenance payments for a child placed in a CCI are only available if that CCI is one of the following specified settings.

- Settings that specialize in providing prenatal, postpartum, or parenting supports for youth
- Settings that provides high-quality residential care and supportive services to children and youth who have been found to be, or are at risk of becoming, sex trafficking victims
- Licensed residential family-based treatment facilities for substance abuse<sup>28</sup>
- Supervised settings for youth who have reached 18 years of age and live independently
- Qualified residential treatment programs<sup>29</sup>

Using FSN placement data, we examined a snapshot of the number of days children spent in DCF-licensed group care during state Fiscal Year 2017-18 that may not be reimbursable under FFPSA.<sup>30</sup> We excluded placements with durations of 14 days and shorter as well as placements in maternity homes and placements for children at risk of sex trafficking.<sup>31</sup> The federal government has not yet issued guidance specifying how it will count distinct placements. In lieu of this guidance, we calculated two counts of days in DCF-licensed group care placements. Under one approach, referred to as unbridged, if a child temporarily leaves a provider for reasons such as running away or temporary hospitalization, but subsequently returns to the provider, the return is treated as a new placement for which the first 14 days are eligible for reimbursement. Under the second approach, these temporary interruptions in care are ignored, treating the whole time with the same group care provider as one continuous span of care, referred to as bridged.

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<sup>27</sup> A child care institution means a private or public child care institution that accommodates no more than 25 children and is licensed by the state in which it is situated or has been approved by the agency of the state responsible for licensing or approval of institutions of this type as meeting the standards established for the licensing.

<sup>28</sup> Allows Title IV-E foster care payments for up to 12 months for an eligible child placed with a parent in a licensed residential family-based substance abuse treatment facility. An eligible child must be eligible for Title IV-E foster care maintenance payments, or meet all eligibility requirements for Title IV-E foster care maintenance payments except for the AFDC income eligibility requirements.

<sup>29</sup> Qualified residential treatment programs is a newly defined type of non-foster family setting requiring Title IV-E agencies to meet detailed assessment, case planning, documentation, judicial determination, and ongoing review and permanency hearing requirements for a child to be placed in and continue to receive Title IV-E foster care maintenance payments for the placements.

<sup>30</sup> In the following analysis, we examine group care and costs as they currently exist in Florida, not as reimbursement may exist under FFPSA, e.g., including children who are 18 and live independently.

<sup>31</sup> The federal government has not defined children at risk of human trafficking. In the absence of a federal or state definition, we calculated days in care for children at risk of human trafficking to include children with DCF investigations from July 1, 2013 through December 31, 2017, with verified or not substantiated findings of commercial sexual exploitation. Investigative findings of not substantiated are those where there was evidence of exploitation but not the preponderance of evidence that is required for a verified finding.

For all children with days in group care, regardless of IV-E eligibility, we developed a measure of bridged and unbridged counts of days. Using these separate bridged and unbridged counts and a per diem calculated from state Fiscal Year 2017-18 lead agency Title IV-E expenditures for out-of-home care, we estimate that the amount of unreimbursable group care under FFPSA may range from approximately \$57.6 million (unbridged) to \$60.4 million (bridged) per year.<sup>32,33</sup> (See Exhibit 2.) These figures, based on a snapshot of current spending, may include some non-eligible IV-E children currently in out-of-home care that are included in the earlier calculations of non-IV-E eligible children.

**Exhibit 2**  
**FFPSA Changes to Group Care Reimbursements Could Be Costly, Depending on Pending Federal Policies**

Type of Placement	Unbridged		Bridged	
	Days in Group Care Beyond 14	Unreimbursable Cost of Placement	Days in Group Care Beyond 14	Unreimbursable Cost of Placement
Group homes	403,863	\$49,519,892	424,533	\$52,054,377
Emergency shelters	66,144	\$8,110,269	68,453	\$8,393,425
<b>Total</b>	<b>470,007</b>	<b>\$57,630,162</b>	<b>492,986</b>	<b>\$60,447,802</b>

Source: OPPAGA analysis of Department of Children and Families data.

To avoid these new costs, DCF would need to either reduce the number of children in out-of-home care or recruit additional foster parents. In our analysis of Fiscal Year 2017-18 data, we identified approximately 3,500 children with days in DCF-licensed group care that may not be reimbursable under FFPSA; this group includes both IV-E and non-IV-E eligible children.

<sup>32</sup> We calculated an approximate average per diem across all forms of residential care and then applied that per diem to emergency shelter and group care, treating the costs for the different type of care as identical.

<sup>33</sup> These figures include federal Title IV-E funds as well as the state match.