



Ten Years of Leaving Foster Children Behind



**The Long Decline in Federal Support for
Abused and Neglected Children**

July 2006



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A Decade of Leaving Children in Foster Care Behind

Introduction

A Call To Action

July 16 marks the 10-year anniversary of the decision by Congress to tie eligibility for Title IV-E federal foster care assistance to Aid to Families with Dependent Children (AFDC), the former cash-assistance program. The decision was flawed from the start and, over the years, the negative consequences have only increased, resulting in a stunning decline of federal support and growing abandonment by our government for vulnerable children.

Over the past decade, the number of children eligible for federal foster care assistance has decreased at an alarming rate. These are children who have experienced abuse and neglect but do not qualify for federal assistance based on the outdated eligibility requirement. In 1998, well over half of the children entering foster care—55% by our analysis—qualified for federal assistance. In 2004, 45% qualified—an 18% decline.¹ The impact of this lack of support is felt by tens of thousands of children who have experienced abuse and neglect but do not qualify for federal assistance based on this outdated eligibility requirement—an estimated figure of nearly 50,000 if you apply the 18% reduction in foster care coverage.

Agencies providing foster care services struggle to make up this shortfall in support for these children. State and local child welfare agencies devote important staff resources to maintaining an outdated eligibility requirement. In June 2006, CWLA conducted a survey of our private, non-profit member agencies that are direct service providers to better understand the impact of this shortfall. More than 25% of these agencies responded and confirmed that private, nonprofit child welfare organizations are experiencing increased pressure to raise millions of dollars annually to make up for diminishing federal support. The end result is pressure on agencies that divert valuable time and attention from children in need.²

When Congress made the decision to tie eligibility for Title IV-E federal foster care assistance to AFDC, it was done with the understanding that it was only temporary and that eligibility would be updated at the next opportunity. Ten years later, the issue has yet to be revisited. Title IV-E eligibility continues its slow strangulation of the support our

most vulnerable children receive from the federal government, and many children are suffering the consequences.

We call on Congress and the Administration to reverse this trend and fix the eligibility requirements. It's time to end a decade of leaving children in foster care behind!

It is often said that the nation's foster care and child welfare system is "broken." In reality, it isn't broken so much as it has never been fully supported and empowered to function effectively. There has never been a sufficient commitment by the federal government to create a strong partnership with state and local governments and communities; that is, a partnership that works with children and families through crises and overcomes challenges that have brought them to the attention of child welfare services.

Ten years ago, lawmakers overhauled the nation's public assistance system and the Temporary Assistance for Needy Families (TANF) program became law, eliminating Aid to Families with Dependent Children (AFDC) and creating numerous changes. What this overhaul didn't change was the eligibility for federal foster care support. Instead, it locked in an archaic and illogical method of determining our commitment to children in care. Today, when a child enters foster care or is a special needs adoptive placement under Title IV-E of the Social Security Act, the federal government will help subsidize a share of the cost only if that child was removed from a family that would have been eligible for the AFDC program as it existed on July 16, 1996.

Over the past decade, by the sheer force of inflation alone, we have seen an eroding federal commitment to children placed in foster care and children who have special needs and are adopted. In fact, in this regard and others, we have a shrinking federal commitment to the entire child welfare system. As states are forced to make up for the lack of a federal financial support to children in foster care and adoptive families, this only serves to undercut efforts to increase funding and support for other key parts of the child welfare system, including child protective services, and prevention and intervention services.

The anniversary of this frozen-in-time eligibility standard highlights the need for the federal government to fix this formula—not by block granting or freezing funds—but by committing to a shared responsibility and partnership with states and local governments and local communities. This shared responsibility should focus on making sure children are protected from abuse and, if they are placed in out-of-home care, ensuring the

children are placed in a permanent and loving family as soon as possible. How well a child is properly cared for and protected from harm should not be determined by where they happen to live. Instead, it should be an ironclad agreement among federal, state, and local government partners to protect and support every child in this country who experiences abuse or neglect. That will not happen until eligibility for financing is fixed and replaced by a formula that creates a child welfare system that encompasses a continuum of services ranging from prevention of abuse and neglect, to permanency and stability for children who experience out-of-home care.

Eroding Support for Kids in Care

How Eligibility Is Determined

Title IV-E of the Social Security Act provides some federal assistance to children placed in foster care. The federal government will help cover the cost of such services as food, shelter, clothing, and other basic needs of a child placed in a foster family, group home, or residential facility. States receive a match based on a formula tied to the state's economic needs. The federal government provides at least half the cost of care for eligible children. In addition, the federal government covers half the cost for "administrative" expenses. These expenses actually cover important services such as time spent in court, efforts to connect the child with needed services, placing the child in a safe and nurturing environment, recruiting new foster parents, licensing and training of the families, and other vital child welfare services.

If a child is eligible, the federal government provides a matching amount of funds to the state child welfare system. A state can fail to qualify for a match if they fail to meet certain protections and safety requirements for the child. These requirements are designed to protect children from being unnecessarily placed in foster care.

One provision, however, is not tied to the child's best interest; it is instead tied to income. When the Aid to Families with Dependent Children (AFDC) program existed, it represented an automatic eligibility threshold for a number of federal programs. If a child lived in a family that was AFDC eligible, for example, that child was also eligible for food stamps and other services. Similarly, if a child were removed from a family that was AFDC eligible, that child would qualify for Title IV-E foster care and adoption assistance.

When AFDC was eliminated in 1996 and replaced by the TANF block grant, Congress debated what to do about Title IV-E eligibility. Some policymakers feared

states would reduce access to the new cash assistance program and the number of families eligible. Likewise, if foster care and adoption assistance were tied to the new TANF block grant, it was felt that fewer and fewer kids would be eligible for foster care protection. At least in the interim, it was agreed that foster care and adoption assistance would remain tied to whatever the states had established as their AFDC eligibility on July 16, 1996, a date close to when the TANF legislation was being debated. This link to the 1996 date is sometimes referred to as the “look-back” provision.

AFDC eligibility was based on a complex formula in which a family had to pass two income tests—one based on countable net income, and the other on gross income, which was tied to a state’s need standard. According to a 2005 Congressional Research Report:

In 1996, when the look back was established, the median state need standard under AFDC (for a family of three) equaled 60% of the federal poverty level; by 2005 that median was 48%. This means that in as many as 25 states, eligibility for the Title IV-E foster care program may only be established for children removed from families with incomes less than half the federal poverty level (roughly \$8,000/year for a family of three).³

The AFDC program was based on a complex system of eligibility requirements. Congress has never revisited the issue of foster care and adoption assistance eligibility, so AFDC’s complex rules remain in place today. In some instances, states had not revised or updated their AFDC income tests when the eligibility was frozen in time and, therefore, the July 16, 1996 eligibility may actually be *more* than 10 years old for children in those states.

The Penetration Rate: What Caseload Data Tell Us About the Impact of the “Look-back”

The penetration rate refers to the number of children in foster care who are eligible for or covered by federal funding through Title IV-E foster care and adoption assistance. In 2004, 517,000 children were in foster care and approximately 233,000 were estimated to be eligible.⁴

There are a number of factors that can affect whether a state receives a federal match for children in foster care or adoption assistance, in addition to the financial and eligibility considerations tied to AFDC. A court must have made a determination that reasonable efforts were made to prevent the removal of a child from his or her home, and that the best interests of the child are being served. The proper documentation is also an

important factor in the state receiving a federal match for these children in care. Due to these additional requirements, the number of children in foster care who are covered by Title IV-E foster care can fluctuate from year to year. In fact, some states may see their number of eligible children rise, even as AFDC eligibility reduces the overall number of children who could be eligible.

"If we continue to link Title IV-E eligibility to AFDC, we will slowly eliminate Title IV-E eligibility altogether."

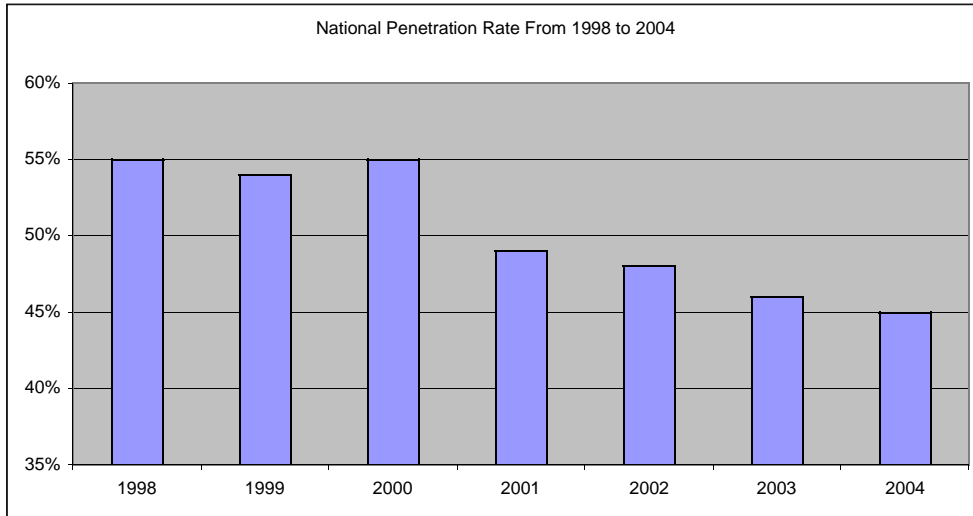
*- Wanda Stout, Title IV-E Unit Supervisor, Central Office for the State of Montana,
Public Health and Human Services Department*

This fact makes it more challenging to simply look across caseload information from the past 10 years and say that the number of children covered is declining as a result of the AFDC look-back. It is also more challenging to lay out clear data, such as the number of children in foster care, due to caseload numbers being based on point in time figures—for example, the 517,000 children in care in 2004 is actually the number of children who were in care on September 30, 2004, the last day of that federal fiscal year. In recent years, the average total number of children in foster care annually is in fact about 800,000, with some children spending weeks or months in care, and others living in care an entire year.⁵ All of this lends a different perspective on foster care numbers, depending on which time frame and data are used.

With these challenges in mind, CWLA looked at a number of different sources to provide evidence that the number of children supported by Title IV-E foster care is shrinking. We studied the annual number of children in foster care and compared that to the average monthly claims a state files in a fiscal year. This gives us an average number of children covered by Title IV-E foster care. We applied the same test for several different years and on a state-by-state basis. Overall, what we found was that of the 517,000 children in foster care in 2004, the average monthly number of children in foster care and claimed by the state to be eligible for IV-E funding was 233,112, or 45% of the total kids in care. By contrast, 1998 data indicates 305,000 claims were made out of a total foster care caseload of 559,000, or 55%.⁶

Adoption Assistance is also linked to the AFDC program. Limited information on adoption caseloads is available, although we do know more and more families are receiving adoption assistance due to the increased numbers of adoptions over the last six

or seven years. We also know that as coverage of IV-E foster care goes down, so will adoption assistance provided through Title IV-E. For the purposes of this report, we focus on foster care penetration rates because the data on overall caseloads and monthly claims is more detailed.



To better understand penetration rates, CWLA also looked at caseload data for each state, from 1998 to 2004, and the average monthly number of claims filed for those years.⁷ These were claims made by the state indicating that they felt that a child in care met all the eligibility requirements under Title IV-E foster care. In 34 of the 50 states and the District of Columbia, the percentage of children eligible for foster care was lower in 2004 than it was in 1998—or 1999 where 1998 data was incomplete. This was true of states that experienced a decrease in the number of children in foster care, as well as states that experienced an increase in their foster care caseload.

Sources of the state-by-state caseload data analysis were derived from the U.S. Department of Health and Human Services (HHS), Administration of Children and Families (ACF), the Children’s Bureau of ACF, and the CWLA National Data Analysis System (NDAS). From the identified sources, caseload data for the entire United States was split into three categories or columns: (1) total caseload, (2) Title IV-E caseload, and (3) non-Title IV-E caseload. This was conducted to identify what percentage of the total U.S. caseload received Title IV-E eligibility. The data was then extrapolated on a state-by-state basis, identifying the same three categories of data (see Appendix B caseload data page for detailed information).

Urban Institute Survey Data

In addition to conducting a survey of members, CWLA also analyzed outside research to provide a more complete picture of the impact the current funding formula has had on children in foster care. Perhaps the most significant research results came from the last three financial reports by the Urban Institute on state financing of child welfare services. The reports questioned state administrators about their state's penetration rate and, according to the most recent Urban Institute Survey findings, of the 36 states that provided information for fiscal years 2000, 2002, and 2004, the penetration rate declined from 58% in 2000, to 54% in 2004.⁸

Nationally, this constitutes a continued decline in the penetration rate for IV-E funding eligibility. Table 2 in Appendix C provides data from the 43 states that were able to provide a point estimate or range for their penetration rate in both state fiscal year (SFY) 2002 and SFY 2004. Twenty-eight of 43 states—approximately 65% of states—showed a decrease in their rates.

Interviews with child welfare administrators as part of the Urban Institute's study indicated the primary reason why more children are not eligible for Title IV-E is the link to outdated AFDC income standards.

Title IV-E Audits and Foster Care Eligibility Reviews

In addition to losing funds from the federal government due to children being ineligible because of the AFDC link, there is also an additional administrative cost in maintaining data and monitoring this outdated eligibility standard.

States are required to undergo regular systematic audits of their Title IV-E system. These Title IV-E audits examine whether or not states are adhering to the law, as established under the foster care and adoption assistance program. They also ensure that states are meeting requirements to keep children at home, when possible. Safety protections, such as required background checks of prospective foster and adoptive parents, are also examined, along with requirements for proper documentation and paperwork. One aspect of these audits, however, is a review of whether or not AFDC eligibility requirements are being met.

A team of auditors conducts the Title IV-E eligibility reviews, with HHS officials selecting a random sample of 80 cases, plus a 10% "oversample" of 8 additional cases

from AFCARS data. This data represents the pool of children who are eligible for federally funded foster care maintenance payments. The research team then reviews the cases in the sample to ascertain whether any are ineligible under Title IV-E. In the primary review, a state is considered to be in substantial compliance with federal regulations if no more than eight out of the 80 sample cases are determined to be ineligible. This is a tremendous amount of effort in determining compliance with an eligibility standard that has no relevance to whether a child is in need of the support and protection of the safety net that the federal government has historically provided for them.

Regardless of their relevance, CWLA wanted to better understand the administrative and resulting fiscal impact of the audits surrounding them. We therefore examined the impact of the AFDC eligibility requirements on state systems and the errors found as a result. We sought to determine how many states are struggling to make sure they are following the eligibility rules of a now defunct-federal program, and whether they are losing federal funds as a result and what is the administrative burden?

Our study examined the 76 obtainable *Foster Care Eligibility Reviews*. With these reviews, we were successfully able to study the foster care programs in all 50 states and the District of Columbia from April of 1999 through October 2004. During that time period, we found 22 states out of compliance with Title IV-E eligibility requirements during either their primary, secondary, or subsequent reviews. In all, the states had to pay \$15,228,047 in disallowances to the federal government, \$291,540 of which was specified by the states as due to AFDC eligibility violations. It is important to note, however, that disallowance due to AFDC eligibility violations was significantly larger than this, but many states did not specify in their reviews how much of their total disallowance was due to specific violations. For the majority of states, only a total disallowed amount was given.

Thirty-one states, including those that had reached overall compliance (passed the audit), had AFDC violations. These states were Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Washington, DC, Florida, Hawaii, Idaho, Illinois, Indiana, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Nevada, New Hampshire, New Jersey, New Mexico, New York, Ohio, South Dakota, Vermont, Virginia, and Wisconsin. Furthermore, 25 states cited compliance with AFDC regulations as an area in which they needed to improve. These states were Arizona, California, Delaware, Washington, DC, Hawaii, Idaho, Iowa, Maine, Michigan, Mississippi, Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, North

Dakota, Oklahoma, South Carolina, Texas, Vermont, Virginia, Washington, West Virginia, and Wisconsin.⁹

It is also interesting to note that some states had AFDC violations, but did not cite compliance with AFDC regulations as a problem. These states were Alabama, Arkansas, Colorado, Connecticut, Florida, Illinois, Indiana, Kansas, Kentucky, Maryland, Massachusetts, Minnesota, New Hampshire, Ohio, and South Dakota. On the other hand, some states cited AFDC compliance as a problem but did not have any AFDC violations—Iowa, Montana, Nebraska, North Dakota, Oklahoma, South Carolina, Texas, Washington, and West Virginia.

Throughout the entire review process of primary, secondary, or follow-up reviews undertaken by 51 states, there was a combined total of 743 Title IV-E violations, 102 of which were specified as being violations of AFDC requirements. And, of those 102 AFDC violations, 57 were tagged as being violations of AFDC *income* requirements. It's likely the number of AFDC income violations is much higher than this because most states did not include details on the AFDC violations in their state reports. In fact, only 24 of the 31 states that specifically reported having AFDC violations specifically mentioned how many were due to not meeting AFDC income requirements. The detailed reports acknowledging AFDC income violations came from the following states: Alabama, Arkansas, Arizona, California, Colorado, Connecticut, Delaware, Washington DC, Hawaii, Idaho, Indiana, Illinois, Maine, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, New York, Ohio, South Dakota, Vermont, and Virginia. The seven states that did not specify how many AFDC violations were due to income violations were Florida, Kansas, Kentucky, Maryland, Mississippi, New Hampshire, and Wisconsin. It is also important to note that in the case of Mississippi, the state reported having AFDC violations but failed to specify the total number, or to specify how many were due to income.

Regardless of the size of penalties, the cost of administrative oversight, or the confusion or difficulty created for the individual caseworker, the real loss can only be measured in the funds and human resources being diverted from the real needs of our abused and neglected children. These findings highlight the need for federal eligibility to be tied to a standard based more on addressing the need to provide for a child's health, safety, and support that may give that child a permanent and stable family setting, with the federal government as an equal and fully invested partner.

Shifting the Cost Of Care To Private Nonprofit, including Faith-Based

CWLA surveyed its private agency members to determine the impact—on the local level and on nonprofit and faith-based agencies—of draining federal funds away from the system, and the extent to which the agency members are subsidizing the cost of caring for children. These providers are a critical part of the child welfare system.

Child welfare spending cannot be viewed in isolation. In some states, there may be six or more different sources of federal funds that are used to address foster care, adoption, prevention, child protection, and other critical components of the continuum of care. A reduction in one funding source will result in shifting these funds around and possibly reducing support in another area.

“We have seen our fundraising demands grow annually. We are now raising \$1.5 million per year to fill in the gap of the costs of providing services.”

- Tom Burton, Executive Director, Agape, Nashville, Tennessee

More than 25%—or about 100—of our direct service, community-based, private agency members responded to the survey. This was a good response considering many of the private agencies are not aware of the funding streams from which their state draws to pay for foster care and adoption services and other aspects of the child welfare continuum. Likewise, our members are often uncertain about when a case is eligible for federal assistance, since local service providers most often deal with state or local government entities and not the federal government. But with more reductions in federal funding support, these private agency members are asking more questions.

Sixty-five percent of survey respondents identified a trend of local private agencies subsidizing out-of-home care. Nearly half, 49%, are aware of a cost shift from the federal government to the private agencies subsidizing the cost of care. Fifty-six percent are aware of a cost shift from the federal government to the state or local government. Among those who are aware of this shift, a majority, 52%, identify the shift coming from IV-E Foster Care and Adoption Assistance, with 36% indicating a cost shift from Medicaid (Rehab Option), the TANF program, or some other source.

Based on comments from our survey participants, local nonprofit and faith-based providers contribute a significant amount of time and financial resources. One provider,

for example, told us that they have experienced an increase from 10% to 17% in the subsidy that they provide to cover the cost of care for children in the child welfare system. Another agency said that they have had no increase in reimbursement for residential care in five years, which has pressured the agency to increase their private fundraising to maintain quality services.

Solutions

Clearly, a foster care and adoption assistance program that links eligibility to a static formula related to a federal program that no longer exists is bad policy. If left in place, it will eliminate the guaranteed level of support over time. Inflation will erode financial supports to children in the child welfare system, and make a mockery of a federal commitment to protect children. This entitlement—reflecting the fact that our children are entitled to safety, permanence, and well-being in their lives—will evaporate before our eyes.

As a solution to the outdated eligibility standards, some have suggested offering states the ability to eliminate the AFDC link by taking a fixed block grant. However, the glaring failure of a block grant is that it locks in the past 10 years of reduced support. In addition, it offers little hope for an increased partnership between federal, state, and local governments and the communities most directly affected, as well as the children in those communities needing protection and support.

Under the state block grant option, some states may feel the pressure to accept the arrangement for fear that the ongoing link to AFDC will continue to eat away at what limited federal support they currently receive. This may be one of the goals, as coercive as it might seem, of policy makers and others who advocate for such a block grant.

Unfortunately, such an arrangement cannot guarantee the commitment of future policymakers. In fact, the history of one prominent block grant, the Social Services Block Grant (SSBG), shows that within a decade and a half of that federal funding being converted from an entitlement to a flexible block grant, it was being subjected to severe reductions, starting with a cut of more than 17% and followed by additional cuts totaling more than \$1.1 billion, or nearly 40%, between 1996 and 1998. Ironically, SSBG has served as a key resource to child welfare, but it has also faced ongoing threats of budget cuts.

Several proposals to modernize and update eligibility are worthy of consideration:

- **Eliminate the entire eligibility link and provide support to all children abused and neglected.** Few, if any, of these children are “well-off”, and the federal government should continue its commitment to helping our most vulnerable population. Some argue this would cause unchecked spending by states with no incentive to reduce foster care placements. Caseworkers and states, however, do not simply base the decision to separate a child from his or her parents on whether the child can qualify for federal money.

There are a number of complexities that determine and influence a caseworker’s critical decision to remove a child from his or her home. Oversimplifying this process by tying it only to federal funding ignores the realities of the day-to-day decisions child welfare personnel must make. The fact is that any increase in a state caseload would have the impact of also increasing state spending. The incentive for states to reduce spending would still be in place due to Title IV-E funding being a shared expense. We would also advocate for an increase in prevention and intervention funding, but that is part of our overall reform agenda.

- **Eliminate the link to AFDC by gradually allowing states to cover all children in care.** While eligibility would be expanded to all children in care, the state would also receive a reduced match in funding. This reduced funding would restrain costs, while allowing states to extend care to all abused and neglected children.
- **Replace the AFDC link with a link to an existing program.** Some have suggested linking eligibility to the TANF program or Medicaid. This would eliminate the gradual erosion of federal support that now exists, but it would not commit the federal government to a shared commitment with state and local governments to all abused and neglected children in foster care.

Whatever solution policymakers choose, it must recognize that the only way for this country to protect abused and neglected children is through a shared partnership among federal, state, and local governments, as well as communities.

There are no quick fixes for helping these children. Only longer-term commitments will ensure every child has a chance for a safe and permanent family and a future in this country.

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APPENDIX A

Member Survey

CWLA conducted a survey of our private, nonprofit, direct service membership, including faith-based membership. We asked them about the current eligibility under federal law for Title IV-E Foster Care and Adoption Assistance, which is based on children in care being eligible under the now non-existent AFDC (cash assistance) program. The survey was sent to the agency executive directors. In the survey, our members were asked to determine the impact of eligibility rules on their work and the extent to which federal foster care assistance has eroded or resulted in cost shifting to state and local governments. We received more than 120 responses to the survey.

Agencies were asked if they could identify trends in local agencies subsidizing out-of-home care. Out of 65 responses to this question, 42 (or 65%) responded affirmatively.

We asked if the member agency was aware of any cost shift from public dollars to private agencies subsidizing the cost of care. On this question, 41 out of 83 replies were yes (or 49%).

Regarding an awareness of any cost shift from the federal government to the state or local government to cover foster care costs, 59 out of 105 replies were yes (or 56%).

For those agencies that had seen a shift in costs for foster care from the federal government to the state or local governments, we asked them where they believed the shift had come from. Twenty-two said from Title IV-E Foster Care and Adoption Assistance, 11 said from Medicaid (Rehab Option), and 4 said from the TANF Block Grant.

We received many examples from our members in their question responses. Highlights of these examples include:

- “We have seen an ever increasing gap between the per diems and what it costs to actually provide the services. There has been no per diem increase since 1999.”
- “We have gone from 10% to 17% subsidizing the cost of care in the child welfare system.”
- “There has been no increase in reimbursement for residential based services in five years. This has pressured some agencies to close and others to increase their private fundraising to maintain quality of services.”
- “There are fewer children in care than there should be. Children go unprotected and without services. Provider agencies’ costs are not covered to a greater extent than before.”
- “Our fundraising needs have more than doubled just to remain flat in terms of providing services. From \$1 million a year needed from charitable sources, we are facing \$2.5 million needed in just one year.”
- “Over the last six plus years, our agency continues to contract with nonprofit agencies but the reimbursement rate does not match the actual costs the agency incurs to keep children in their care. In our state, we subsidize one-third of our costs with private donated dollars.”

APPENDIX B

Caseload Data

Sources of the state-by-state caseload data analysis were derived from the U.S. Department of Health and Human Services (HHS), Administration of Children and Families (ACF), the Children's Bureau of ACF, <http://www.acf.dhhs.gov/programs/cb/>. The Committee on Ways and Means, U.S. House of Representatives, 2004 Green Book, available at: <http://waysandmeans.house.gov/Documents.asp?section=813>, as well as the CWLA National Data Analysis System (NDAS) <http://ndas.cwla.org/>.

From the identified sources, caseload data for the entire United States was split into three categories or columns: (1) Total caseload, (2) Title IV-E caseload based on the average monthly claims a state filed with HHS, and (3) Non-Title IV-E caseload determined by subtracting average monthly claims from the total caseload of the states. This was conducted in order to identify what percentage of the total U.S. caseload received Title IV-E eligibility. The data was then extrapolated on a state-by-state basis, identifying the same three categories of data. Thirty-four states have experienced a decline in penetration rates between 1998 (or 1999 if 1998 data is incomplete) and 2004.

Listed below is a table on U.S. caseloads from 1998 to 2004, followed by state-by-state information. Data for 1997 was incomplete and so it was not included on a national or state basis. Regarding 1998, 11 states were missing at least some data, and they are still included since we have national numbers. In a few instances, such as 2002 in Arkansas and 2004 in Illinois, the states reported a negative number of children in a category. That is due to the fact that claims made from previous fiscal years can sometimes be adjusted upward or downward.

Total United States Caseload

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	559,000	305,194 (55%)	192,251
1999	562,712	302,499 (54%)	260,213
2000	547,415	287,847 (55%)	260,168
2001	540,305	264,676 (49%)	275,629
2002	532,739	254,013 (48%)	278,716
2003	523,085	242,200 (46%)	280,885
2004	517,449	233,112 (45%)	284,337

Based on the information above, in the following years caseload data was not available from the following states: 1998: Alaska, Iowa, Kentucky, Massachusetts, Michigan, Nebraska, Nevada, New Hampshire, Ohio, South Dakota, and Tennessee; 1999: Nevada.

Individual State Data

ALABAMA

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	5,198	1,230 (24%)	3,968
1999	5,511	1,305 (24%)	4,206
2000	5,621	1,441 (26%)	4,180
2001	5,859	1,647 (29%)	4,212
2002	5,883	1,777 (31%)	4,106
2003	6,079	1,932 (32%)	4,147
2004	5,880	1,574 (27%)	4,306

ALASKA

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	N/A	405	N/A
1999	2,248	487 (22%)	1,761
2000	2,193	409 (19%)	1,784
2001	1,993	392 (20%)	1,601
2002	2,072	288 (14%)	1,784
2003	2,040	190 (10%)	1,850
2004	1,825	364 (20%)	1,461

ARIZONA

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	5,608	3,078 (54%)	2,530
1999	7,034	3,634 (51%)	3,400
2000	6,475	3,098 (47%)	2,477
2001	6,050	3,090 (51%)	2,960
2002	6,211	3,133 (50%)	3,078
2003	7,469	3,069 (41%)	4,400
2004	9,119	4,554 (49%)	4,565

ARKANSAS

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	3,138	1,600 (51%)	1,538
1999	2,919	1,624 (56%)	1,295
2000	3,045	2,705 (89%)	340
2001	2,959	2,739 (93%)	220
2002	2,971	3,021 (101.6%)	-50
2003	3,000	1,882 (63%)	1,118
2004	3,097	1,873 (61%)	1,224

CALIFORNIA

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	112,767	79,982 (71%)	32,785
1999	117,937	78,222 (66%)	39,715
2000	112,807	74,469 (66%)	38,338
2001	107,168	65,960 (62%)	41,208
2002	100,451	58,747 (59%)	41,253
2003	97,261	56,266 (58%)	40,995
2004	92,344	52,738 (57%)	39,606

COLORADO

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	7,951	3,004 (38%)	4,947
1999	7,639	2,653 (35%)	4,986
2000	7,533	2,552 (34%)	4,981
2001	7,138	2,673 (37%)	4,465
2002	9,209	2,345 (25%)	6,864
2003	8,754	2,645 (30%)	6,109
2004	8,196	2,538 (31%)	5,658

CONNECTICUT

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	6,683	4,315 (65%)	2,368
1999	7,487	4,528 (60%)	2,959
2000	6,996	3,292 (47%)	3,704
2001	7,440	2,788 (37%)	4,652
2002	6,007	1,996 (33%)	4,011
2003	6,742	1,777 (26%)	4,956
2004	6,803	2,714 (40%)	4,089

DELAWARE

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	1,480	386 (26%)	1,094
1999	1,193	378 (32%)	815
2000	1,098	410 (37%)	688
2001	1,023	405 (40%)	618
2002	886	403 (45%)	485
2003	814	290 (36%)	524
2004	849	279 (33%)	570

DISTRICT OF COLUMBIA

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	3,188	1,241 (40%)	1,897
1999	3,466	1,297 (37%)	2,169
2000	3,054	1,960 (64%)	1,094
2001	3,339	1,619 (48%)	1,720

2002	3,321	1,435 (43%)	1,886
2003	3,092	1,500 (49%)	1,592
2004	2,608	1,263 (48%)	1,345

FLORIDA

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	26,320	8,374 (32%)	17,946
1999	34,292	8,842 (26%)	25,450
2000	36,608	9,395 (26%)	27,213
2001	32,477	6,852 (21%)	25,625
2002	31,963	8,345 (26%)	23,618
2003	30,677	7,863 (26%)	22,814
2004	28,864	9,069 (31%)	19,795

GEORGIA

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	9,937	4,291 (43%)	5,646
1999	11,991	4,209 (35%)	7,782
2000	11,204	4,191 (37%)	7,013
2001	13,175	4,658 (35%)	8,517
2002	13,149	5,268 (40%)	7,881
2003	13,578	3,367 (25%)	10,211
2004	14,216	4,321 (30%)	9,895

HAWAII

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	2,441	1,186 (49%)	1,255
1999	2,205	1,101 (50%)	1,104
2000	2,401	1,126 (47%)	1,275
2001	2,854	1,195 (42%)	1,659
2002	2,762	1,182 (43%)	1,580
2003	2,967	996 (34%)	1,971
2004	2,953	1,103 (37%)	1,850

IDAHO

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	963	441 (46%)	522
1999	959	510 (53%)	449
2000	1,015	568 (56%)	447
2001	1,114	491 (44%)	623
2002	1,246	542 (43%)	704
2003	1,401	692 (49%)	709
2004	1,565	819 (52%)	746

ILLINOIS

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	48,737	32,646 (67%)	16,091
1999	34,327	28,592 (83%)	5,735
2000	29,565	23,289 (79%)	6,276
2001	28,202	20,210 (72%)	7,992
2002	24,344	19,628 (81%)	4,716
2003	21,608	20,486 (95%)	1,122
2004	19,931	20,080 (100.7)	-149

INDIANA

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	5,070	3,741 (74%)	1,329
1999	8,933	3,963 (44%)	4,970
2000	7,482	3,293 (44%)	4,189
2001	8,383	2,589 (31%)	5,794
2002	8,640	2,601 (30%)	6,039
2003	8,899	2,366 (27%)	6,533
2004	9,745	1,680 (17%)	8,065

IOWA

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
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1998	N/A	2,107	N/A
1999	4,854	2,810 (58%)	2,044
2000	5,068	2,796 (55%)	2,272
2001	5,202	2,281 (44%)	2,921
2002	5,238	1,560 (30%)	3,678
2003	5,011	1,502 (30%)	3,509
2004	5,384	1,972 (37%)	3,412

KANSAS

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	8,488	775 (9%)	7,713
1999	6,774	2,356 (35%)	4,418
2000	6,569	2,252 (34%)	4,317
2001	6,409	2,270 (35%)	4,139
2002	6,190	1,777 (29%)	4,413
2003	5,781	1,535 (27%)	4,246
2004	6,060	2,282 (38%)	3,778

KENTUCKY

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	N/A	2,936	N/A
1999	5,942	3,019 (51%)	2,923
2000	6,017	3,161 (53%)	2,856
2001	6,165	3,248 (53%)	2,917
2002	6,814	3,227 (47%)	3,587
2003	6,895	3,432 (50%)	3,463
2004	7,000	3,417 (49%)	3,583

LOUISIANA

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	6,301	3,138 (50%)	3,163
1999	5,581	2,908 (52%)	2,673
2000	5,406	2,555 (47%)	2,851
2001	5,024	2,547 (51%)	2,477
2002	4,829	3,060 (63%)	1,769
2003	4,541	3,043 (67%)	1,498
2004	4,397	2,995 (68%)	1,402

MAINE

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	3,595	1,659 (46%)	1,936
1999	3,154	2,013 (64%)	1,141
2000	3,191	2,453 (77%)	738
2001	3,226	2,484 (77%)	742
2002	3,084	2,028 (66%)	1,056
2003	2,999	1,380 (46%)	1,619
2004	2,584	1,319 (51%)	1,265

MARYLAND

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	12,890	4,785 (37%)	8,105
1999	13,455	5,091 (38%)	8,364
2000	13,113	5,764 (44%)	7,349
2001	12,564	5,612 (45%)	6,952
2002	12,026	5,055 (42%)	6,971
2003	11,521	4,547 (40%)	6,974
2004	11,111	4,051 (36%)	7,060

MASSACHUSETTS

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	N/A	7,464	N/A
1999	11,169	7,340 (66%)	3,829
2000	11,619	3,935 (34%)	7,684
2001	11,568	4,399 (38%)	7,169
2002	12,510	4,212 (34%)	8,298
2003	12,608	4,349 (34%)	8,259

2004	12,562	4,974 (40%)	7,588
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MICHIGAN

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	N/A	8,826	N/A
1999	20,300	9,338 (46%)	10,962
2000	20,034	9,923 (50%)	10,111
2001	20,896	9,313 (45%)	11,583
2002	21,251	8,258 (39%)	12,993
2003	21,376	7,458 (35%)	13,918
2004	21,173	6,742 (32%)	14,431

MINNESOTA

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	8,618	3,805 (44%)	4,813
1999	8,996	4,115 (46%)	4,881
2000	8,530	4,069 (48%)	4,461
2001	8,167	3,873 (47%)	4,294
2002	8,052	3,566 (44%)	4,486
2003	7,338	3,205 (44%)	4,133
2004	7,038	2,809 (40%)	4,229

MISSISSIPPI

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	3,359	1,016 (30%)	2,343
1999	3,196	1,000 (31%)	2,196
2000	3,292	1,034 (31%)	2,258
2001	3,443	839 (34%)	2,604
2002	2,686	500 (19%)	2,186
2003	2,812	652 (23%)	2,160
2004	2,989	640 (21%)	2,349

MISSOURI

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	12,495	5,748 (46%)	6,747
1999	12,577	5,621 (45%)	6,956
2000	13,181	5,695 (43%)	7,486
2001	13,349	5,770 (43%)	7,579
2002	13,052	5,766 (44%)	7,286
2003	11,900	5,806 (49%)	6,094
2004	11,681	5,401 (46%)	6,280

MONTANA

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	1,991	857 (43%)	1,134
1999	2,156	950 (44%)	1,206
2000	2,180	940 (43%)	1,240
2001	2,008	737 (37%)	1,271
2002	1,912	767 (40%)	1,145
2003	1,866	1,734 (93%)	132
2004	2,030	932 (46%)	1,098

NEBRASKA

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	N/A	1,569	N/A
1999	5,146	1,477 (29%)	3,669
2000	5,674	1,643 (29%)	4,034
2001	6,254	1,211 (20%)	5,043
2002	6,430	1,047 (16%)	5,383
2003	6,091	1,043 (17%)	5,048
2004	6,292	1,493 (24%)	4,799

NEVADA

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	N/A	1,119	N/A
1999	N/A	1,345	N/A
2000	1,615	1,335 (83%)	280

2001	2,959	983 (33%)	1,976
2002	3,291	769 (23%)	2,522
2003	3,599	1,442 (40%)	2,157
2004	4,050	1,275 (31%)	2,775

NEW HAMPSHIRE

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	N/A	714	N/A
1999	1,385	625 (45%)	760
2000	1,311	791 (60%)	520
2001	1,288	563 (44%)	725
2002	1,291	560 (43%)	731
2003	1,217	664 (55%)	553
2004	1,236	648 (52%)	588

NEW JERSEY

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	9,191	5,593 (61%)	3,598
1999	9,494	6,124 (64%)	3,371
2000	9,794	6,238 (64%)	3,556
2001	10,666	6,366 (60%)	4,300
2002	11,442	6,388 (56%)	5,054
2003	12,801	5,800 (45%)	7,001
2004	12,694	4,971 (39%)	7,723

NEW MEXICO

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	821	782 (95%)	39
1999	1,941	1,183 (61%)	758
2000	1,912	1,505 (79%)	407
2001	1,757	1,289 (73%)	468
2002	1,885	1,340 (71%)	545
2003	2,100	1,399 (67%)	701
2004	2,320	1,649 (71%)	671

NEW YORK

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	53,555	40,762 (76%)	12,793
1999	51,159	38,049 (74%)	13,110
2000	47,118	33,529 (71%)	13,589
2001	43,365	28,916 (67%)	14,449
2002	40,753	25,173 (62%)	15,580
2003	37,067	21,735 (59%)	15,332
2004	33,445	18,923 (57%)	14,522

NORTH CAROLINA

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	11,314	4,662 (41%)	6,652
1999	11,339	4,854 (43%)	6,485
2000	10,847	4,118 (38%)	6,729
2001	10,130	3,864 (38%)	6,266
2002	9,527	2,438 (26%)	7,089
2003	9,534	3,024 (32%)	6,510
2004	10,077	4,021 (40%)	6,056

NORTH DAKOTA

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	1,125	493 (44%)	632
1999	1,131	486 (43%)	645
2000	1,129	492 (44%)	637
2001	1,167	454 (38%)	713
2002	1,197	512 (43%)	685
2003	1,238	526 (42%)	712
2004	1,314	495 (38%)	819

OHIO

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	N/A	5,456	N/A
1999	20,078	4,936 (25%)	15,142
2000	20,365	5,074 (25%)	15,291
2001	21,584	4,725 (22%)	16,859
2002	21,038	5,450 (26%)	15,588
2003	19,323	5,462 (28%)	13,861
2004	18,004	7,592 (42%)	10,412

OKLAHOMA

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	7,233	3,413 (47%)	3,820
1999	8,173	4,039 (49%)	4,134
2000	8,406	5,111 (61%)	3,295
2001	8,674	5,201 (60%)	3,473
2002	8,812	4,402 (50%)	4,410
2003	9,194	4,025 (44%)	5,169
2004	10,534	3,808 (36%)	6,726

OREGON

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	7,266	3,325 (46%)	3,941
1999	9,278	3,193 (34%)	6,085
2000	9,193	3,715 (40%)	5,478
2001	8,966	3,490 (39%)	5,476
2002	9,101	3,520 (39%)	5,581
2003	9,381	3,787 (40%)	5,594
2004	10,096	4,241 (42%)	5,855

PENNSYLVANIA

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	23,070	18,586 (81%)	4,484
1999	22,690	15,054 (66%)	7,636
2000	21,631	12,548 (58%)	9,083
2001	21,237	11,334 (53%)	9,903
2002	21,434	13,485 (63%)	7,949
2003	21,768	10,952 (50%)	10,816
2004	21,944	10,076 (46%)	11,868

RHODE ISLAND

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	2,844	755 (27%)	2,089
1999	2,621	629 (24%)	1,992
2000	2,302	743 (32%)	1,559
2001	2,414	751 (31%)	1,663
2002	2,383	702 (30%)	1,681
2003	2,357	669 (28%)	1,688
2004	2,414	601 (25%)	1,813

SOUTH CAROLINA

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	4,644	1,350 (29%)	3,294
1999	4,545	1,146 (26%)	3,349
2000	4,525	1,339 (30%)	3,186
2001	4,774	1,587 (33%)	3,187
2002	4,818	1,914 (40%)	2,904
2003	4,894	1,594 (33%)	3,300
2004	4,855	1,169 (24%)	3,686

SOUTH DAKOTA

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	N/A	253	N/A
1999	1,101	340 (31%)	761

2000	1,215	413 (34%)	802
2001	1,367	463 (34%)	904
2002	1,396	500 (36%)	896
2003	1,580	470 (30%)	1,110
2004	1,600	446 (28%)	1,154

TENNESSEE

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	N/A	6,405	N/A
1999	10,796	6,327 (59%)	4,469
2000	10,144	6,290 (62%)	3,854
2001	9,679	6,078 (63%)	3,601
2002	9,359	5,647 (60%)	3,712
2003	9,487	5,479 (58%)	4,008
2004	9,590	5,375 (56%)	4,215

TEXAS

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	17,103	6,405 (37%)	10,698
1999	16,326	6,757 (41%)	9,569
2000	18,190	7,123 (39%)	11,067
2001	19,739	7,609 (39%)	12,130
2002	21,353	8,431 (39%)	12,922
2003	22,191	9,429 (42%)	12,762
2004	24,529	10,951 (45%)	13,578

UTAH

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	2,468	1,122 (45%)	1,346
1999	2,273	730 (38%)	1,543
2000	1,805	763 (42%)	1,042
2001	1,957	797 (41%)	1,160
2002	2,025	707 (35%)	1,318
2003	2,033	710 (35%)	1,323
2004	2,108	836 (40%)	1,272

VERMONT

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	1,316	1,091 (83%)	225
1999	1,445	1,151 (80%)	294
2000	1,389	1,159 (83%)	230
2001	1,382	997 (72%)	385
2002	1,526	986 (65%)	540
2003	1,409	931 (66%)	478
2004	1,432	816 (57%)	616

VIRGINIA

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	6,838	3,297 (55%)	3,086
1999	6,778	3,260 (48%)	3,518
2000	6,789	3,327 (49%)	3,462
2001	6,866	3,251 (47%)	3,615
2002	7,109	4,137 (58%)	2,972
2003	7,046	4,200 (60%)	2,846
2004	6,869	4,232 (62%)	2,637

WASHINGTON

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	8,980	2,259 (25%)	6,721
1999	8,688	2,603 (30%)	6,085
2000	8,945	2,694 (30%)	6,251
2001	9,101	3,127 (34%)	5,974
2002	8,738	3,576 (41%)	5,162
2003	9,213	3,473 (38%)	5,740
2004	9,368	3,592 (38%)	5,776

WEST VIRGINIA

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	3,082	792 (26%)	2,290
1999	3,169	823 (26%)	2,346
2000	3,388	855 (25%)	2,533
2001	3,298	881 (27%)	2,417
2002	3,220	956 (30%)	2,264
2003	4,069	864 (21%)	3,205
2004	3,990	813 (20%)	3,177

WISCONSIN

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	10,076	5,365 (12%)	4,711
1999	10,868	4,037 (37%)	6,831
2000	10,504	4,329 (41%)	6,175
2001	9,497	4,311 (45%)	5,186
2002	8,744	3,796 (43%)	4,948
2003	7,824	3,025 (39%)	4,799
2004	7,812	2,390 (31%)	5,422

WYOMING

	Total Caseload	IV-E Caseload	Non-IV-E Caseload
1998	883	324 (37%)	559
1999	774	242 (31%)	532
2000	815	311 (38%)	504
2001	965	309 (32%)	656
2002	929	312 (34%)	617
2003	1,055	289 (27%)	766
2004	1,209	203 (17%)	1,006

APPENDIX C

Urban Institute Surveys

According to the Urban Institute's *The Cost of Protecting Vulnerable Children V*, roughly 52% of children in out-of-home placements were receiving Title IV-E reimbursed maintenance payments, based on the 46 states that were able to provide penetration rate data for state fiscal year (SFY) 2004. This constitutes a continued decline in the penetration rate for IV-E funding eligibility, although the numbers are somewhat different from raw caseload data. Table 1 shows that of the 43 states that were able to provide an estimate or a range for their penetration rate in both SFY 2002 and SFY 2004, 28 out of 43 states—approximately 65%—showed a decrease in their rates. In addition, the Urban Institute has further analyzed the 36 states that provided complete information on their penetration rates in SFY 2000, 2002, and 2004, finding that the penetration rate declined from 58% in SFY 2000, to 55% in SFY 2002, to 54% in SFY 2004.

Figure 1 similarly reflects this pattern of decline across states in the penetration rate for Title IV-E funding eligibility as time goes by, due in large part to the look-back date that still governs eligibility. Although the look-back date is officially July 16, 1996, states had not always updated income levels under the AFDC program. As a result, in some states, income standards for AFDC eligibility represent income levels from years before 1996. The number of children who are income-eligible for Title IV-E continues to decline, as needs standards have not been adjusted for inflation over the past decade.

Interviews conducted with child welfare administrators as part of the Urban Institute’s study indicated that the primary reason why more children are not eligible for Title IV-E is the link to outdated AFDC income standards.

Title IV-E Penetration Rates (State Estimates)*

State	2002	2004	% Change**
Alabama	42.1%	33.4%	-8.7%
Alaska	60.5%	38.2%	-22.3%
Arizona	54.0%	51.0%	-3.0%
Arkansas	21.0-30.0%	41.0%	15.5
California	79.0%	75.0%	-4.0%
Colorado	60.0%	51.0%	-9.0%
District of Columbia	72.0%	50.0%	-22.0
Florida	42.0%	49.1%	7.1
Georgia	21.0%-31.0%	31.0%	5.0
Hawaii	66.0%	70.0%	4.0
Idaho	51.0-60.0%	51.0%	-4.5
Illinois	45.1%	50.5%	5.4
Indiana	31.0%	31.0%	0
Iowa	31.0-40.0%	31.0%	-4.5
Kansas	51.0-60.0%	51.0%	-4.5
Kentucky	61.2%	58.9%	-2.3
Louisiana	72.0%	70.6%	-1.4
Maryland	66.6%	51.0%	-15.6
Michigan	68.0%	61.0%	-7.0
Minnesota	63.0%	61.2%	-1.8
Mississippi	23.0%	21.0%	2.0
Missouri	51.0-60.0%	41.0%	-14.5
Montana	41.0-50.0%	41.0%	-4.5
Nebraska	21.0-30.0%	28.7%	3.2
New Hampshire	43.0%	56.0%	13.0
New Jersey	51.0-60.0%	51.0%	-4.5
New Mexico	73.0%	62.0%	11.0
New York	61.0-70.0%	51.0%	-14.5
North Carolina	61.0-70.0%	51.0%	-14.5
North Dakota	54.0%	51.0%	-3.0
Ohio	78.8%	73.0%	-5.8
Oklahoma	64.9%	51.0%	-13.9
Oregon	51.0-60.0%	78.0%	22.5
Pennsylvania	71.0-80.0%	46.0%	-29.5
Rhode Island	39.7%	39.0%	-0.7
South Dakota	53.0%	41.0%	-12.0
Tennessee	41.0-50.0%	51.0%	5.5
Texas	58.7%	66.6%	7.9
Utah	50.0%	49.0%	-1.0
Vermont	71.0-80.0%	51.0%	-24.5
Virginia	55.0%	58.5%	3.5
Washington	31.0-40.0%	41.0%	5.5
West Virginia	51.0-60.0%	41.0%	-14.5

*Includes only those states for which both 2002 and 2004 estimated penetration rates were available. Not all states could provide estimates.

**For the purposes of calculating the change in penetration rates between 2002 and 2004, in cases where states provided only a range of estimated penetration rates for 2002, the median value of that range was used to compare to the 2004 rate.

Sources

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APPENDIX D

Title IV-E Audits and Foster Care Eligibility Reviews

As part of federal requirements for receiving funding through the Title IV-E foster care and adoption assistance programs, states are required to undergo periodic audits of their foster care and adoption systems. These audits are intended as a way to determine the state child welfare agency's compliance with the law.

Title IV-E eligibility reviews are conducted by a team comprised of both federal and state officials. HHS officials select a random sample of 80 cases, plus a 10% "oversample" of eight additional cases from AFCARS data. This data represents the pool of children who are eligible for federally funded foster care maintenance payments. The cases in the oversample are used to replace any invalid cases found in the basic sample. The state submits the complete payment history for all cases in both the sample and oversamples to HHS prior to the review.

The research team then reviews the cases in the sample to ascertain whether any are ineligible under Title IV-E. In the primary review, a state is considered to be in substantial compliance with federal regulations if no more than eight out of the sample of 80 cases are determined to be ineligible.

If a state is considered to be in substantial compliance with federal regulations during the primary review, it is not subject to another review for three years. This next review is referred to as a “subsequent review”, and another sample of 80 cases is analyzed. The state is then held to a higher standard in order to be considered in compliance. Specifically, the state can have no more than four ineligible cases.

If a state is not considered to be in substantial compliance with federal regulations during the primary review, it must develop a program improvement plan (PIP), and must undergo a “secondary review”. The PIP is developed by the federal-state team which identifies weaknesses that need to be corrected, the requisite steps that need to be taken, and the specific timetable for achieving these steps. Typically, the PIP cannot last longer than one year; however, in cases where state legislation is required, an extension of one legislative session may be granted.

The secondary review differs from the primary and subsequent reviews insofar as it requires a sample size of 150 cases, plus a 10% oversample, from the AFCARS data. The state is considered to be in substantial compliance with federal regulations during the secondary review if no more than 15 out of 150 cases are determined to be ineligible.

In primary, subsequent, and secondary reviews, the federal-state team must calculate how much Title IV-E funding was spent erroneously, even if the state is found to be in substantial compliance. This monetary amount, which was spent incorrectly, is called a “disallowance”, and states must pay this money back to the federal government.

Source

U.S. Department of Health and Human Services. (2004). *United States House of Representatives Ways and Means Committee, Greenbook*. Washington, DC: U.S. Government Printing Office.

Our Review

By examining each state and the District of Columbia’s current *Foster Care Eligibility Review*, this report explores how many states were in compliance with the eligibility determination based on the AFDC eligibility link. Specifically, we looked at those states with violations regarding the AFDC income eligibility requirements, how many states specifically documented difficulty meeting AFDC requirements and, lastly, how much money states had to pay in disallowance for violations. Our goal was to get a sense of how much of an administrative burden and drain of financial resources the link to AFDC eligibility has caused.

To be AFDC eligible, a child must meet five criteria. First, the child must be under 18 years of age and, if so, she must be enrolled in a secondary school, vocational, or technical school, or be taking GED classes, and she must be expected to graduate by age 19. Second, the child must be a U.S. citizen or a “qualified alien,” as defined by law. Third, the child must have lived with an AFDC-specified relative during the eligibility month—the month in which removal court proceedings were initiated or a voluntary placement agreement was signed. Or, the child must have lived with an AFDC-specified relative within six months of the eligibility month. Fourth, the child must have been deprived of the support of either one or both parents during the eligibility month. Fifth, the family from which the child was removed must meet the income eligibility requirements for Aid to Families with Dependent Children (AFDC) as that program existed in the family’s state on July 16, 1996.

We examined 76 reviews to study the foster care programs in all 50 states and the District of Columbia from April of 1999 through October 2004. During this period, we found that 22 states were not in compliance with Title IV-E eligibility requirements during either their primary, secondary, or subsequent reviews. Furthermore, 25 states cited compliance with AFDC regulations as an area in need of improvement. Perhaps even more telling, 10 states without any AFDC violations cited compliance to AFDC requirements as problematic.

Data accurately examining administrative burden was difficult to obtain and also difficult to analyze. State-by-state data variability complicated our examination process. For example, a majority of states' results from secondary or subsequent reviews were not easily obtainable. Generally only the states' primary reviews were made publicly available. And, although federally supervised, states greatly differed on how much detail they incorporated into their reports surrounding reasons either for compliance or non-compliance. Yet, given these obstacles, some important conclusions could still be drawn.

In total, the states had to pay \$15,228,047 in disallowances to the federal government, \$291,540 of which was specified by the states as being due to AFDC eligibility violations. It is important to note, however, that disallowance due to AFDC eligibility violations was significantly larger than this, but many states did not partition the disallowance due to specific violations. For the majority of states, only a total disallowed amount was given. Therefore, it is unknown exactly how much of their total disallowance was due to AFDC violations.

- Thirty-one states had AFDC violations. These states were Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Washington, DC, Florida, Hawaii, Idaho, Illinois, Indiana, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Nevada, New Hampshire, New Jersey, New Mexico, New York, Ohio, South Dakota, Vermont, Virginia, and Wisconsin.
- Twenty-five states cited compliance with AFDC regulations as an area in which they needed to improve. These states were Arizona, California, Delaware, Washington, DC, Hawaii, Idaho, Iowa, Maine, Michigan, Mississippi, Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, North Dakota, Oklahoma, South Carolina, Texas, Vermont, Virginia, Washington, West Virginia, and Wisconsin.
- Some states had AFDC violations but did not cite compliance with AFDC regulations as a problem. These states were Alabama, Arkansas, Colorado, Connecticut, Florida, Illinois, Indiana, Kansas, Kentucky, Maryland, Massachusetts, Minnesota, New Hampshire, Ohio, and South Dakota. And, some states cited AFDC compliance as a problem but did not actually have any AFDC violations. These states were Iowa, Montana, Nebraska, North Dakota, Oklahoma, South Carolina, Texas, Washington, and West Virginia.

Throughout the entire review process, the 50 states had a combined total of 743 Title IV-E violations, 102 of which were specified as violations of AFDC requirements. Specifically, of those 102 AFDC violations, 57 were tagged as violations of AFDC *income* requirements. It's likely the number of AFDC income violations is much higher than this because most states did not include details on the AFDC violations in their state reports. In fact, 24 of the 31 states who specifically reported having AFDC violations specifically mentioned how many were due to not meeting AFDC income requirements.

The detailed reports acknowledging AFDC income violations came from the following states: Alabama, Arkansas, Arizona, California, Colorado, Connecticut, Delaware, Washington, DC, Hawaii, Idaho, Indiana, Illinois, Maine, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, New York, Ohio, South Dakota, Vermont, and Virginia. The seven states that did not specify how many AFDC violations were due to income violations were Florida,

Kansas, Kentucky, Maryland, Mississippi, New Hampshire, and Wisconsin. In the case of Mississippi, the state reported having AFDC violations but failed to specify the total number or to specify how many were due to income.

In 22 of the 50 states, we were able to obtain both a primary review and either a subsequent or secondary review. The extended comparison within a state is valuable information when attempting to study outdated AFDC requirements. Of the 21 states providing both primary and secondary or subsequent reviews, six of those states were originally determined noncompliant and were asked to develop program improvement plans. And, five of the six states originally determined out of compliance were able to develop successful program improvement plans and upon their secondary review were found in compliance (Kansas, Maine, Mississippi, Vermont, and Wisconsin). New Jersey was unable to get out of noncompliance. Some states that were originally in compliance and in their subsequent reviews were determined out of compliance. Again, taking from the 21 states providing two reviews, 16 states were found in compliance in their primary review. During their subsequent review, however, only 10 were able to remain in compliance. The following six states fell out of compliance: Alabama, Montana, South Carolina, Virginia, West Virginia, and Wyoming, all of which either had or specifically cited problems with compliance to AFDC requirements.

Those able to remain in federal compliance were Kentucky, Nevada, New Hampshire, North Carolina, North Dakota, Ohio, Oregon, Rhode Island, Texas, and Washington.

To supplement our review, CWLA phoned state officials in states struggling to remain in federal compliance and those states with seemingly little difficulty remaining in compliance. Were states found in compliance making great concessions to remain in federal compliance? Kevin Savage, in charge of conducting audits for Rhode Island, feels the AFDC look-back requirement is no longer a practical standard, finding the requirement “burdensome because it is so old that fewer and fewer children are eligible each year.” Thomas Strawderman, State Team Leader-Liaison for West Virginia’s 1999-2004 Reviews, found his state needed to pull resources from other social welfare programs to fund foster care. Lynette Isbell, in Virginia, summarized the issue when she remarked, “What was \$500 in 1996 is \$700 or \$800 now. So, by going back to the 1996 income standard, you’re excluding a lot more children.”

How the Report Was Done

We obtained the most current *Foster Care Eligibility Reviews* from the Administration for Children and Families’ website, <http://www.acf.dhhs.gov>. These reports included primary, secondary, and subsequent Foster Care reviews from all 50 states and the District of Columbia. Our study examined all the released *Foster Care Eligibility Reviews* to date. However, given that review periods are staggered and vary across states, it is impossible to accumulate all relevant reports. In fact, during our review, 10 states were currently undergoing their subsequent reviews and, as such, their results were not yet made available. These states included: Arkansas, Hawaii, Illinois, Louisiana, Maryland, Massachusetts, Michigan, New York, and Tennessee, and the District of Columbia.

From these reports, we were able to determine which states were in substantial compliance with Title IV-E eligibility requirements, the reasons why some states were not in compliance, and how much money the states had to pay the federal government for violations. We were primarily interested in ascertaining how many states had AFDC eligibility violations, and how much those violations specifically cost the states. The following chart details *Foster Care Reviews* in states with AFDC violations.

State-by-State Summaries of Foster Care Eligibility Reviews: Only Includes States that had AFDC Violations or Indicated Problems with AFDC Eligibility Requirements

Alabama	<p>Period of Primary Review: April 1, 1999 – September 30, 1999 Compliance: Yes Total Violations: 6 Summary: One of the violations was due to not meeting AFDC requirements. However, the AFDC violation was not an income violation. The total disallowance the state had to pay for all its violations was \$23,501, of which \$11,525 was specifically due to the one AFDC violation. Period of Subsequent Review: April 1, 2002 – September 30, 2002 Compliance: No Total Violations: 23 Summary: One of the violations was due to not meeting AFDC requirements. The total disallowance the state had to pay for all its violations was \$169,797.26. The state did not specify how much of this disallowance was due to the AFDC violation.</p>
Arizona	<p>Period of Primary Review: October 1, 1999 – March 31, 2002 Compliance: Yes Total Violations: 6 Summary: Of the six Arizona violations, one resulted from not meeting AFDC requirements. However, the AFDC violation was not an income violation. The total disallowance the state had to pay for all its violations was \$186,062. The state did not specify how much of this disallowance was due to the AFDC violation. It is also important to note that the state cited compliance with AFDC requirements as an area in which the state needed to improve.</p>
Arkansas*	<p>Period of Primary Review: April 1, 2002 – September 30, 2002 Compliance: No Total Violations: 10 Summary: Of the 10 total violations, one was an AFDC violation. The AFDC violation was not an income violation. The total disallowance the state had to pay for all its violations was \$67,067.04, of which \$3,819.29 was due to the AFDC violation.</p>
California	<p>Period of Primary Review: April 1, 2002 - September 30, 2002 Compliance: Yes Total Violations: 9 Summary: Of the 9 total violations, one was an AFDC violation. The AFDC violation was not an income violation. The total disallowance the state had to pay for all its violations was \$197,119, of which \$21,935 was due to the AFDC violation. It is also important to note that California specifically cites adherence to AFDC requirements as a state weakness and an area in need of improvement.</p>
Colorado	<p>Period of Primary Review: April 1, 2002 - September 30, 2002 Compliance: Yes Total Violations: 3 Summary: Of Colorado's three violations, two were due to AFDC violations. And, both AFDC violations were income violations. The total disallowance the state had to pay was \$10,396, of which \$8,720 was due to the AFDC violations.</p>
Connecticut	<p>Period of Primary Review: April 1, 2002 - September 30, 2002 Compliance: Yes Total Violations: 7 Summary: Of the seven violations, one was due to an AFDC violation. And, this AFDC violation was an income violation. The total disallowance the state had to pay was \$116,722. The state did not specify how much of this disallowance was due to AFDC violations.</p>
Delaware	<p>Period of Primary Review: October 1, 2002 - March 31, 2003 Compliance: Yes Total Violations: 7 Summary: Of the seven violations, one was due to an AFDC violation. And, this AFDC violation was an income violation. The total disallowance the state had to pay was \$11,614, of which \$3,004 was due to the AFDC violation. It is also important to note that Delaware specifically cited under its areas of concern problems fulfilling AFDC requirements.</p>
District of Columbia*	<p>Period of Primary Review: October 1, 2003 - March 31, 2003 Compliance: No Total Violations: 54 Summary: Of the 54 violations, six were AFDC violations. These AFDC violations were income violations. The total disallowance the state had to pay for all its violations was \$1,416,169. The state did not specify how much of this disallowance was due to the AFDC violations. It is also important to note that the District of Columbia cited compliance with AFDC requirements as one area in need of improvement.</p>
Florida	<p>Period of Primary Review: April 1, 2003 - September 30, 2003 Compliance: Yes Total Violations: 4 Summary: Of the four violations, two were AFDC violations. The state did not specify how many of these AFDC violations were income violations. The total disallowance the state had to pay for all its violations was \$207,733. The state did not specify how much of this total disallowance was due to AFDC violations.</p>
Hawaii*	<p>Period of Primary Review: April 1, 2000 – September 30, 2000 Compliance: No Total Violations: 25 Summary: Of these 25 violations, three were AFDC violations. All three AFDC violations were income</p>

	<p>violations. The total disallowance the state had to pay for all its violations was \$258,415.12. The state did not specify how much of this total disallowance was due to AFDC violations. It is also important to note that the state specifically cited compliance with AFDC income requirements as one area in need of improvement.</p>
Idaho	<p>Period of Primary Review: April 1, 2003 – September 30, 2003 Compliance: Yes Total Violations: 4 Summary: Of these four violations, one was an AFDC violation. And, this AFDC violation was an AFDC income violation. The total disallowance the state had to pay for all its violations was \$55,185. The state did not specify how much of this total disallowance was due to the AFDC violation. The state specifically cited compliance with AFDC income requirements as an area requiring improvement.</p>
Illinois*	<p>Period of Primary Review: October 30, 2003 – March 31, 2004 Compliance: No Total Violations: 4 Summary: Of these four violations, none were AFDC violations. It is important to note, however, that one AFDC income violation was identified after the period under review. The total disallowance the state had to pay for all its violations was \$25,994. Of this total, \$2,384 was due to the AFDC violation.</p>
Iowa	<p>Period of Secondary Review: October 1, 2003 – March 31, 2004 Compliance: Yes Total Violations: 7 Summary: No primary review was available on the website we used, but because a “secondary review” was conducted, this necessarily means that Iowa was not in compliance during the primary review. Of the seven violations in the secondary review, none were AFDC violations. It is important to note, however, that the state specifically cited compliance with AFDC income eligibility requirements as an area requiring improvement. The total disallowance the state had to pay for all its violations was \$75,833.66.</p>
Indiana	<p>Period of Primary Review: April 1, 2002 – September 30, 2002 Compliance: Yes Total Violations: 9 Summary: Of these nine violations, three were AFDC violations. And, all three AFDC violations were income violations. The total disallowance the state had to pay for all its violations was \$172,777. The state did not specify how much of this was due to AFDC violations.</p>
Kansas	<p>Period of Primary Review: October 1, 1999 – March 31, 2000 Compliance: No Total Violations: 21 Summary: It is important to note that in the primary review, 73 cases were sampled instead of the usual 80. Of the 21 violations found among these 73 cases, 10 were AFDC violations. The state did not specify how many of these AFDC violations were AFDC income violations. The total disallowance the state had to pay for all its violations was \$200,971.84. The state did not specify how much of this total disallowance was due to AFDC violations. Period of Secondary Review: October 1, 2001 – March 31, 2002 Compliance: Yes Total Violations: 2 Summary: Of the two total violations, none were AFDC violations. The total disallowance the state had to pay was \$37,078.97. Period of Subsequent Review: October 11, 2004 – March 31, 2005 Compliance: Yes Total Violations: 0</p>
Kentucky	<p>Period of Primary Review: October 1, 2000 - March 31, 2001 Compliance: Yes Total Violations: 6 Summary: Of these six total violations, two were AFDC violations. The state did not specify how many of the AFDC violations were due to AFDC income violations. The total disallowance the state had to pay was \$26,225.36. Of this, \$19,094.63 was due to AFDC violations. Period of Subsequent Review: October 1, 2003 - March 31, 2004 Compliance: Yes Total Violations: 2 Summary: Of these two violations, one was an AFDC violation. And, this AFDC violation was an AFDC income violation. With regard to the AFDC income violation, the child was initially determined by the state to be Title IV-E eligible during the month the voluntary placement agreement was signed. But, because the household experienced an increase in income of \$499 dollars from Retirement Survivor Disability Insurance, the child was subsequently determined to no longer be Title IV-E eligible since he did not meet AFDC income requirements. In addition to the above error cases, the review team identified two more cases with ineligible payments occurring outside the period of review. Although these cases were not considered “error cases,” Kentucky was still required to pay an additional disallowance. The total disallowance the state had to pay was \$16,665. The state did not specify how much of this total disallowance was due to AFDC violations.</p>
Maine	<p>Period of Primary Review: April 1, 2000 - September 31, 2000 Compliance: No Total Violations: 24 Summary: Of these 24 violations, three were AFDC violations. And, all three AFDC violations were AFDC income violations. The total disallowance the state had to pay was \$269,189. Of this, \$12,446 was due to</p>

	<p>AFDC violations. Period of Secondary Review: April 1, 2003 - September 30, 2003 Compliance: Yes Total Violations: 10 Summary: Of these 10 total violations, four were AFDC violations. And, two of these four AFDC violations were income violations. The total disallowance the state had to pay was \$154,900. Of this, \$39,961 was due to AFDC violations. It is also important to note that Maine specifically cited compliance with AFDC eligibility requirements as an area in need of improvement.</p>
Maryland*	<p>Period of Primary Review: April 1, 2001 - September 30, 2001 Compliance: No Total Violations: 38 Summary: Of these 38 total violations, one was an AFDC violation. The AFDC violation was not an income violation. The total disallowance the state had to pay was \$720,129. Of this, \$7,014 was due to the AFDC violation.</p>
Massachusetts*	<p>Period of Primary Review: October 1, 2002 - March 31, 2003 Compliance: No Total Violations: 9 Summary: Of these nine total violations, one was an AFDC violation. And, this AFDC violation was an income violation. The total disallowance the state had to pay was \$176,922. Of this, \$3,518 was due to the AFDC violation.</p>
Michigan*	<p>Period of Primary Review: April 1, 2003 - September 30, 2003 Compliance: No Total Violations: 12 Summary: Of these 12 total violations, two were AFDC violations. However, neither AFDC violation was an income violation. The total disallowance the state had to pay was \$283,223.89. The state did not specify how much of this total disallowance was due to the AFDC violations. It is also important to note that compliance with documentation standards for AFDC eligibility is an area in which the state needs to improve.</p>
Minnesota	<p>Period of Primary Review: April 1, 2003 - September 30, 2003 Compliance: Yes Total Violations: 3 Summary: Of these three total violations, one was an AFDC violation. Furthermore, this was an AFDC income violation. The total disallowance the state had to pay was \$18,578. The state did not specify how much of this total disallowance was due to the AFDC violation.</p>
Mississippi	<p>Period of Primary Review: April 1, 2002 – September 30, 2002 Compliance: No Total Violations: 13 Summary: While this state denoted that some of its 13 total violations were due to AFDC violations, it did not specify how many. The state also specifically cited compliance with AFDC income requirements as one area in need of improvement. The total disallowance the state had to pay was \$21,248. The state did not specify how much of this was due to the AFDC violations. Period of Secondary Review: April 1, 2004 – September 30, 2004 Compliance: Yes Total Violations: 7 Summary: While this state denoted that some of its 7 total violations were due to AFDC violations, it did not specify how many. The state also specifically cited compliance with AFDC requirements as one area in need of improvement. The total disallowance the state had to pay was \$19,301. The state did not specify how much of this disallowance was due to the AFDC violations.</p>
Montana	<p>Period of Primary Review: October 1, 1999 – March 31, 2000 Compliance: Yes Total Violations: 2 Summary: Neither violation was an AFDC violation. However, it is important to note that the state specifically cited compliance with AFDC income requirements as one area in need of improvement. The total disallowance the state had to pay was \$1,018.10. Period of Subsequent Review: April 1, 2002 – September 30, 2002 Compliance: No Total Violations: 22 Summary: None of these violations were AFDC violations. The total disallowance the state had to pay was \$317,752.</p>
Nebraska	<p>Period of Primary Review: October 1, 2002 – March 31, 2003 Compliance: Yes Total Violations: 2 Summary: Neither violation was an AFDC violation. However, it is important to note that the state specifically cited compliance with AFDC income requirements as one area in need of improvement. The total disallowance the state had to pay was \$53,287.02.</p>
Nevada	<p>Period of Primary Review: April 1, 2001 – September 30, 2001 Compliance: Yes Total Violations: 3 Summary: One of these three violations was an AFDC violation. The AFDC violation was an income violation, however. The total disallowance which the state had to pay was \$15,609.48. The state did not</p>

	<p>specify how much of this was due to the AFDC violation. Period of Subsequent Review: October 1, 2004 – March 31, 2005 Compliance: Yes Total Violations: 2 Summary: Neither violation was an AFDC violation. However, it is important to note that the state specifically cited compliance with AFDC income requirements as one area in need of improvement. The total disallowance which the state had to pay was \$19,690.06.</p>
New Hampshire	<p>Period of Primary Review: October 1, 1999 – March 31, 2000 Compliance: Yes Total Violations: 7 Summary: All seven violations resulted from not meeting AFDC eligibility requirements. However, the state did not specify how many AFDC violations were income violations. The total disallowance which the state had to pay was \$143,540. The state did not specify how much of this was due to the AFDC violations. Period of Subsequent Review: October 1, 2002 – March 31, 2003 Compliance: Yes Total Violations: 4 Summary: Of these four violations, one was an AFDC violation. And, this AFDC violation was an income violation. The total disallowance which the state had to pay was \$15,467. The state did not specify how much of this disallowance was due to the AFDC violation.</p>
New Jersey*	<p>Period of Primary Review: October 1, 1999 – March 31, 2000 Compliance: No Total Violations: 49 Summary: Of these 49 violations, three were AFDC violations. And, all three AFDC violations were income violations. It is also important to note that the state specifically cited compliance with AFDC income requirements as one area in need of improvement. The total disallowance which the state had to pay was \$382,696.88. The state did not specify how much of this disallowance was due to AFDC violations. Period of Secondary Review: April 1, 2002 – September 30, 2002 Compliance: No Total Violations: 56 Summary: Of these 56 violations, 11 were AFDC violations. And, eight of the 11 AFDC violations were income violations. It is also important to note that the state specifically cited compliance with AFDC income requirements as one area in need of improvement. The total disallowance which the state had to pay was \$6,220,853. The state did not specify how much of this total disallowance was due to the AFDC violations.</p>
New Mexico	<p>Period of Primary Review: April 1, 2002 – September 30, 2002 Compliance: Yes Total Violations: 6 Summary: Of these six violations, three were AFDC violations. All three AFDC violations were income violations. The total disallowance which the state had to pay was \$14,440.52, of which \$1618.45 was due to AFDC income violations.</p>
New York*	<p>Period of Primary Review: April 1, 2002 – September 30, 2002 Compliance: No Total Violations: 31 Summary: Of these 31 violations, five were AFDC violations. And, of those five AFDC violations, four were income violations. It is also important to note that the state specifically cited compliance with AFDC income requirements as one area in need of improvement. The total disallowance which the state had to pay was \$806,811. The state did not specify how much of this total disallowance was due to AFDC violations.</p>
North Dakota	<p>Period of Primary Review: April 1, 2001 – September 30, 2001 Compliance: Yes Total Violations: 4 Summary: There were no AFDC violations. However, it is important to note that the state still specifically cited compliance with AFDC requirements as one area in need of improvement. The total disallowance which the state had to pay was \$11,337. Period of Subsequent Review: April 1, 2004 – September 30, 2004 Compliance: Yes Total Violations: 1 Summary: There were no AFDC violations. It is important to note, however, that initially, six cases were determined to be in error, because the AFDC-related eligibility was determined on the physical removal home of a relative rather than the legal removal home of the parent. The state later provided documentation regarding eligibility determination on the appropriate home, and the cases were determined to no longer be in error. The total disallowance the state had to pay for the one non-AFDC violation it did have was \$17,357.</p>
Ohio	<p>Period of Primary Review: April 1, 2000 – September 30, 2000 Compliance: Yes Total Violations: 2 Summary: One of the violations was an AFDC violation. This AFDC violation was an income violation.</p>

	<p>The total disallowance which the state had to pay was \$53,795.44. The state did not specify how much of this total disallowance was due to the AFDC violation.</p> <p>Period of Subsequent Review: October 1, 2003 – March 31, 2004</p> <p>Compliance: Yes</p> <p>Total Violations: 2</p> <p>Summary: There were no AFDC violations. The total disallowance which the state had to pay was \$4,627.</p>
Oklahoma	<p>Period of Primary Review: October 1, 2002 – March 31, 2003</p> <p>Compliance: Yes</p> <p>Total Violations: 0</p> <p>Summary: It is important to note that the state specifically cited compliance with AFDC income requirements as one area in need of improvement.</p>
South Carolina	<p>Period of Primary Review: October 1, 1999 – March 30, 2000</p> <p>Compliance: Yes</p> <p>Total Violations: 1</p> <p>Summary: There were no AFDC violations. The total disallowance which the state had to pay was \$930.</p> <p>Period of Subsequent Review: April 1, 2003 – September 30, 2003</p> <p>Compliance: No</p> <p>Total Violations: 21</p> <p>Summary: There were no AFDC violations. It is also important to note that the state recommended that documentation surrounding children meeting AFDC income requirements be made clearer on the documents provided for review. The total disallowance which the state had to pay was \$116,841.</p>
South Dakota	<p>Period of Primary Review: April 1, 2002 – September 30, 2002</p> <p>Compliance: Yes</p> <p>Total Violations: 5</p> <p>Summary: Of these five violations, one was an AFDC violation. This AFDC violation was an income violation. Total disallowance the state had to pay was \$13,288. \$1,538.35 was due to the AFDC violation.</p>
Texas	<p>Period of Primary Review: October 1, 1999 – March 31, 2000</p> <p>Compliance: Yes</p> <p>Total Violations: 1</p> <p>Summary: There were no AFDC violations. However, it is important to note that the state still specifically cited compliance with AFDC requirements as an area requiring clarification for field workers. The total disallowance which the state was responsible for was \$97.50.</p> <p>Period of Subsequent Review: October 1, 2002 – March 31, 2003</p> <p>Compliance: Yes</p> <p>Total Violations: 0</p>
Utah	<p>Period of Primary Review: October 1, 2001 – March 31, 2002</p> <p>Compliance: Yes</p> <p>Total Violations: 3</p> <p>Summary: There were no AFDC violations. However, it is important to note that the state recommended that “current income and asset levels be adjusted by Congress in order to reflect more realistic economic levels.” While the state did not specifically reference the AFDC look-back requirement in this statement, one can assume this is to what it was referring to. The total disallowance which the state had to pay was \$4,073.</p> <p>Period of Subsequent Review: October 1, 2004 – March 31, 2005</p> <p>Compliance: Yes</p> <p>Total Violations: 1</p> <p>Summary: There were no AFDC violations. The total disallowance which the state had to pay was \$4,793.</p>
Vermont	<p>Period of Primary Review: October 1, 2001 – March 31, 2002</p> <p>Compliance: No</p> <p>Total Violations: 26</p> <p>Summary: Of these 26 violations, 14 were AFDC violations. And, all AFDC violations were income violations. It is also important to note that the state specifically cited compliance with AFDC income requirements as an area in need of improvement. The total disallowance which the state had to pay was \$312,918. Of this, the exact amount which the state had to pay in AFDC disallowances is not clear, because one case had multiple violations associated with it, and the actual cost of the AFDC income violation could not be parsed out. The disallowance which the state had to pay due to AFDC violations was \$154,963 – \$155,001.</p> <p>Period of Secondary Review: April 1, 2004 – September 30, 2004</p> <p>Compliance: Yes</p> <p>Total Violations: 7</p> <p>Summary: There were no AFDC violations. The state had to pay a total disallowance of \$47,113.</p>
Virginia	<p>Period of Primary Review: October 1, 2000 – March 31, 2001</p> <p>Compliance: Yes</p> <p>Total Violations: 5</p> <p>Summary: Of these 5 violations, one was an AFDC violation, and this AFDC violation was an income violation. The total disallowance which the state had to pay was \$32,130.82. The state did not specify how much of this total disallowance was due to the AFDC violation.</p> <p>Period of Subsequent Review: October 1, 2003 – March 31, 2004</p> <p>Compliance: No</p> <p>Total Violations: 14</p>

	<p>Summary: Of these 14 violations, four were AFDC violations. One AFDC violation was an income violation. It is also important to note that the state specifically cited compliance with AFDC income requirements as an area requiring improvement. The state had to pay a total disallowance of \$130,339. The state did not specify how much of this total disallowance was due to AFDC violations.</p>
Washington	<p>Period of Primary Review: October 1, 2000 – March 31, 2001 Compliance: Yes Total Violations: 2 Summary: There were no AFDC violations. However, it is important to note that the state still specifically cited documentation of AFDC eligibility determinations as an area requiring improvement. The state had to pay a total disallowance of \$20,528.31. Period of Subsequent Review: October 1, 2003 – March 31, 2004 Compliance: Yes Total Violations: 1 Summary: There were no AFDC violations. The state had to pay a total disallowance of \$1,986.06.</p>
West Virginia	<p>Period of Primary Review: October 1, 1999 – March 31, 2000 Compliance: Yes Total Violations: 1 Summary: There were no AFDC violations. The state had to pay a total disallowance of \$9,221. Period of Subsequent Review: October 1, 2002 – March 31, 2003 Compliance: No Total Violations: 25 Summary: There were no AFDC violations. It is important to note, however, that the state still specifically cited compliance with AFDC income requirements as an area requiring improvement. The state had to pay a total disallowance of \$451,305. Period of Secondary Review: April 1, 2004 – September 30, 2004 Compliance: No Total Violations: 18 Summary: There were no AFDC violations. The state had to pay a total disallowance of \$418,238.</p>
Wisconsin	<p>Period of Primary Review: April 1, 2001 – September 30, 2001 Compliance: No Total Violations: 23 Summary: Of the 23 total violations, one was an AFDC violation. This AFDC violation was not an income violation, however. It is important to note, however, that the state specifically cited compliance with AFDC income eligibility requirements as an area requiring improvement. The total disallowance which the state had to pay was \$206,833. The state did not specify how much of total disallowance was due to AFDC violations. Period of Secondary Review: April 1, 2004 – September 30, 2004 Compliance: yes Total Violations: 1 Summary: There we no AFDC violations. The state had to pay a total disallowance of \$9,448.61.</p>
Wyoming	<p>Period of Primary Review: April 1, 2000 – September 30, 2000 Compliance: Yes Total Violations: 4 Summary: There were no AFDC violations. The total disallowance the state had to pay was \$35,488.34. Period of Subsequent Review: April 1, 2003 – September 30, 2003 Compliance: No Total Violations: 15 Summary: There were no AFDC violations. The total disallowance the state had to pay was \$113,576.</p>

* State in follow up review or latest information not available.

APPENDIX E

Table 1: Eligibility Criteria for the Foster Care
Source: Title IV-E of the Social Security Act

Foster Care Program
1 – A judicial determination has been made that conditions in the home from which the child was removed were contrary to the child’s Welfare and reasonable efforts were made to prevent removal;
2 – A judicial determination has been made that the state has documentation that it made reasonable efforts to finalize a permanency plan;
3 – A judicial determination has been made that the state has responsibility for placement and care of the child;
4 – But for the removal from the home, the child would have qualified for the Aid to Families with Dependent Children (AFDC) Program as it was in effect on July 16,

1996;
5 – The state has verification of provider safety requirements; and
6 – If removal is the result of a voluntary placement agreement, a state must obtain a judicial determination that continued placement is in the child’s best interest.