ASPE ASSISTANT SECRETARY FOR PLANNING AND EVALUATION | OFFICE OF HUMAN SERVICES POLICY

BRIEF
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Title IV-E Foster Care Eligibility Rates Have Declined While Determination Costs Have Increased:

Meanwhile Eligibility Review Results Have Varied Since FY00

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KEY POINTS

- Title IV-E foster care eligibility has declined over time as eligibility requirements remain tied to income thresholds from 1996. From fiscal year 2011 (FY11) to FY24, the percentage of caseloads eligible for Title IV-E foster care maintenance payment (FCMP) reimbursement funds – the funds that help cover costs like shelter, care, and clothing for children – has declined by around 45 percent.
- The average monthly reimbursement amount states claimed for Title IV-E foster care eligibility determinations has increased by over 60 percent from FY11 to FY24, with fewer children being eligible for assistance.
- The total reimbursement amount states claimed for eligibility determinations increased to over $198 million in FY24, exceeding the total reimbursement amount claimed by states for Title IV-E prevention services.
- The Children's Bureau conducts Title IV-E foster care eligibility reviews to determine if federal funds are being properly spent on eligible children and to provide feedback to Title IV-E agencies on opportunities for program improvement related to payment integrity.
- 39 states have not achieved substantial compliance for at least one Title IV-E eligibility review – meaning more than 4 out of the 80 cases examined during a review contained errors. Eighteen of these states have not achieved substantial compliance during multiple reviews.
- Since FY00, there have been 11 years in which at least one-fifth of states under review have not been in substantial compliance.
- Eligibility determinations are increasingly costly despite shrinking eligibility, and are complex, as evidenced by state compliance issues that remain 30 years after eligibility became tied to 1996 AFDC financial need standards.

BACKGROUND

This brief synthesizes national caseload and expenditure data related to Title IV-E foster care eligibility and summarizes the Children's Bureau's published Title IV-E foster care eligibility review findings. It finds that foster care maintenance program eligibility has shrunk over time while administrative costs have risen, as Title IV-E foster care eligibility continues to be dependent on 1996 Aid to Families with Dependent Children (AFDC) financial need standards. This brief also examines the Title IV-E foster care eligibility reviews process, highlighting the prevalence of states achieving substantial compliance during reviews and differences in findings between county- and state-administered child welfare models – all with the understanding that during the span of 25 years, Title IV-E review instruments, federal policies, statutes, and external conditions have changed, meaning that published substantial compliance rates should be interpreted as national patterns rather than performance trends.

FEWER FOSTER CARE PLACEMENTS ARE RECEIVING FEDERAL FINANCIAL SUPPORT FOR CHILDREN'S BASIC NEEDS AS THE PERCENTAGE OF CHILDREN ELIGIBLE FOR TITLE IV-E FOSTER CARE HAS DECLINED FROM 60 PERCENT IN FY11 TO 33 PERCENT IN FY24

The Title IV-E foster care program offers reimbursement funds to states and Tribes for the purpose of providing foster care to children who qualify as eligible for assistance.[1] These reimbursement funds are used to help pay for a portion of costs related to providing shelter, care, and clothing for eligible children (also known as foster care maintenance payments (FCMP)). These funds are also used to pay for a portion of administrative and training costs.[2] To qualify for FCMP assistance, a child must meet certain criteria, including the following:

1) be in out-of-home care in a licensed or approved foster care placement
2) enter care through a voluntary placement or judicial determination
3) be removed from a family who would have qualified as "needy" under the 1996 AFDC program
4) be removed from a family with assets of no more than $10,000[3, 4]

For a family to qualify as "needy" under the 1996 AFDC program criteria, they must meet the eligibility standards outlined in their state's 1996 AFDC plan.[i] These standards have not been updated since 1996 and have not accounted for inflation, leading to them covering a smaller percentage of the federal poverty guideline level over time.[5]

At least in part as a result of this, over time the percentage of children in foster care who are eligible for Title IV-E assistance through FCMP funds has declined. As depicted in Figure 1,[ii] from FY11 to FY24, the **percentage of foster care caseloads** eligible for Title IV-E FCMP reimbursement declined by around **45 percent** nationally (including all states and participating Tribes and territories). As the Title IV-E eligibility rate has declined, so have effective federal match rates for FCMP.[iii]

Relatedly, as depicted in Figure 2,[iv] the reported **average monthly number of caseloads** claiming Title IV-E FCMP reimbursements has **declined by around 25 percent** nationally from FY11 to FY24 (from 150,881 average monthly caseloads in FY11 to 112,322 average monthly caseloads in FY24). For broader context, the

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[i] When the AFDC program was still in existence, states developed their "need standards" for program eligibility; these standards varied across states based on factors like family size and locality. In 1996, the AFDC program was repealed and replaced by the Temporary Assistance for Needy Families (TANF) block grant. When this happened, the qualifications for a family to be considered needy essentially "locked in" to the standards each state set in their 1996 AFDC plan.

[ii] The numbers for this figure were found in the Children's Bureau's Title IV-E Programs Expenditure and Caseload Data from FY11 to FY24. The national totals for the FCMP Title IV-E Participation Rate were used.

[iii] Effective federal match rates for the Title IV-E foster care program can be calculated by multiplying penetration rates by statutory match rates. The "penetration rate" represents the percent of a state's entire caseload that is Title IV-E-eligible. For more information see: https://aspe.hhs.gov/reports/title-iv-e-foster-care-program-effective-federal-match-rates

[iv] The numbers for this figure were found in the Children's Bureau's Title IV-E Programs Expenditure and Caseload Data from FY11 to FY24. The national totals for the Total Title IV-E FCMP Caseload were used.

number of children in foster care rose by around 11.5 percent from FY12 to FY17 and then has gradually declined since FY18.[6]

Figure 1. The reported percentage of caseloads eligible for Title IV-E FCMP reimbursement funds – that help cover the costs of children's basic needs – has declined from around 60 percent to 33 percent since FY11

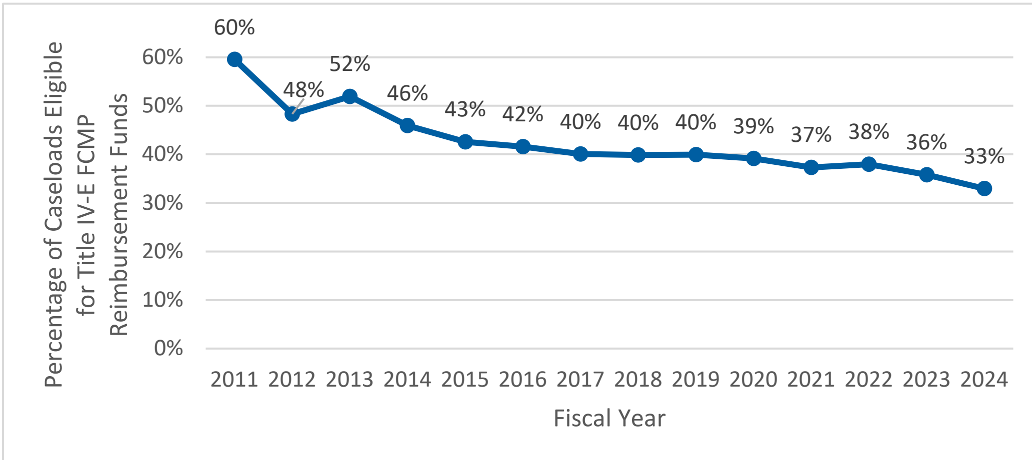
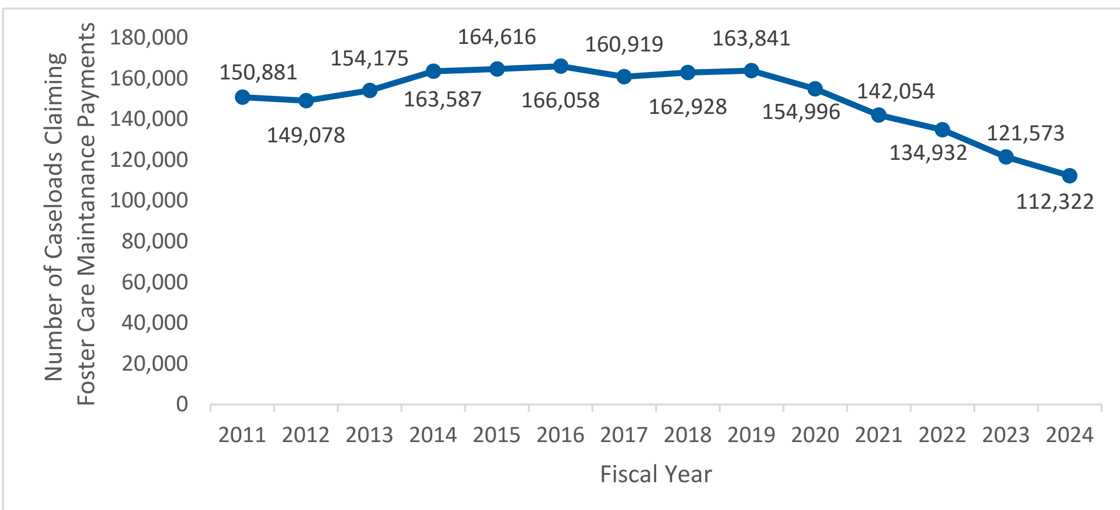


Figure 2. The reported average monthly number of caseloads claiming Title IV-E FCMP reimbursement funds has declined by around 25 percent since FY11



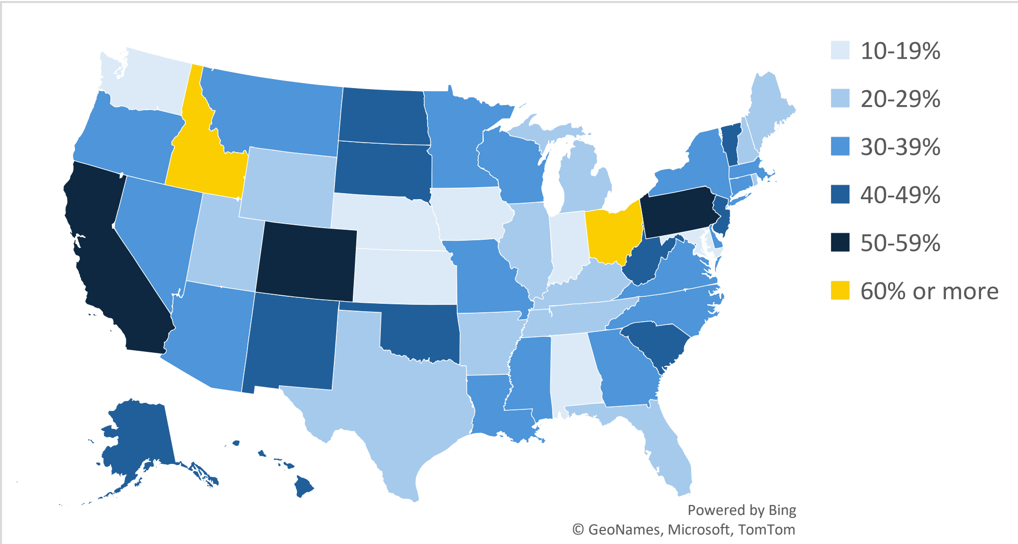
While there is variation across states, less than half of children in foster care are eligible for Title IV-E FCMP reimbursements in around 90 percent of states

There is variation across states in the percentage of caseloads eligible for Title IV-E FCMP reimbursement funds. As depicted in Figure 3,[v] in FY24, less than 20 percent of caseloads were reported as eligible for Title IV-E FCMP reimbursement funds in seven states, but in Idaho over 80 percent of caseloads were eligible for Title IV-E FCMP reimbursement funds. Across all states (including Washington DC but excluding other territories and

[v] The numbers for this figure were found in the Children's Bureau's Title IV-E Programs Expenditure and Caseload Data from FY24. The reported FCMP Title IV-E Participation Rates for each state were used.

Tribes) in FY24, the average percentage of caseloads eligible for Title IV-E FCMP reimbursement funds was around 35 percent, based on reported data.

Figure 3. In only 5 states were more than 50 percent of reported foster care caseloads eligible for Title IV-E FCMP reimbursements in FY24



States with higher rates of children eligible for Title IV-E reimbursement funds are not necessarily associated with having higher rates of children in foster care overall, but may be associated with having higher AFDC income limit thresholds

States with higher rates of children in foster care are not necessarily associated with having a higher percentage of caseloads eligible for Title IV-E FCMP reimbursement funds. For example, among the five states with the **highest rates of children in foster care** in FY24, the percentage of caseloads eligible for Title IV-E FCMP reimbursement funds **ranged from 15 percent to 49 percent**.[7] Among the five states with the **lowest rates of children in foster care** in FY24, the percentage of caseloads eligible for Title IV-E FCMP reimbursement funds **ranged from 16 percent to 44 percent.**[8]

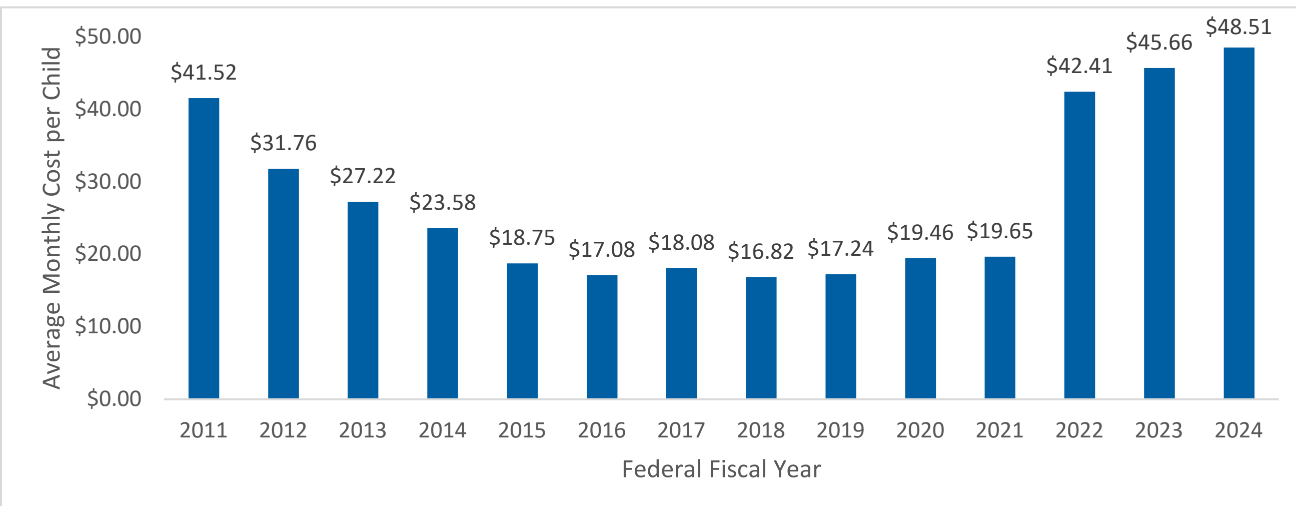
For additional context, states with higher percentages of caseloads eligible for Title IV-E FCMP reimbursement funds may be associated with having higher AFDC income limit thresholds. The average monthly AFDC income limit for a family of three is around $734 for the five states with the highest percentage of caseloads eligible for Title IV-E FCMP reimbursement funds in FY24, whereas, the average monthly AFDC income limit for the five states with the lowest percentage of caseloads eligible for Title IV-E FCMP reimbursement funds is around $571.[9,10] States with higher poverty rates are not necessarily associated with having a higher percentage of caseloads eligible for Title IV-E FCMP reimbursement funds – as, again, states have not updated AFDC income limits to reflect economic shifts since the program ended in 1996.[11]

THE AVERAGE MONTHLY REIMBURSEMENT AMOUNT STATES CLAIM FOR DETERMINING TITLE IV-E FOSTER CARE ELIGIBILITY HAS INCREASED SINCE FY11

To determine if children involved in the child welfare system are eligible for Title IV-E assistance, states undergo eligibility determination processes. States can claim federal reimbursements for 50 percent of the administrative costs associated with these processes as a part of their in-placement administration claims for all in-placement caseloads. Most claims for in-placement administration expenditures are for case planning and management; the percentage of in-placement administration expenditures claimed for eligibility determinations is smaller in comparison but has grown over time. From FY19 to FY24, the percentage states claimed for eligibility determinations grew from around five percent to just under eight percent of their in-placement administration expenditures.[12]

From FY11 to FY24, the reimbursement amount states claimed for eligibility determinations increased from around $122 million to over $198 million.[vi] For comparison, in FY24, the total reimbursement amount states claimed for Title IV-E Prevention Services was just over $159 million.[vii, 13] In looking at how these changes in cost relate to changes in the number of in-placement caseloads, as depicted in Figure 4,[viii] across all states, the **average monthly amount claimed per child for eligibility determinations has fluctuated since FY11**, with a dip in costs from FY11 to FY16, and with costs per child doubling between FY21 and FY22.[ix]

Figure 4. The average monthly eligibility determination reimbursement cost per child has fluctuated from FY11 to FY24



The average monthly per child amount claimed for Title IV-E eligibility determinations varied by state

In FY24, across all states including Washington DC and Puerto Rico, **$198,296,331 was claimed on in-placement Title IV-E eligibility determinations**. The average monthly amount each state claimed for reimbursements on eligibility determinations was $38.82 per child and the median amount was $14.75 per

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[vi] Expenses were cost-adjusted to 2024 dollars to account for inflation using Consumer Price Index (CPI) annual averages from the Bureau of Labor Statistics.

[vii] For information on previous fiscal years' Title IV-E preventions services claims, see: https://aspe.hhs.gov/reports/title-iv-e-prevention-services-make-less-two-percent-overall-program-claims

[viii] The numbers for this figure were calculated using the Children's Bureau's Title IV-E Programs Expenditure and Caseload Data from FY11 to FY24. The state totals from the "In-Placement Eligibility Determinations – FFP" column were divided by the state totals for "In-Placement Total Caseload (Title IV-E and Non-IV-E)" column. The annual expenditure amounts were divided by 12 to match the reported average monthly caseload data. Expenses were cost-adjusted to 2024 dollars to account for inflation using Consumer Price Index (CPI) annual averages from the Bureau of Labor Statistics.

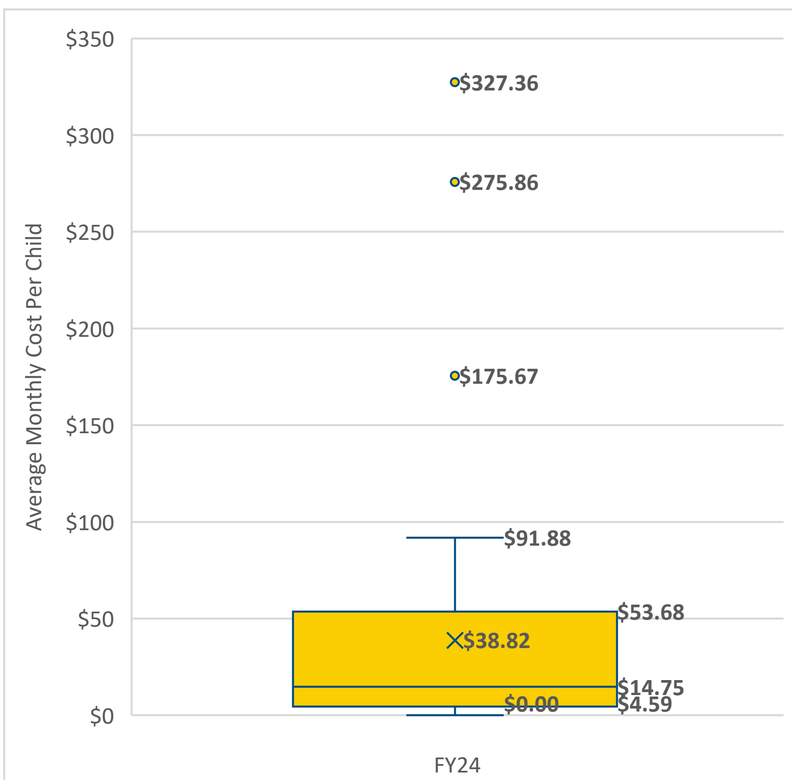
[ix] Several factors could contribute to the eligibility determination costs per child doubling between FY21 and FY22, including shifts in staffing costs, states' penetration rates, and states' disallowance amounts.

child (see Figure 5[x]). Arizona and Georgia claimed zero dollars for eligibility determinations.[xi] After that, West Virginia had the next lowest average monthly amount claimed for eligibility determinations at $0.05 per child.

Conversely, **13 states claimed an average monthly amount of over $50 per child for eligibility determinations**, with two states (Minnesota and California) claiming an average monthly amount of over $200 per child ($275.86 and $327.36) and the next highest state (Oregon) claiming an average monthly amount of $175.67 per child.

Among the 26 states with the highest percentages of caseloads eligible for Title IV-E FCMP reimbursement, the average amount claimed per child for eligibility determinations was $54.35 in FY24, whereas among the 26 states with the lowest percentages of caseloads eligible for Title IV-E FCMP reimbursements, the average amount claimed per child was $23.30. Thus, states with **higher percentages** of caseloads eligible for Title IV-E FCMP reimbursements claimed around **$31 more per child on eligibility determinations** compared to states with **lower percentages** of caseloads eligible for Title IV-E FCMP reimbursement funds. However, many factors could be contributing to this difference in claim amounts including state variation in documentation standards, case review practices, system configurations, technology and information systems, personnel costs, and cost allocations.

Figure 5. The median average monthly amount that states claimed per child on eligibility determinations was $14.75 in FY24, with some states claiming over 10 times that



[x] The numbers for this figure were calculated using the Children's Bureau's Title IV-E Programs Expenditure and Caseload Data from FY24. The reported "In-Placement Eligibility Determinations – FFP" for each state were used and divided by each state's "In-Placement Total Caseload (Title IV-E and Non-IV-E)" reported amount. The annual expenditure amounts were divided by 12 to match the reported average monthly caseload data.

[xi] Claiming zero dollars does not necessarily mean that a state did not conduct work related to eligibility determinations; there are many factors that influence the expenditures states claim each year, including states' cost allocation plans.

ELIGIBILITY REVIEWS, WHICH AIM TO ENSURE TITLE IV-E AGENCIES ARE PROPERLY USING REIMBURSEMENT FUNDS, HAVE TIME AND FINANCIAL IMPLICATIONS FOR BOTH THE FEDERAL GOVERNMENT AND STATES

The Children's Bureau within the Administration for Children and Families (ACF) conducts **Title IV-E foster care eligibility reviews** as a part of their overall monitoring process that aims to ensure Title IV-E agencies are in compliance with certain requirements related to child and family services programs in the Social Security Act. ACF was given authority to do this as a part of the 1994 Amendments to the Act, and in 2000, they published a final rule to update their monitoring approach and to clarify guidance around Title IV-E eligibility criteria.[14]

These Title IV-E foster care eligibility reviews intend to:

- Determine if FCMP funds are being spent on eligible children and are aligned with federal rules and regulations, and identify improper payments
- Provide feedback and technical assistance to Title IV-E agencies to improve their program processes, including influencing the "proper and efficient administration and implementation" of their Title IV-E FCMP programs[15]

Eligibility reviews are conducted by a team of federal and Title IV-E agency representatives. These reviews happen on-site and consist of examining child case records, court orders, provider licensing and safety documentation, and other case materials.[xii] Title IV-E agencies are reviewed at three-year intervals.

Eighty foster care cases are examined; if more than four cases contain errors, the agency is found to not be in substantial compliance with eligibility requirements. If this happens to an agency, they are required to develop and implement a Program Improvement Plan, and then a secondary review is conducted, in which 150 cases are examined. Additionally, ACF takes a disallowance when the review team identifies an ineligible claim in which a Title IV-E agency received a Title IV-E FCMP(s) that it should not have claimed for. This disallowance includes the ineligible FCMP(s) along with associated administrative costs and is calculated by a grants management specialist at ACF.[16]

The eligibility review process requires time and financial commitments from both states and the federal government. In conducting these reviews, the Children's Bureau is fulfilling its financial and programmatic stewardship responsibilities while also complying with statutory provisions relating to improper payment reporting as mandated by the Payment Integrity Information Act of 2019.

The Title IV-E eligibility reviews process has evolved over the last 25 years

Over the last 25 years, technical changes have been made to the Title IV-E eligibility reviews process. For example, the instruments the Children's Bureau use to conduct the eligibility reviews have evolved over time, partly to ensure the Children's Bureau is adhering to any changes in legal requirements. One of these changes includes revising the methodology used to evaluate error cases – updating calculation methods that measure the financial magnitude of error cases. According to the Children's Bureau, these evolutions have led to quality improvements over time though they have also intermittently contributed to states potentially having more error cases than they otherwise may have experienced (because states have needed time to adjust to the

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[xii] For more information on Title IV-E Foster Care Eligibility Reviews, see: https://acf.gov/cb/fact-sheet/title-iv-e-foster-care-eligibility-reviews-fact-sheet

instrument revisions). Other factors that changed during this period include that review processes transitioned to becoming fully electronic and that external circumstances led to variation in the frequency of reviews for some states. For example, beginning in 2014, some states received waivers for Title IV-E eligibility reviews because of their participation in demonstration projects. Moreover, beginning in 2020, the COVID-19 public health emergency placed a hold on reviews as well. And, prior to reviews resuming, the passage of the Family First Prevention Services Act (FFPSA) required the Children's Bureau to make updates to review materials.[xiii] Additionally, changes in some states' technology and operations have occurred during this time period; for example, many states are working on projects to transition to the Comprehensive Child Welfare Information System (CCWIS) – these shifts may influence documentation and data quality, possibly impacting reviews.

As a result of these and other changes, it is difficult to assess changes over time in performance for particular states or to compare substantial compliance rates across years; instead, this brief focuses on describing the overall, national picture of substantial compliance across this time period.

IN THE 25 YEARS BETWEEN FY00 AND FY25, 39 STATES WERE FOUND TO NOT BE IN SUBSTANTIAL COMPLIANCE FOR AT LEAST ONE TITLE IV-E ELIGIBILITY REVIEW

Since FY00, according to published state reports, 39 out of 52 states (including Washington, DC and Puerto Rico) have not been in substantial compliance for at least one Title IV-E eligibility review.[17] **Twenty one of these states (54 percent) have one case of not being in substantial compliance**, with the remaining **18 states (46 percent) having more than one case of this** – eight states have not met substantial compliance twice, eight other states have not met substantial compliance three times, and two states have not met substantial compliance four times.[18] Among states that have not been in substantial compliance, the average number of times these states have been found to not be in substantial compliance is 1.33, meaning most of these states have between one and two cases of not achieving substantial compliance.

Looking at data from recent years, in FY24 and FY25, a total of 31 eligibility reviews were published. Among those, **13** – or over two-fifths – **of these states** did **not** meet the criteria for substantial compliance.[19] All of these 13 states except for two have a **previous case(s)** of not meeting the criteria for substantial compliance since FY00.

In terms of the error cases found within these states that did not achieve substantial compliance, some examples include situations in which FCMP reimbursement claims were reported:

[xiii] In April 2014, the Children's Bureau suspended conducting Title IV-E foster care eligibility reviews in states operating a statewide capped allocation Title IV-E waiver demonstration while those demonstration projects were operational. As a result of this suspension, 19 states were not subject to Title IV-E reviews since their demonstrations began implementation. Those states are as follows: Hawaii, Arkansas, Maryland, Arizona, Indiana, Colorado, Oklahoma, Maine, Oregon, District of Columbia, Washington, Tennessee, Utah, Florida, West Virginia, Illinois, Kentucky, Nebraska, Wisconsin. Because all Title IV-E waivers were statutorily required to end by September 30, 2019, the Children's Bureau made plans to return all states to the Title IV-E review schedule. The Children's Bureau anticipated starting to review former statewide capped allocation waiver states beginning the summer of 2020. However, the Children's Bureau suspended all Title IV E Reviews beginning in April 2020 due to the COVID-19 public health emergency. As a result, no reviews occurred from April 2020 through the first quarter of FY24. This was due in part because the Children's Bureau was finalizing updated Title IV-E eligibility review materials to reflect Family First Act eligibility changes. This, in turn, created a multi-year gap in review activity. In 2024, reviews resumed, with applicable states undergoing primary reviews, regardless of the outcome of their previous review. Updated guidance for Title IV-E eligibility reviews was released prior to reviews resuming, as the Family First Prevention Services Act was passed, which made changes to the types of foster care placement settings that would be eligible for reimbursement through Title IV-E foster care funding.

- despite children not being in fully licensed homes;
- despite the safety requirements for placements not being met;
- despite fingerprint-based identification checks for adults not being complete;
- despite judges not yet finalizing decisions that it would be unsafe for the child to remain in their home and that reasonable efforts had been made to prevent removal;
- and when children were already discharged from foster care.[20]

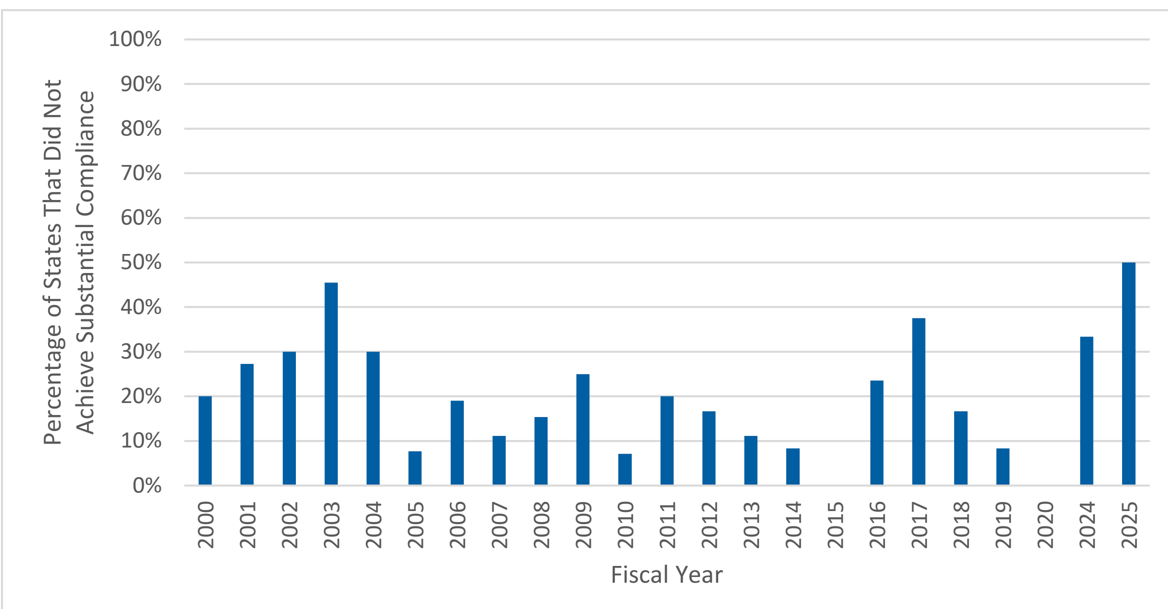
Disallowance amounts for states that do not achieve substantial compliance during eligibility reviews can vary depending on factors such as the number of cases with errors and the extent of those errors; for example, among the 13 states that did not pass reviews in FY24 and FY25, total disallowance amounts ranged from $8,326 to $1,174,268, with a **median amount of $129,971**.[21]

There have been 11 years in which the percentage of reviewed states that did not achieve substantial compliance was 20 percent or greater since FY00

The percentage of states that have not achieved substantial compliance in any given year has fluctuated depending on the year, with a range of zero percent to around 50 percent (see Figure 6). With this, it should be noted that the number of states undergoing eligibility reviews has varied annually since FY00. The average rate of not achieving substantial compliance across all years (excluding FY21 through FY23 when no reviews were reported due to the previously mentioned suspension of eligibility reviews) was around 20 percent.

In FY15 and FY20, 100 percent of states with eligibility reviews published **achieved** substantial compliance – 12 states had eligibility reviews published in FY15 and one state had an eligibility review published in FY20. After those two years, the next year with the highest percentage of states achieving substantial compliance was FY10 – with just one of the 14 states evaluated not achieving this.

Figure 6. The percentage of states that were evaluated and did not achieve substantial compliance fluctuates by fiscal year



Note: FY21-23 are not included here because from April 2020 through the end of 2023, Title IV-E eligibility reviews were suspended because of the COVID-19 public health emergency

In contrast, since FY00, there have been 11 years in which 20 percent or more of reviewed states did not achieve substantial compliance in that particular year. In FY03 and FY25, over **45 percent and 50 percent of states** with published eligibility reviews **did not achieve** substantial compliance respectively (10 of the 22 states evaluated in FY03 did not achieve this, and 8 of the 16 states evaluated in FY25 did not achieve this). And, in FY17 and FY24, around 37 percent of reviewed states did not achieve substantial compliance.

COUNTY-ADMINISTERED CHILD WELFARE MODELS HAVE A HIGHER RATE OF ACHIEVING SUBSTANTIAL COMPLIANCE FOR ELIGIBILITY REVIEWS COMPARED TO STATE-ADMINISTERED MODELS, AND COUNTY- AND STATE-ADMINISTERED MODELS CLAIMED SIMILAR MEDIAN REIMBURSEMENT AMOUNTS IN FY24 FOR ELIGIBILITY DETERMINATIONS

Most states use a centralized administration system for their child welfare services (described below as a state-administered model); however, nine states use a county-administered model and two use a hybrid model.[22] States with county-administered models (including those using a hybrid model) have **a higher rate of achieving substantial compliance in their Title IV-E eligibility reviews** than states with state-administered models since FY00. Only one of the states using a county-administered model (9 percent) has not achieved substantial compliance more than once. On the other hand, 17 of the states with state-administered models (41 percent) have not achieved substantial compliance more than once – seven of them (17 percent) have had three cases of not achieving substantial compliance, and two of them (about five percent) have had four cases not achieving substantial compliance.

Similarly, around 36 percent (four) of the 11 states with county- or hybrid-administered models have **always achieved substantial compliance in their reviews** (and therefore have never experienced not achieving substantial compliance); whereas around 22 percent (nine) of the 41 states[xiv] with state-administered models have **always achieved substantial compliance in their reviews**, meaning the **proportion of states** with county- or hybrid- administered models that have only ever achieved substantial compliance is greater than that of state-administered models**.**

In FY24, states that used county- and hybrid-administered models **reported similar median costs per child** for eligibility determinations to states that use state-administered models, though there was greater variation in costs per child for county- and hybrid- administered models. The average monthly median amount county- and hybrid-administered states claimed for eligibility determination reimbursements was around $15 per child (ranging from $0.73 to $327.36 per child), whereas the average monthly median amount state-administered states claimed for eligibility determination reimbursements was around $13 per child (ranging from $0 to $175.67 per child).[xv] Given the small number of county- and hybrid-administered models (n=11) and the fact that not all states have completed the same number of reviews, there are limitations to what can be concluded from these findings, as various factors (including operational, financial, and structural reasons such

[xiv] This total count includes Washington DC and Puerto Rico.

[xv] The numbers for these findings were calculated using the Children's Bureau's Title IV-E Programs Expenditure and Caseload Data from FY24. The reported "In-Placement Eligibility Determinations – FFP" for each state were used and divided by each state's "In-Placement Total Caseload (Title IV-E and Non-IV-E)" reported amount. The annual expenditure amounts were divided by 12 to match the reported average monthly caseload data.

as shifts in states' child welfare technology systems) could be contributing to the eligibility determination costs, as well as the outcomes of Title IV-E eligibility reviews.

CONCLUSION

Eligibility determinations are increasingly costly despite shrinking eligibility. The total reimbursement amount states claimed for eligibility determinations increased to over $198 million in FY24, exceeding total FY24 reimbursement claims for Title IV-E prevention services. Eligibility determinations are also complex, as evidenced by state compliance issues over the course of the 30 years since eligibility became tied to 1996 AFDC financial need standards. 39 states have not achieved substantial compliance during at least one Title IV-E eligibility review since FY00, with 18 of these states not achieving this during multiple reviews and two of these states not achieving substantial compliance four separate times.

Eligibility reviews aim to ensure Title IV-E agencies are in compliance with certain requirements related to child and family services programs in the Social Security Act. ACF also utilizes the Title IV-E eligibility reviews process to identify error rates across states, meeting legal requirements that would otherwise need to be met through a separate process and contributing to the prevention of waste, fraud, and abuse.

The eligibility review process and not achieving substantial compliance both come at a cost. States devote time and resources when preparing for reviews, and the federal government devotes time and resources into sending a team to conduct these reviews. When error cases are identified during a review, ACF takes a disallowance which includes the ineligible FCMP(s) along with associated administrative costs.

Along with this information, there is also evidence that fewer children are eligible for reimbursement funds through the Title IV-E foster care program to help with costs related to their basic needs as eligibility qualifications remain tied to the 1996 AFDC program. Meanwhile, states are also claiming more per child on eligibility determinations.

Previous administrations have proposed changes to the Title IV-E foster care program to provide states with more flexibility in how they use these funds. For example, the FY06 and FY20 President's budgets introduced ideas related to this.[23,24]

The findings in this brief illuminate that there may be opportunities to improve Title IV-E foster care eligibility processes to ensure resources are being utilized effectively to meet the basic needs of children in care and to promote states' ability to comply with existing federal policies and regulations while reducing administrative burden.

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