



North Carolina Department of Health and Human Services
Division of Social Services

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Courier # 56-20-25

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July 15, 2008

Dear County Director of Social Services

Subject: Results from June 2008 ACF IV-E Review

This letter is to share with you a summary of the results of the recent IV-E review conducted by the US Administration for Children and Families (ACF). By now, most know that North Carolina did not exceed the maximum number of error cases, and was therefore found to be in substantial conformity. This marks the third review for North Carolina, all resulting in successful outcomes.

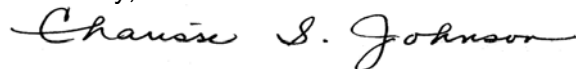
The Division congratulates the county departments of social services, as well as the local partner agencies, particularly the local court systems, on this achievement. This review process provides a unique opportunity to gain insight into the functioning of the child welfare system. Along with areas that met expectations, we noted many areas that will require improvement. A few of the more notable aspects revealed from the review are:

1. North Carolina's licensure system ensures that all homes are properly licensed and relicensed in a timely manner.
2. Hearings are scheduled frequently in court. The unfortunate part of this finding is that the reviewers also noted a high rate of cases being continued in court for a later date, sometimes without the findings necessary to meet IV-E eligibility criteria.
3. The DSS-5120 and DSS-5120a forms will need to be revised. A work group will be formed to address these forms.
4. Court order language across the state is inconsistent. Some orders were child specific and contained the necessary language to meet eligibility criteria. Other orders barely met the criteria in a few cases; the court order language didn't meet the criteria at all.
5. In particular, there were problems with the language used to find reasonable efforts to finalize the permanent plan. Although some orders contained the language necessary to establish the permanent plan (or concurrent plans), the barriers to achieving that plan, the efforts made by the county department of social services to finalize the plan, and a conclusion that the efforts were reasonable to achieve the plan; many of the orders missed one or more of these important pieces.

6. Many cases contained incorrect determinations of AFDC eligibility. For example, several cases clearly documented a family income that was well above the limits for eligibility for a particular family size.
7. There were several cases where payments were claimed before the child was eligible for reimbursement. This often occurred when the child came into care at the end of one month, but the last of the initial eligibility requirements (usually reasonable efforts to prevent removal) were not met until sometime in the next month. Reimbursement may not begin until the first day of placement in the month in which all of the initial eligibility requirements have been met.
8. There were many instances of underpayments, which are when the child is eligible for IV-E reimbursement, but the agency has not claimed it. This results in both county and state funds being unnecessarily utilized rather than federal IV-E funds.
9. When filled out properly, the AOC J-150 form establishes non-secure custody and addresses the requirement for finding the "contrary to the welfare" language when a child enters foster care. It is critical that these forms are filled out carefully and completely.
10. There is some confusion around determining the removal home, particularly when a child has lived with a parent and another relative within the six months prior to removal.
11. Payments may only be made on behalf of a child under the age of eighteen while the child is in a licensed foster home. Any time a payment is made when these criteria are not in place, the county must make a timely adjustment to correct the error.
12. In addition to overpayments, there were several underpayments. Close scrutiny of these cases may reveal that your county is not maximizing its potential IV-E reimbursement.
13. Judicial oversight must continue until the permanent plan is actually achieved. This might be adoption, guardianship, or another permanency option.

The Division is in the process of evaluating the current system of supports to county departments of social services. We will be implementing new measures to ensure a constant and accurate review of IV-E eligibility determinations are being made across the state. As this plan is finalized, we will be sharing this information and providing opportunities for counties to learn additional details regarding the findings. If you have specific questions regarding cases from your county, please consult with your assigned CPR who will be receiving specific information in the days ahead. Again, I thank you for your work with children and families and your partnership in improving our system even further.

Sincerely,



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Family Support Child Welfare Services

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