

Part II - Federal, State and County Funding

I. Introduction

The Social Security Act of 1935 provides the basis for all Federal funding requirements for public child welfare services throughout the country. As funding for children's services has progressed over the years, the Act has been revised in some of its major Titles. Among these are Title IV-A (formerly known as Aid to Families with Dependent Children [**AFDC**] and now known as Temporary Assistance to Needy Families [**TANF**]), Title IV-B, Title IV-C, Title IV-D and Title IV-E. These changes have been accomplished through federal legislation.

Title IV-A primarily governs monthly and other financial assistance expenditures for needy families (**TANF**). Title IV-B governs community-based programs and abuse and neglect prevention services. Title IV-C related in the past to employment programs, but has been repealed and its elements have been incorporated into the TANF program. Title IV-D relates to child support services. Title IV-E governs foster care and adoption services. Titles IV-B and IV-E requirements are interwoven with some regulations in each being contingent on compliance with the other.

All of these federal public laws have requirements that each state must meet on a consistent basis in order to continue to receive funding. Each also has its own requirements for documentation of compliance.

II. Federal Funding

A. Title IV-A-Child Welfare Services-(TANF)-(Program Codes "R", "0" and "9")

The Temporary Assistance to Needy Families (TANF) program replaced the AFDC program and is focused on helping families become economically self-sufficient through employment. North Carolina terms its TANF financial assistance program the *Work First Program*. The TANF Act contains provision for states to use these federal funds for the public assistance employment component, but also allows states to use some of the funds for other purposes. North Carolina has chosen to use some of the TANF funds for certain child welfare services.

Federal guidelines distinguish between two types of funds in the TANF program. The first type is 100% federal TANF funds provided to states through the block grant. The second is Maintenance-of-Effort or MOE funds. MOE funds are comprised of State and County monies. Federal regulations require States to expend State funds at the State's 1995 levels. In effect, MOE constitutes the match requirement to maintain continuous receipt of the TANF Block Grant. The TANF Block Grant is a finite

amount of money that each state receives annually for its cash assistance program for families and children who meet certain income and other requirements. When funds have a limit, they are referred to as funds that are "capped".

The following programs fall under the TANF Act for child welfare purposes:

- TEA (Program Code R or 0-eligibility requirements are the same for both codes)
- MOE (Program Code 9)
- TANF-Transferred-to-SSBG (Program Code V)

Some TANF funds can be used for prevention services, child protective services and foster care services.

In 1994, the AFDC program was expanded to include short-term emergency assistance (EA) in the form of services and financial assistance. Known as **AFDC-EA**, the program reimbursed States for funds expended on behalf of families who were experiencing an emergency situation and did not have the resources to meet the emergency.

AFDC-EA regulations prohibited families from receiving help for more than 364 days unless a new emergency situation occurred. In addition, regulations required that **all** anticipated services to the family be listed within the first 30 days of eligibility determination or the service could not be provided during the remaining 364 days.

In 1996, when the TANF program replaced the AFDC program, TANF requirements allowed States to use TANF funds for those services that had been approved under the former AFDC-EA program. These regulations made it possible for TANF funds to support child welfare services without triggering Work First income, work or time limits. When TANF funds are used with the same eligibility requirements as the former AFDC-EA program, the funds are referred to as TEA; not TANF.

TEA may be a funding source for intact families who are not involved with child welfare, for families who are receiving child welfare services and for foster care board payments. For foster care board payment eligibility, the child cannot be IV-E eligible.

The TANF legislation also allowed TANF funds to be transferred to the Social Services Block Grant (SSBG). The legislation also allowed the TANF funds to take on the characteristics of SSBG with one exception. Whereas there is no income eligibility requirement for regular SSBG, the TANF legislation specified that use of TANF-transferred-to-SSBG could only fund services to families whose income was at or below 200% of the Federal Poverty Level (FPL). Federal Poverty Guidelines can be found at <http://aspe.hhs.gov/poverty/index.shtml>.

B. Title IV-B, Sub Parts 1 and 2-(Generally do not have program codes attached as most services are not provided directly by DSS staff)

There are two parts to Title IV-B. Both parts include services to children and families at risk, and children in foster care and adoptive placements. Sub-Part 1 is subtitled "Child Welfare Services" and Sub-Part 2 is subtitled "Promoting Safe and Stable Families" (PSSF). Title IV-B funds many adoption assistance benefits as well as prevention services.

1. IV-B, Sub-Part 1-Child Welfare Services

This part of Title IV-B requires each state to develop a State Plan that must incorporate progress on how Title IV-A, Title IV-B, Title IV-E and Title XX funds will be used to provide child welfare services. In addition, continued receipt of IV-B-1 funds is based on:

- the presence of a satisfactory **case review system** required by Title IV-E;
- a service program aimed at helping children remain with their families when that is safe and that provides for **timely permanence** for children who cannot be safely returned home;
- a **pre-placement preventive program** for children at risk of coming into foster care;
- assurances that the state has policies, administrative and judicial procedures in place for **children who are abandoned at, or shortly after, birth**, and that there are procedures in place for **timely permanence** for these children;
- a description of the specific measures the state has taken to comply with the **Indian Child Welfare Act**;
- assurances that the state has developed policies and procedures for timely compliance with **cross-jurisdictional resources to facilitate timely adoption** or other permanent placements for waiting children;
- description of activities the state has undertaken to provide **adoption and post-adoption services to children adopted in other countries**; and
- collection of data and **information on adoption disruptions and dissolutions** when the child must come into foster care as a result.

In most instances, IV-B-1 funds are not used by direct service staff in county DSS's, but are used to contract with community-based agencies for services to families. No matter how the

funds are used, continuation of IV-B funds is contingent on compliance with the above requirements.

2. IV-B-Sub Part 2-Promoting Safe and Stable Families (PSSF)

The purpose outlined in Promoting Safe and Stable Families, Sub-Part 2, of Title IV-B is as follows:

PURPOSE.—The purpose of this program is to enable States to develop and establish, or expand, and to operate coordinated programs of community-based family support services, family preservation services, time-limited family reunification services, and adoption promotion and support services to accomplish the following objectives:

- (a) To prevent child maltreatment among families at risk through the provision of **supportive family services**.
- (b) To **assure children's safety within the home** and preserve intact families in which children have been maltreated, when the family's problems can be addressed effectively.
- (c) To address the problems of families whose children have been placed in foster care so that **reunification** may occur in a safe and stable manner in accordance with the Adoption and Safe Families Act of 1997.
- (d) To **support adoptive families** by providing support services as necessary so that they can make a lifetime commitment to their children.

In addition to providing supportive services for adoptive families, the Adoption and Safe Families Act amendments to PSSF included adoption assistance for children who have been previously adopted from the child welfare system.

C. Title IV-E-Adoption Assistance and Child Welfare- (Program Code "Z")

Title IV-E focuses on foster care and adoption services to children. IV-E funds are used for foster care board payments and adoption assistance payments for eligible children. Title IV-E funds certain case management services in child protective services while the child is still in the home. IV-E also funds administrative and training activities. States are required to have a system for case reviews, regular court oversight, and other legal protections for the child and family. As stated earlier, continued receipt of IV-B funds is closely tied to compliance with IV-E requirements.

Federal IV-E reimbursement for financial assistance, administrative activities, and training is based on the percentage of IV-E eligible children in the legal custody of the State (known as the "penetration rate"). Depending on the activity claimed, the reimbursement rate is further broken down. For example, for training activities for DSS staff, the formula is 75% reimbursement

of the penetration rate while for administrative costs the formula is 50% of the penetration rate. Over the past few years, federal IV-E reimbursement (based on the penetration rate) has declined as child welfare system reform in North Carolina has been successful. This success has meant, however, that county Departments of Social Services have had to look for other funding sources.

The Foster Care Program under Title IV-E is a permanently authorized entitlement ("uncapped") that provides open-ended reimbursement to States for the costs of maintaining eligible children in foster care, and associated administrative and training costs. Recently, federal law has severely restricted the use of IV-E administrative funds for children who are placed with relatives.

D. IV-E Waiver Demonstration Project-(Program Codes "5", "6", "7" and "8")

In July, 2004, North Carolina received federal approval to extend and expand the IV-E Waiver demonstration project. In January 2005, North Carolina began implementing Phase II of the project. This expanded waiver demonstration enables 38 counties (21 newly selected volunteer counties and 17 counties that participated in Phase I) to use federal Title IV-E foster care maintenance and administrative funds to develop and implement strategies for enhancing permanency for children in the child welfare system without jeopardizing the safety and well-being of children and families.

The 38 demonstration counties are:

Alamance, Alexander, Brunswick, Buncombe, Burke, Cabarrus, Caldwell, Chatham, Cleveland, Craven, Cumberland, Currituck, Dare, Davidson, Davie, Durham, Forsyth, Guilford, Harnett, Haywood, Lincoln, Mecklenburg, New Hanover, Orange, Pasquotank, Person, Richmond, Rockingham, Scotland, Stanley, Stokes, Swain, Transylvania, Union, Wake, Wayne, Yadkin, Yancey

Program codes 5 and 6 are to be used when the county has chosen to spend their "Reinvestment Savings" for a specific activity or service for a specific child. If the county has completed the eligibility determination process and the child is IV-E eligible, the county would use code 5. If the child has been determined not to be IV-E eligible, the county would use code 6. Both codes draw down the same reimbursement rate. The different codes help track how the waiver is being used to help non-IV-E eligible kids in addition to IV-E eligible kids.

Program codes 7 and 8 are codes to be used when a county has identified a specific activity or services for a specific child and has determined they want to use funds other than their Reinvestment funds to pay for the activity or service. Code 7 is to be used when the county has done the eligibility determination and the child has

been determined to be IV-E eligible, and code 8 if the child has been determined to be not IV-E eligible. Since waiver funds can be used to keep kids out of custody, in which case most counties would not have done the eligibility determination, counties can use code 8. Both codes draw down the same reimbursement rate.

The Waiver is intended to be child specific and activity or service specific. None of the 38 demonstration counties has been authorized to use waiver funds for every child in their caseloads. Nor are counties authorized for every worker to charge daily time to the Waiver. IV-E Waiver funds may not be used for adoption assistance payments.

The focus is for counties to provide specific services and/or activities to specific children so that they will not enter care.

The IV-E waiver Demonstration Project is set to end on June 30, 2009.

E. Title XIX-Medicaid-At-Risk Case Management Services (Targeted Case Management Services)-(Service and Program Code "395/2")

The federal Medicaid program allows states to tailor certain programs to their locales and such programs are sometimes referred to as "targeted case management". At-Risk Case Management Services (ARCMS) is such a service. ARCMS is a Medicaid reimbursable service that is used for both adults and children. **ARCMS may not be used for children in the legal custody and/or placement responsibility of a county Department of Social Services.**

F. Title XX-Social Services Block Grant-(Program Code "X")

Title XX of the Social Security Act, also referred to as the Social Services Block Grant (SSBG), is a capped entitlement program. Thus, States are entitled to their share of a nationwide funding ceiling or "cap," which is specified in federal statute. These block grant funds are given to States to help them achieve a wide range of social policy goals, which include preventing child abuse, increasing the availability of child care, and providing community-based care for the elderly and disabled. Funds are allocated to the States on the basis of population. In general, reimbursement through SSBG is 75% federal and 25% county funds.

In theory, the entitlement ceiling represents the total amount from which States are entitled to receive their authorized allotments. However, appropriation levels have not always met the entitlement ceiling, and in a few cases, have surpassed it.

The purpose of the Title XX Social Services Block Grant Program is to provide assistance to States to enable them to furnish services directed at one or more of five broad goals:

- Achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency;
- Achieving or maintaining self-sufficiency, including reduction or prevention of dependency;
- Preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating or reuniting families;
- Preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and
- Securing referral or admission for institutional care when other forms of care are not appropriate or providing services to individuals in institutions.

States are given wide discretion to determine the services to be provided and the groups that may be eligible for services, usually low income families and individuals. In addition to supporting social services, the law allows States to use their allotment for staff training, administration, planning, evaluation, and purchasing technical assistance in developing, implementing, or administering the State social service program. States decide what amount of the Federal allotment to spend on services, training, and administration. (Above information on Social Services Block Grant funds was taken from the *Committee on Ways and Means, U. S. House of Representatives, Overview of Entitlement Programs, 2004 Green Book*)

In North Carolina, SSBG funds are used for general adult and children's services and child welfare services. As stated above, the guidelines are flexible and allow a wide number of individuals to qualify. However, because the program is capped, judicious use of these funds is necessary. In the main, SSBG money funds services to elderly and disabled adults. Compared to adult services, child welfare has several funding sources. Consequently, though most children in child welfare may qualify for services funded by SSBG, agencies must make hard decisions about extensive use of these funds for child welfare services.

G. Permanency Planning Funds-Regular and Special- (Program Code "P")

Permanency Planning-Family for Kids funds are used to support direct services (provided by agency staff or purchased) and system reform activities aimed at ensuring permanence for children who are:

- (1) at imminent risk of entering DSS custody or placement responsibility;
- (2) in agency custody/placement responsibility for less than 12 months;

- (3) in agency custody/placement responsibility for more than 12 months and for whom the plan is NEITHER long-term foster care NOR reunification with birth parents; OR
- (4) who have left DSS custody/placement responsibility within the previous 12 months (including post-adoption services).

Reimbursement comes from a combination of Federal (75%)/State (25%) [Regular Permanency Planning] and Federal (75%)/County (25%) funds [Special Permanency Planning]. A county must budget local funds in order to secure the required local matching share when federal/State financial participation is less than one hundred percent to the county Department of Social Services. Jackson and Swain Counties receive a portion of Regular Permanency Planning funds for their Native American populations.

H. (CAPTA) Child Abuse Prevention and Treatment Act of 1974-(Generally does not have a program code because services are not directly provided by DSS staff.)

The objective of CAPTA is to support and improve State child protective services systems in one or more of the 24 program areas. CAPTA requires that states must certify they either already have policies and procedures in place, or state laws that meet these eligibility additions.

The 24 CAPTA program areas are:

1. Improving the intake, assessment, screening and investigation of reports of abuse and neglect;
2. Creating and improving the use of multidisciplinary teams and interagency protocols to enhance investigations; and improving legal preparation and representation including:
 - (a) procedures for appealing and responding to appeals of substantiated reports of abuse and neglect; and
 - (b) provisions for the appointment of an individual appointed to represent a child in judicial proceedings;
3. Improving case management, including ongoing case monitoring, and delivery of services provided to children and their families;
4. Enhancing the general child protective system by developing, improving and implementing risk and safety assessment tools and protocols;
5. Developing and updating systems of technology that support the program and track reports of child abuse and neglect from intake through final disposition and information referral systems;
6. Developing, strengthening, and facilitating training including
 - (a) training regarding research-based strategies to promote

collaboration with the families;

(b) training regarding the legal duties of such individuals; and

(c) personal safety training for caseworkers;

7. Improving the skills, qualifications and availability of individuals providing services to children and families, and the supervisors of such individuals, through the child protection system, including improvements in the recruitment and retention of caseworkers
8. Developing and facilitating training protocols for individuals mandated to report child abuse or neglect;
9. Developing, implementing or operating programs to assist in obtaining or coordinating necessary services for families of disabled infants with life-threatening conditions, including:
 - (a) existing social and health services,
 - (b) financial assistance, and
 - (c) services necessary to facilitate adoptive placement of any such infants who have been relinquished for adoption.
10. Developing and delivering information to educate the public on the role and responsibilities of the child protection system and the nature and basis for reporting suspected incidents of child abuse and neglect;
11. Developing and enhancing the capacity of community-based programs to integrate shared leadership strategies between parents and professionals to prevent and treat child abuse and neglect at the neighborhood level.
12. Supporting and enhancing interagency collaboration between the child protection system and the juvenile justice system for improved delivery of services and treatment, including methods for continuity of treatment plan and services as children transition between systems; and
13. Supporting and enhancing collaboration among public health agencies, the child protection system, and private community-based programs to provide child abuse and neglect prevention and treatment services (including linkages with education systems) and to address the health needs, including mental health needs, of children identified as abused or neglected, including supporting prompt, comprehensive health and developmental evaluations for children who are the subject of substantiated child maltreatment reports.
14. Policies and procedures (including appropriate referrals to child protective services systems and for other appropriate services) to address the needs of infants born and identified as affected by illegal substance abuse or withdrawal symptoms resulting from prenatal drug exposure, including a requirement that health care providers involved in the delivery

or care of such infants notify the child protective services system of the occurrence of such condition in such infants, except that such notification shall not be construed to 1-establish a definition under Federal law of what constitutes child abuse; or 2-require prosecution for any illegal action.

15. The development of a plan of safe care for the infant born and identified as being affected by illegal substance abuse or withdrawal symptoms
16. Procedures for the immediate screening, risk and safety assessment, and prompt investigation of such reports.
17. Triage procedures for the appropriate referral of a child not at risk of imminent harm to a community organization or voluntary preventive service.
18. Provisions to require a State to disclose confidential information to any Federal, State or local government entity, or any agency of such entity, that has a need for such information in order to carry out its responsibility under law to protect children from abuse and neglect.
19. Provisions and procedures for the appointment of a guardian ad litem who has received training appropriate to the role, to represent an abused or neglected child in a judicial proceeding.
20. Provisions and procedures to require that a representative of the child protective services agency shall, at the initial time of contact with the individual subject to a child abuse and neglect investigation, advise the individual of the complaints or allegations made against the individual, in a manner that is consistent with laws protecting the rights of the reporter.
21. Provisions addressing the training of representatives of the child protective services system regarding the legal duties of the representatives, which may consist of various methods of informing such representatives of such duties, in order to protect the legal rights and safety of children and families from the initial time of contact during investigation through treatment.
22. Provisions and procedures for improving the training, retention and supervision of caseworkers.
23. Provisions and procedures for referral of a child under the age of 3 who is involved in a substantiated case of child abuse or neglect to early intervention services funded under part C of the Individuals with Disabilities Education Act.
24. Not later than June 25, 2005 (two years after the enactment of Public Law 108-36), provisions and procedures for requiring criminal background checks for prospective foster and adoptive parents and other adult relatives and non-relatives residing in the household

Program Procedures

The U.S. Department of Health and Human Services provides an annual award of funds to states that submit a State Plan every five years and that meet the eligibility criteria specified in CAPTA. The State Plan specifies the area(s) of the State CPS system to be improved and indicates how the funds will be used to make improvements. The State plan under CAPTA has been consolidated with the comprehensive Child and Family Services Plan (CFSP) under title IV-B of the Social Security Act. This consolidation helps States to plan comprehensively for the full array of child welfare services, from prevention and protection through permanency.

Funds are allocated to States based on a formula related to the total number of children in the State. States have five years from the date of the grant award to obligate and liquidate their Basic State Grant funds.

North Carolina uses its Basic State Grant award to fund several programs through contractual agreements. The Division of Social Services has contracts with the following programs to fulfill its CAPTA State Plan:

Prevent Child Abuse North Carolina: This contract provides for the development and implementation of a comprehensive statewide public education campaign for the prevention of child abuse and neglect and a coordinated statewide and local response.

N.C. Exchange/Exchange Foundation for the Prevention of Child Abuse: This contract provides for parent aide intervention, parenting classes, crisis lines, and public awareness services through 7 local Exchange Child Abuse Prevention Centers throughout the State.

University of North Carolina at Chapel Hill, School of Medicine, Family Support Network of North Carolina: This contract supports the Family Support Network, Foster Family Project that provides information and emotional support for foster families who are providing care for children who have special medical needs or who are medically fragile, including disabled infants.

University of North Carolina at Chapel Hill, School of Social Work, Jordan Institute for Families: This contract supports excellence in family and child welfare services across the State by assisting the Division and county social services providers in the delivery of systematic, high quality services through training, research and technical assistance activities. Contract services include new curriculum development, provision of training, and technical assistance in support of training to improve the child protection system at the county level across the State. Contracts with the Division of Social Services are awarded on an annual

basis. Agencies submit the Division's standard contract application package.

I. Community-Based Child Abuse Prevention Services (CBCAP)

1. Purpose

As mentioned above, CAPTA has been amended several times since its original passage in 1974. One of the major amendments was the Keeping Children and Families Safe Act of 2003 (P.L. 108-36). This Act authorized a grant to states known as the Community-Based Child Abuse Prevention Services (CBCAP) Grant.

The purpose of the CBCAP program is:

- to support community-based efforts to develop, operate, expand, enhance, and, where appropriate, to network, initiatives aimed at the prevention of child abuse and neglect,
- to support networks of coordinated resources and activities to better strengthen and support families to reduce the likelihood of child abuse and neglect, and
- to foster an understanding, appreciation, and knowledge of diverse populations in order to be effective in preventing and treating child abuse and neglect

The federal program instructions issued to states in April of 2004 placed a stronger emphasis on particular areas of programs for CBCAP grantees. These changes were continued in the instructions issued in 2005. These include:

- a stronger emphasis on linking CBCAP programs with Child Welfare systems (Child and Family Services Reviews and IV-B planning),
- a stronger emphasis on parent leadership and involvement,
- a focus on evaluating outcomes of funded programs and activities, and
- linkages with other ACF Priorities (Healthy Marriage, Responsible Fatherhood, Positive Youth Development, Rural Initiative, and Outreach to Faith and Community-Based Organizations)

2. Target Populations

CBCAP programs have some activities available to the general population such as public awareness and education about preventing child abuse and neglect. In addition, programs also target services to vulnerable families that are at

risk of abuse or neglect. These families include:

- Parents (all, new, teens, etc.);
- Parents and/or children with disabilities;
- Racial and ethnic minorities;
- Members of underserved or underrepresented groups;
- Fathers.

3. Appropriations

The appropriation for FY 2004 was \$33.2 million. Federal requirements state that of that allotment, 1% must be set aside for purposes spelled out in legislation.

These are to

- fund Indian tribes and tribal organizations and migrant programs;
- continue funding for the National Resource Center (NRC) for CBCAP; and
- continue funding for program support.

The remainder of the funds are distributed to states and territories under a formula grant. This process allows:

- Seventy percent (70%) of the funds to be allotted proportionately among the states based on the number of children under age 18 residing in each state, except that no state shall receive less than \$175,000, and
- Thirty percent (30%) of the funds to be allotted proportionately among the states based on the amount of private, State or other non-Federal funds leveraged and directed through the currently designated state lead agency in the preceding fiscal year.

The funding allotments are estimations each year based on the variables present in determining funding amounts. Each state must provide cash match of 20% in non-Federal funding of the total allotment. The match funds may come from state or private funding.

CBCAP Funds are used for:

- (1) Family Resource Centers: Providers often offer parenting classes, parent support groups, employability activities, budgeting classes, home visiting, Resource and Referral, etc.
- (2) Special Initiatives: (Fatherhood, Healthy Marriages and Faith Based). Funds are provided to private agencies to implement these Initiatives.
- (3) Prevent Child Abuse NC to do child abuse prevention

activities around public awareness and training opportunities for some of the state's prevention programs.

- (4) A small amount of funds are designated to support Community Child Protection Teams.
- (5) Promoting Safe and Stable Families (PSSF) dollars are provided to local communities for Intensive Family Preservation Services (IFPS), Respite Care, Reunification Services, Non Intensive Family Preservation and Adoption Promotion and Support Services. (We are also using IV-2 funds for this.)

J. LINKS-Chafee Independence Act-(Program Code "K")

The **John Chafee Foster Care Independence Act** replaced the Independent Living Initiative and made substantial changes in the federal efforts that target youth in the foster care system and young adults who have been discharged from foster care. The law has since been amended to include Education Training Vouchers for youth aging out of foster care and youth who are adopted after their sixteenth birthday.

North Carolina has named its Independent Living program **NC LINKS**. LINKS is not an acronym, but instead is a word that captures the purposes of the Chafee Act and the intent of North Carolina: to build a network of relevant services with youth so that they will have ongoing connections with family, friends, mentors, the community, employers, education, financial assistance, skills training, and other resources to facilitate their transition to adulthood.

The goal in North Carolina is for **every** youth and young adult who lives or has lived in foster care as a teenager to achieve the following outcomes by age 21. LINKS program staff should be constantly alert to ways in which they can promote accomplishment of these outcomes.

1. All youth leaving the foster care system shall have sufficient economic resources to meet their daily needs.
2. All youth leaving the foster care system shall have a **safe and stable place to live**.
3. All youth leaving the foster care system shall attain **academic or vocational/educational goals** that are in keeping with the youth's abilities and interests.
4. All youth leaving the foster care system shall have a **sense of connectedness** to persons and community.
5. All youth leaving the foster care system shall **avoid illegal/high risk behaviors**.
6. All youth leaving the foster care system shall **postpone parenthood** until financially established and emotionally mature.

7. All youth leaving the foster care system shall have **access to physical and mental health services.**

LINKS liaisons are encouraged to track and review progress toward these outcomes to provide guidance for all program activities. Strategies that are not effective should be revised.

Funding Formula

Each county with eligible youth receives a LINKS program allocation based on a per capita formula that considers both mandated and non-mandated service populations. Counties then determine how their total program allocation best meets the purposes of the youth in their county within federal and state guidelines. Program allocations and supplemental salary funds are accessed through the DSS-1571 budget process.

LINKS funds may be used **in addition to** other Federal, state, and other funds to provide services but may not be used to supplant (replace) other available Federal funds that are designated for the same purposes.

III. State Funding

A. Overview

State funds are authorized by the North Carolina General Assembly for expenditure on specified services. They may be authorized through a budget bill that includes money for many different projects or services, or through legislation specific to a particular service, population or group of services.

In most instances, State funds are used as match along with county funds to ensure continuation of federal funds. The match formula depends on the federal fund as well as the legislature's ability to provide the funding match. In other instances, county funds are used exclusively to provide the match for federal funds (ex. SSBG).

1. State Foster Home Funds

These are State funds that pay for children who need foster care placement, but who are neither IV-E nor TEA eligible. The State funds 50% of the board payment and the child's county Department of Social Services funds the other 50%. Eligibility requirements for State Foster Home Funds may be found in "Foster Care Funding" in Part VI of this manual.

2. HIV Supplemental Board Payments

HIV Supplemental Board Payments are state funds allocated for children with a Centers for Disease Control (CDC) HIV diagnosis. State funds are also used for HIV supplemental adoption assistance payments. The discussion of both these

funding sources is in Part VI, "Foster Care Funding" under the "State Foster Home Funds" section of this manual.

Another State funding source is the State Funds Program which is money set aside to pay for children who are neither IV-E nor TEA eligible for foster care board payments who are placed in child caring agencies. Child caring agencies must be members of this fund and there is a formula for their reimbursement for the cost of care of foster children.

There is State funding for other adoption assistance such as vendor payments for physical, psychological and medical treatment that families have access to. These funds are provided based on the request by the adoptive parents and the needs of the child. They must be a part of the Adoption Assistance Agreement developed with the adoptive parents for the funds to be accessed.

3. Vendor Payments for Adopted Children

Vendor payments are state funds that are allocated for physical, psychological and/or medical services relating to conditions that existed prior to the adoption and not covered by Medicaid. These funds are provided based on the request by the adoptive parents and the documented needs of the child. The funding of vendor payments must be included in the Adoption Assistance Agreement.

4. Comprehensive Treatment Services Program

NCGS Session Law 2001-424 established the Comprehensive Treatment Services Program that includes the appropriation for At Risk funding for eligible children. Through an agreement with the Division of Mental Health/Developmental Disabilities/Substance Abuse Services, a specific amount of At Risk funding is transferred to the Division of Social Services for room and board costs not covered by other foster care funding.

The objectives of the Comprehensive Treatment Services program are two-fold: 1) To provide state supplement on behalf of eligible children who require foster care services and are in the custody of the State agency administering the program; and 2) To provide the room and board portions of payments in a residential treatment facility.

5. Medical Assistance-Medicaid

Title IV-E eligible children in out of home care are automatically eligible for medical care through Medicaid. As a general rule, in order for non-IV-E eligible children to be eligible for Medicaid, the parents' income and other income available to the child must meet certain federal poverty guidelines. When parents of children who are in foster care have private medical insurance, it must be used before

Medicaid is used.

6. State Maternity Home Fund

The State Maternity Home Fund is a funding resource for any North Carolina resident experiencing a problem pregnancy, regardless of age or marital status, who is unable to remain in her own home during the prenatal period and whose financial resources have been determined inadequate to meet residential costs in an approved living arrangement. However, the State Maternity Home fund is **not available** for children placed in a licensed maternity home who are in the custody or placement responsibility of a county DSS who are determined to be IV-E eligible. In these cases, IV-E funds are available and will need to be claimed by the county DSS through the Child Placement and Payment System on behalf of the eligible child. In order to claim IV-E funds, the maternity home must have a facility ID number assigned by the Division of Social Services.

IV. County Funds

A. Overview

Most county funds are used either for match for federal and state funds as in the case of IV-E and State Foster Home Funds, or used to fund services that cannot be paid for with federal or state funds. An example of the latter is when a child in the legal custody of a county Department of Social Services is placed in an unlicensed foster home or facility. When that occurs, the county pays the entire cost of care for as long as the child is in that home or facility.

There are also other times when the county Departments of Social Services use funds other than the usual federal or non-federal sources. The SIS Manual lists the following relating to "Non-DSS Reimbursable":

B. Program Code (N)-Non-DSS Reimbursable

Includes activities funded by other Federal or non-Federal sources that are not normally matched by the State Division of Social Services, but are under the direct supervision of the county department of social services. Include service activities which are 1) not allowable under any of the other specific Programs listed; 2) services provided to persons not eligible under any of these programs; or 3) services provided to persons eligible under SSBG funds but that are funded by other sources.

Counties may use county funds or they may have access to local grants or foundation funds that would be used to provide services. Any other local monies that a county may have access to would come under the "N" program code.

C. Examples for Reporting N:

- 1) Time spent in providing County General Assistance. However, if a County General Assistance payment is initiated and provided by service staff as integral to the delivery of services, County General Assistance time need not be reported separately.
- 2) Activities in providing services to a person that are funded with a Community Based Alternative grant (or any other special grant).
- 3) The activities of completing and reviewing Form DSS-6847 (these are case management activities associated with the State Abortion Fund and coded as 385) must be coded "N" in the program column of the DSS-4263.
- 4) When reimbursement is expected from Medicaid funds for services reimbursable from the Community Alternative Programs or from Medicaid Personal Care Services.

D. "Other Non-DSS Reimbursable Services".

These codes are available for use in reporting activities in service programs that:

- 1) are funded by Federal or non-Federal funding sources not administered by the Division of Social Services, and
- 2) are under the direct supervision of the county department of social services and are provided directly to clients by service workers of the county department of social services, and
- 3) involve service activities which are not comparable to activities defined under any other service code in **SIS Manual, Appendix B.**

The definitions of "**Other Non-DSS Reimbursable Service**" codes are designated by the county department of social services. County departments of social services may designate one of these service codes for all "Other Non-DSS Reimbursable Services" or may designate one code for each "Other Non-DSS Reimbursable Service". For purposes of the Services Information System, these codes are to be used to record any "Other Non-DSS Reimbursable Service" in a Client's service plan (DSS-5027) and to report time spent by service workers in "**Other Non-DSS Reimbursable Service**" activities. Inasmuch as these codes represent "**Other Non-DSS Reimbursable Services**" provided directly by county staff, they are not to be used for reporting non-DSS reimbursable purchased services on the DSS-1571.

In addition to county government funds, agencies may use contributions from community partners, grants from private foundations, etc. to help maintain services to families and individuals.