

Title IV-E Ratio

Overview

Our discussion of the Title IV-E Ratio begins with background on the federal Title IV-E program, outlines the Ratio and how it is calculated, then goes into how it is used and the value of keeping it high.

What is Title IV of the Social Security Act?

Title IV-E is authorized under the federal Social Security Act, which covers many kinds of aids and grants. The term “title” here refers to the largest unit of federal statute inside an act. All of Title IV has to do with children, and Title IV-E is the fifth section inside Title IV. Sections inside Title IV include:

Title IV-A TANF (Temporary Assistance to Needy Families) which is primarily used in Minnesota for MFIP (Minnesota Family Investment Program). Prior to 1996, Title IV-A was AFDC (Aid to Families with Dependent Children).

Title IV-B Child Welfare

Title IV-C has been repealed – it once covered a Work Incentive Program aimed at recipients of the old AFDC program

Title IV-D Child Support and Establishment of Paternity

Title IV-E Foster Care and Adoption Assistance – it also covers Kinship Assistance

Title IV-F has been repealed – it was once a welfare reform program known as Job Opportunities and Basic Skills Training Program

What is the Title IV-E Program?

Title IV-E has three parts: foster care, adoption assistance, and kinship assistance. Please notice these are essentially the same three parts as Northstar Care for Children. The Title IV-E Ratio applies to foster care, but we will briefly cover all three.

Foster Care: Before it was Title IV-E, this was known as AFDC Foster Care. The federal government used to have the AFDC (Aid to Families with Dependent Children) for poor families with children. If such a child was removed from the home and put into foster care, the federal government would pay for a share of the foster care costs. Child welfare advocates were concerned that the way AFDC Foster Care worked appeared to increase the likelihood that children would stay in foster care too long. Often, foster children “drifted” from one foster home to another – neither returning home nor gaining a new permanent family – until they aged out of foster care.

Responding to these concerns, Congress created Title IV-E Foster Care in 1980. It included many provisions designed to increase permanency as a goal for children in foster care. The link to AFDC continued – a child must be removed from a home that meets AFDC eligibility criteria. This link to AFDC remains to this day, even though AFDC was abolished and replaced by TANF back in 1996. To be eligible for Title IV-E Foster Care, a child must also be in a licensed foster home or facility, the court must regularly review the case and make certain findings, and social workers need to follow very specific procedures. Federal audits of foster care are very strict, looking at every requirement and procedure.

Adoption Assistance: Children whose parental rights are terminated (or suspended by a tribe) and then adopted out of foster care are eligible for Title IV-E adoption assistance – in Minnesota known as Northstar Adoption Assistance. All the adoption assistance eligibility and other paperwork must be completed **before** the child is adopted. Congress has eliminated the AFDC link for adoptions.

Kinship Assistance: In Minnesota, this is known as Northstar Kinship Assistance. The federal Title IV-E term is kinship guardianship assistance, but Minnesota uses the term guardianship in a different way.

Although federal law favors adoption, Title IV-E also covers children in foster care who receive a Transfer of Permanent Legal and Physical Custody (TPLPC) to a qualifying relative. The relative is known as a relative custodian. Title IV-E requires that the child live with the relative custodian while the relative was a licensed foster parent for at least six months prior to the TPLPC. As with adoption assistance, all eligibility and other paperwork must be completed **before** the TPLPC.

Unlike adoptions, the AFDC link remains for kinship. As a result, many Northstar Kinship children receive no federal Title IV-E funding and are paid for exclusively by the state and the child's county or tribe.

What is the Title IV-E Ratio?

The Title IV-E Ratio is the percentage of children in placement who are eligible for Title IV-E program reimbursement. The Ratio serves two main purposes:

1. It is a cost allocation method that determines the portion of the total allowable costs that can earn federal Title IV-E administrative revenue. It is used this way for the SSTS (Social Service Time Study), LCTS (Local Collaborative Time Study), SSIS Operational Reimbursements, and Child Welfare Training Reimbursement.
2. It is a good indicator of how well your agency is doing in getting and keeping children and their placements to be Title IV-E eligible. A high Ratio is a good indicator that your agency will earn more Title IV-E on claims through the Child Foster Care Report for foster care maintenance, intake and planning, initial clothing, child care, and Rule 4 Administration & Training.

How is the Title IV-E Ratio calculated?

One number (numerator) gets divided by another number (denominator). The bigger the numerator is, the higher the resulting Title IV-E Ratio will be.

The **numerator** is Title IV-E eligible children. Most of the time, the child has to be Title IV-E reimbursable to be counted in the numerator. That means that both the child and their current placement have to be Title IV-E eligible. There are two important exceptions, when even more children get included:

Children who are Title IV-E eligible and are receiving SSI instead of Title IV-E. These children get included in the numerator.

Children who are Title IV-E eligible and are placed with a relative foster parent who is in the process of getting licensed. These children are included in the numerator for up to 12 months even though the relative foster parent is not yet licensed.

As you can see, the numerator is fairly restrictive and it takes work to make it bigger. In contrast, the **denominator** is practically all children in out-of-home placement. It gets big easily.

There is a simplified example on the next page.

1. Title IV-E Reimbursable children (current successful claims)	5
2. Title IV-E Eligible Children who get SSI not Title IV-E	1
3. Title IV-E Eligible Children in placement less than 12 months with relative foster parents who are not yet licensed	2
4. Total Numerator [1+2+3]	8
5. Children in out-of-home placement for 1 or more days	20
6. Total Denominator [5]	20
7. Title IV-E Ratio [4 / 6]	8 / 20 = 40.0%

This example was simplified by showing only one figure for the entire quarter. Technically, the numerator is the average of the monthly number of eligible children **for each of the three months of the quarter**.

Similarly, the denominator is also an average of the three months. You can see an example of this averaging in the screenshot below.

Where can I find my agency's Title IV-E Ratio?

The Title IV-E Ratio can be found in SSIS. State Reports > Child Foster Care Report > Child Count Ratios.

This Child Count Ratios tab for the Child Foster Care Report shows all the data included in the calculation for that quarter. Here is a screen shot:

Child Count Proofing		IV-E Recoveries		IV-E Remitt	
Child Foster Care Claims		Payment Proofing		Child Count Ratios	
Quarter:	2015 Q3 (Current Quarter)	Title IV-E Reimbursability Ratio:	0.34375000	(A / C)	
		Title IV-E Eligibility Ratio:	0.34375000	(A + B) / C	
		ICWA Title IV-E Reimbursability Ratio:	0.49999999	(D / F)	
		ICWA Title IV-E Eligibility Ratio:	0.49999999	(D + E) / F	
Child Count Type		08/15	07/15	06/15	Average
Type : All Children					
A. IV-E Eligible Child, Reimbursable		1	4	6	3.66666666
B. IV-E Eligible Child, SSI & Relative License Pending		0	0	0	0.00000000
C. Total Children in Placement		5	18	9	10.66666666
Type : American Indian Children					
D. IV-E Eligible Indian Child, Reimbursable		0	0	1	0.33333333
E. IV-E Eligible Indian Child, SSI & Relative License Pending		0	0	0	0.00000000
F. Total Indian Children in Placement		0	1	1	0.66666666

This information can also be found on the web at CountyLink > Fiscal Reporting and Accounting > Title IV-Ratios > Title IV-E Child County Ratios.

When is the Ratio calculated?

SSIS reports the child counts each time a county submits the quarterly Child Foster Care Report (the replacement for the Title IV-E abstract). At the same time, SSIS reviews and submits updated data for the previous 4 quarters if any changes happened – such as identifying new Title IV-E eligible children, newly licensed placements that are now Title IV-E eligible, or other changes in Title IV-E eligibility for a child or their placement.

What is the Title IV-E Ratio used for?

SSTS/LCTS

The Title IV-E Ratio plays an important “behind the scenes” role in the SSTS (Social Service Time Study).

The SSTS asks social workers, case aides, and other social service line staff what they are doing about 5 random times each quarter (“random moments”). Large counties stand alone, while smaller counties are grouped so that the SSTS results are statistically significant to meet federal requirements.

This gives a “snapshot” of how social service line staff as a group spend their time. Some of that time is eligible for Title IV-E administrative reimbursement, but **only** if provided to Title IV-E eligible children.

However, there is no way for social service staff to reliably know which children are or might become Title IV-E eligible. For instance, it often takes a while to have all the Title IV-E paperwork in place. As another example, many of these children aren’t yet in placement and others will never be.

The federal government recognizes the Title IV-E Ratio as a legitimate **estimate** of how much of the social service staff time is working with Title IV-E kids, as against all kids. As a result, following cost allocation principles, DHS multiplies the percentage of time spent on Title IV-E eligible activities times the Title IV-E Ratio. This discounted time is multiplied by the county’s quarterly cost pool to determine the Title IV-E reimbursable amount. Of course, the feds only pay 50% FFP, so that’s how much the county earns.

As an example:

1. Title IV-E Eligible Child Welfare Activity Hits recent 4 quarters SSTS	100
2. Total Hits recent 4 quarters SSTS	2000
3. Title IV-E Eligible Child Welfare Activity percentage [1 / 2]	$100 / 2000 = 5\%$
4. Title IV-E Ratio	40%
5. Title IV-E Reimbursable Percentage [3 x 4]	$5\% \times 40\% = 2\%$
6. County SSTS Cost Pool this quarter	\$300,000
7. Title IV-E Reimbursable Amount [5 x 6]	$\$300,000 \times 2\% =$ \$6000
8. Title IV-E Revenue [7 x 50% FFP]	$\$6000 \times 50\% =$ \$3000

The use of the Title IV-E Ratio in the LCTS (Local Collaborative Time Study) works essentially the same way.

The SSTS and the LCTS both calculate Title IV-E earnings using a 2-part process:

Part 1: The initial claim is calculated using the initial Title IV-E Ratio

Part 2: The initial claim is reconciled one year later using updated data, which includes the updated Title IV-E Ratio.

SSIS Operations Reimbursement:

SSIS Operational costs to support the social workers and support staff that spend a significant portion of their time with child welfare activities may be directly charged to SSIS. The Title IV-E Ratio is used to calculate the non IV-E and IV-E share of FFP. Please see bulletin # 17-32-17, Instructions for Completing the Social Service Fund Report, Form DHS-2556, for further details or to the **How to calculate your SSIS Direct Charge Detail Claim (from Section 3A, Lines 39 -43) of the Social Service Fund Report, DHS-2556**, document that is attached.

Child Welfare Training Reimbursement:

Training costs are eligible for 75% FFP after DHS applies your county's Title IV-E Ratio. Please see bulletin # 17-32-17, Instructions for Completing the Social Service Fund Report, Form DHS-2556, for further details.

Child Foster Care Report:

The Title IV-E Ratio is not used directly in the Child Foster Care Report. The CFC edits each claim based on whether the child is Title IV-E eligible, the placement is Title IV-E eligible, and the specific cost is Title IV-E eligible.

However, the Title IV-E Ratio is probably the best single indicator of how well a county is doing with Title IV-E claims. The higher the Title IV-E Ratio is, the more revenue the county will earn for federal Title IV-E claims for foster care maintenance, intake and planning, initial clothing, child care, and Rule 4 Administration & Training. A higher Title IV-E Ratio will also increase the likelihood that a child will be Title IV-E eligible if they later receive Northstar Kinship Assistance, keeping the non-federal portion of these costs lower.

Why is it important to make a diligent effort to get the best Ratio possible?

The Title IV-E Ratio either directly increases federal Title IV-E revenue, or is an excellent indicator of successful claims through the Child Foster Care Report. A small increase in the Ratio typically translates into an increase in a number of revenue streams.

Why is it important to complete a Title IV-E eligibility determination on every child that enters foster care?

A Title IV-E eligibility determination must be made for all children that enter foster care. This is a requirement under [Minnesota Statutes 256N.21 Eligibility for Foster Care Benefits](#). It is important to establish Title IV-E eligibility as soon as possible to expedite the IV-E process and claiming.

How might we work to increase our Title IV-E Ratio?

It rarely works for this to be left to only one person or type of staff. Title IV-E eligibility has many different aspects, and it's difficult for any one person to make sure it all works together by themselves.

Most counties have found that it's best for people from different disciplines to team up. For example, an effective team might include:

- Social service (particularly child welfare) supervisor, line staff and Title IV-E coordinator
- Fiscal staff
- SSIS mentor
- Financial worker (one who understands Title IV-E eligibility and is willing to work to help families become eligible)
- Child Support Staff
- Licensing staff
- Some counties add staff from the county attorney's office, since Title IV-E has substantial court and other legal requirements

It also is important for the director to clearly signal his or her support for the effort, and to back the team as they try different things to make a difference.

Counties can also contact their Regional Eligibility Determination Trainers (EDT) for assistance with determining Title IV-E Eligibility and the Child Foster Care report. Below is the contact information for the Eligibility Determination Trainers:

Debbie Retterath - SE 507-582-1046 - debbie.retterath@state.mn.us

Paula Katzenmeyer - SW 320-587-7982 - paula.j.katzenmeyer@state.mn.us

Deborah Trotter - NW 218-961-0080 - deborah.a.trotter@state.mn.us

Deborah Miller - NE 218-850-4585 - deborah.miller@state.mn.us

What have you noticed that has worked?

What have you noticed that doesn't or hasn't worked?

The next two pages show how to calculate your SSIS Direct Charge Detail Claim.

How to calculate your SSIS Direct Charge Detail Claim (from Section 3A, Lines 39 - 43) of the Social Service Fund Report, DHS-2556

SECTION 3A: SSIS DIRECT CHARGE DETAIL				
Please report only the portion of direct-charged expenditures allowable for FFP				
	Remarks	Gross Expenditures prior to Allocation to SSIS	Total Operational Expenses Allocated to SSIS	Total Capital Outlay to be Depreciated
PERSONNEL COSTS				
(39) Maintenance Programming/Testing		0	0	
(40) User and Desktop Support		0	0	
HARDWARE/NETWORK/COMMUNICATIONS/SOFTWARE				
(41) Hardware/Network/Communications	Replace SSIS computers	22,798	18,905	0
(42) Software (specify)		0	0	
OTHER				
(43) Other (specify) SSIS Training, etc.		0	0	
(44) Total Expenditures (Allocated to SSIS - To Line 34 above)		22,798	18,905	0
(45) Depreciation Expense for Quarter (Allocated to SSIS - To Line 35 above)			0	

1. Determine your agency specific allocation % between other agency divisions and Children's Services Support. In this example it was determined that Children's Services Support was 82.925%.
2. Take the SSIS Gross Expenditures and multiply this dollar amount by the Children's services support % determined in step 1. This calculated dollar amount will be used in the steps below to calculate FFP on child welfare shared and child welfare only (specific) portion of the SSIS gross expenditures.

Example calculation:

$$\$22,798 * 82.925\% = \mathbf{\$18,905 \text{ Child Welfare Only Costs portion of SSIS gross costs}}$$

3. SSIS Functionality Ratio is 32.6% for **child welfare shared** costs and 67.4% for **child welfare only** (specific) costs.
4. **Child Welfare Shared Costs:** child welfare shared SSIS functionality % (32.6%) multiplied by the SSIS gross costs allocated amount calculated in step 2 above.

Example calculation:

$$32.6\% * \$18,905 = \mathbf{\$6,163 \text{ (this is the amount eligible for FFP reimbursement)}}$$

5. Apply the county Title IV-E ratio to calculate the non IV-E and IV-E share of FFP. You can find your Title IV-E Eligibility Ratio in SSIS. In SSIS, open your current quarter **Child Foster Care Report**.

Next, click on the Child County Ratio tab. Look for Title IV-E Eligibility Ratio box. If your county does not have a ratio for the quarter, the default state wide median ratio will be used in the calculations.

Quarter: 2015 Q3 (Current Quarter)

Title IV-E Reimbursability Ratio: 0.29600000 (A / C)

Title IV-E Eligibility Ratio: 0.33600000 (A + B) / C

ICWA Title IV-E Reimbursability Ratio: 0.00000000 (D / F)

ICWA Title IV-E Eligibility Ratio: 0.00000000 (D + E) / F

Child Count Type	08/15	07/15	06/15	Average
Type : All Children				
A. IV-E Eligible Child, Reimbursable	12	12	13	12.33333333
B. IV-E Eligible Child, SSI & Relative License Pending	1	2	2	1.66666667
C. Total Children in Placement	40	43	42	41.66666667
Type : American Indian Children				
D. IV-E Eligible Indian Child, Reimbursable	0	0	0	0.00000000
E. IV-E Eligible Indian Child, SSI & Relative License Pending	0	0	0	0.00000000
F. Total Indian Children in Placement	1	0	0	0.33333333

Title IV-E % from above multiplied by the dollar amount from above (step 4) – child welfare shared costs eligible for FFP reimbursement multiplied by 50% = IV-E child welfare shared costs FFP.

Example calculation:

33.6% (Title IV-E Eligibility Ratio) x \$6,163 (child welfare shared costs eligible for FFP) = \$2,071

2,071 x 50% = **\$1,036 IV-E child welfare shared costs FFP**

- Child Welfare Only Costs:** child welfare only costs SSIS functionality % (67.4%) multiplied by the SSIS gross costs allocated amount from step 2 above.

Example calculation:

67.4% (child welfare only costs SSIS functionality) x \$18,905 (SSIS gross costs allocated amount) = \$12,742

\$12,742 * 50% = **\$6,371 Title IV-E child welfare only costs FFP**

- FFP Totals (amount you should be reimbursed):**

Title IV-E child welfare shared costs	\$1,036
Title IV-E child welfare only costs	<u>\$6,371</u>
TOTAL FFP Reimbursement	\$7,407