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| OCFS LOCAL COMMISSIONERS MEMORANDUM |
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Transmittal No: 98 LCM-32

Date: June 19, 1998

Office: Strategic Planning and
Policy Development

TO: Local District Commissioners

SUBJECT: TITLE IV-E WAIVER - CHILD WELFARE DEMONSTRATION PROJECT

ATTACHMENTS: Title IV-E Waiver Terms and Conditions
(not available on-line)

The purpose of this memorandum is to inform you that on June 11, 1998 the Office of Children and Family Services formally accepted the Terms and Conditions of the Title IV-E Waiver Demonstration Project as offered by the U.S. Department of Health and Human Services. The final Terms and Conditions are the same as those distributed and presented at the Winter NYPWA conference on January 29 and discussed at subsequent meetings in each of the regions over the last few months. Attached is a copy of those Terms and Conditions.

Please note we received the following responses from the federal Department of Health and Human Services to questions we formally raised regarding implementation of the Title IV-E Waiver Terms and Conditions:

1. You express concern that cost neutrality is to be demonstrated on a quarterly basis, rather than over the life of the project...; [the terms and conditions (Ts&Cs) provide a formula for paying to New York, quarterly, an amount determined to be what would have been paid in title IV-E in the absence of a Demo; this quarterly provision is intended merely to govern the amount and timing of payments to the State].

2. You are concerned about a limit on the amount of funds that can be reinvested in early project expenditures...; [the Ts&Cs do not limit total expenditures; New York and the Districts are free to invest as required by the projects that may be proposed, and there is even a potential for drawing down Federal funds up to 5% above the amount provided by the formula, in the early quarters, to assist in financing such investment].
3. You are concerned about a requirement to expend savings by the end of the demonstration period; [this arises from the fact that title IV-E provides reimbursement for allowable expenditures made by States; the exact requirement is that the State and/or the Districts spend enough each quarter for the Demo or for purposes allowable under IV-E or IV-B to be able to draw down the full amount the formula would provide].
4. You are concerned about establishing case-specific baseline data for comparison groups... [while the Ts&Cs establish basic requirements for any District evaluation plan to be approvable, I am not aware that a design relying on baseline data has been presented, and we would not necessarily insist on baseline data for evaluation purposes in any case].

As you know, the Title IV-E Waiver Demonstration requires an experimental design that will test the benefits of alternative service delivery models using "treatment" and "control" groups. Under the Demonstration, federal Title IV-E funding that is normally limited to Title IV-E eligible children and Title IV-E eligible services (primarily foster care and adoption services) may be used to finance alternative approaches to the delivery of child welfare services. The Title IV-E Demonstration will allow reimbursement of Title IV-E funds for a broad range of services (including child protective, preventive, family support and family reunification services) and will allow reimbursement of Title IV-E funds for populations that include children and families not normally eligible for funds under Title IV-E.

On a statewide basis, there must be at least one district/site implemented by December 31, 1998 pursuant to the Title IV-E Waiver Terms and Conditions. Subsequently, additional districts/sites may enter the State's demonstration so long as each district/site begins implementation at least three years prior to the end of the demonstration, which will be no later than December 31, 2003.

If you are interested in pursuing the implementation of a Title IV-E Waiver Demonstration, you must notify your Office of Children and Family Services (OCFS) regional office director by June 30, 1998. Under the Title IV-E Waiver Terms and Conditions, OCFS must submit its developmental cost

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plan for the demonstration to the U.S. Department of Health and Human Services "no later than 30 days after signing the Terms and Conditions." Thus, it is very important that we hear from you immediately regarding your intent to participate in the Title IV-E Waiver Demonstration.

OCFS staff are available to provide technical assistance to social services districts interested in developing a Title IV-E Waiver Demonstration. Technical assistance is available to help you review program and budget proposals, develop outcome measures and rate setting procedures, and review contract language and proposed agreements regarding the provision of and payment for services provided under a Title IV-E Waiver Demonstration.

The Title IV-E Waiver provides us with an exciting opportunity to demonstrate the benefits of using innovative models to serve the children and families who require our intervention. OCFS staff are prepared to work with you and your staff in this important effort.

If you have any questions regarding this memorandum, please feel free to contact your OCFS regional office director.

William F. Baccaglini
Director
Office of Strategic Planning and
Policy Development