



COMMONWEALTH of VIRGINIA

DEPARTMENT OF SOCIAL SERVICES

Office of the Commissioner

James Hunter Williams
Commissioner

December 19, 2024

MEMORANDUM

TO: The Honorable Glenn Youngkin
Governor of Virginia

The Honorable L. Louise Lucas
Chair, Senate Finance and Appropriations Committee

The Honorable Luke E. Torian
Chair, House Appropriations Committee

Michael Maul
Director, Virginia Department of Planning & Budget

FROM: James H. Williams *James Williams*

SUBJECT: Annual Report on Foster Care Spending, Error Rates and Compliance with Federal and State Reviews

This report is submitted in compliance with Item 324.E. of the 2024 Appropriation Act, which states:

E. 1. Out of this appropriation, ten positions and the associated funding shall be dedicated to providing on-going financial oversight of foster care services. Each of the ten positions, with two working out of each regional office, shall assess and review all foster care spending to ensure that state and federal standards are met. None of these positions shall be used for quality, information technology, or clerical functions.

2. By September 1 of each year, the department shall report to the Governor, the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees, and the Director, Department of Planning and Budget regarding the foster care program's statewide spending, error rates and compliance with state and federal reviews.

JW/kc

Attachment

cc: The Honorable Janet V. Kelly, Secretary of Health and Human Resources



2024 Foster Care Spending, Error Rates, and Compliance with State and Federal Reviews

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2024 FOSTER CARE SPENDING, ERROR RATES AND COMPLIANCE WITH STATE AND FEDERAL REVIEWS

A Report for the Virginia General Assembly

September 01, 2024

REPORT MANDATE

Item 324.E. of the 2024 Appropriation Act

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EXECUTIVE SUMMARY

The Quality Assurance and Accountability (QAA) team continues to assist with driving error rates in the Commonwealth's Title IV-E cases. During state fiscal year 2024 the QAA team celebrated the following successes with our Regional and Local Departments of Social Services:



Reviewed 4,255 Cases



22% decrease in errors from the previous year

During this review cycle, Virginia complied with an error rate of 3.43% which is 65.7% below the required threshold.

The efforts of our QAA Title IV-E Consultants directly impact Virginia's ability to maintain federal funding enabling VDSS to continue providing services for youth in foster care.

About VDSS and Title IV-E

The Virginia Department of Social Services (VDSS) partners with local departments of social services and community organizations, to promote the well-being of children and families across the Commonwealth. We proudly serve alongside nearly 13,000 state and local human services professionals throughout the Social Services System, who ensure that thousands of Virginia's most vulnerable citizens have access to the best services and benefits available to them.

Together, we work each day to serve, empower, and create opportunities for brighter futures.

Title IV-E of the Social Security Act authorizes the federal-state Foster Care, Prevention, and Permanency program. This team addresses and predicts financial penalties through reviews of IV-E work at the local level.

DEFINITIONS

QAA

Quality Assurance and Accountability. Virginia has 10 full-time and 5 part-time QAA title IV-E Consultant positions. These QAA Consultants maintain compliance and Quality Control (QC) by conducting various local-level reviews. This work ensures we receive continued funding through the title IV-E program.

Title IV-E or “IV-E”

Title IV-E of the Social Security Act authorizes the federal-state funding for Foster Care, Prevention, Adoption, and Training programs under the Code of Federal Regulations (CFR) at 45 CFR parts 1355, 1356, and 1357. It is an annually appropriated program with specific eligibility requirements and fixed allowable uses of funds. Funding is awarded by formula as an open-ended entitlement grant and is contingent upon an approved title IV-E plan to administer or supervise the administration of the program. The Title IV-E agency, in this case VDSS, must submit quarterly reports of estimated and actual program expenditures.

OASIS

The Online Automated Services Information System (OASIS) is a database for child welfare. This is VDSS’s online case management system for Child Protective Services, Foster Care, and Adoption cases.

ACF

[The](#) Administration for Children and Families (ACF) is a division of the U.S. Department of Health & Human Services (HHS), which promotes the economic and social well-being of families, children, youth, individuals and communities with funding, strategic partnerships, guidance, training, and technical assistance.

PROGRAM OVERVIEW

Virginia’s title IV-E Quality Assurance & Accountability (QAA) team is comprised of ten full-time QAA title IV-E Consultant positions and five part time positions, who maintain compliance and Quality Control (QC) by conducting various local-level title IV-E Foster Care reviews. These reviews address and predict financial penalties and gaps in compliance.

CONTACTS

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2024 Foster Care Spending, Error Rates, and Compliance with State and Federal Reviews

SECTION 1 BACKGROUND

VDSS must submit to the Administration for Children's Bureau yearly estimates of program expenditures as well as quarterly reports of estimated and actual program expenditures in support of the awarded funds. Funds are then available for monthly maintenance payments for the daily care and supervision of eligible children.

Periodic and systematic reviews of Virginia's title IV-E foster care programs are conducted by ACF Children's Bureau to ensure federal funds are expended for intended purposes and to recover improper expenditures. Full implementation of the final regulatory rule for the monitoring review advanced the federal government's efforts in partnering with states to improve overall management of the foster care eligibility program and to secure safe foster care placements for children. States responded to the monitoring reviews by initiating program assessments and improvements to meet compliance standards in anticipation of the reviews or by developing and implementing program improvements because of the reviews.

TITLE IV-E PRIMARY REVIEWS

Virginia's title IV-E foster care program continues to be successful, as asserted by passing the 2019 Primary Federal Review. The 2019 title IV-E federal review marked the second consecutive success for Virginia. During the 2019 exit interview, the Children's Bureau praised VDSS's quality assurance and IV-E review process. The success of the team is attributed to the knowledge of our title IV-E consultants.

QUALITY ASSURANCE AND ACCOUNTABILITY

There are ten full-time and five part-time QAA title IV-E consultants employed by VDSS who conduct reviews of local department of social services (LDSS) in each of the five VDSS regions.. The QAA staff have improved VDSS's ability to Quality Control (QC) title IV-E cases, ensured compliance with state and federal guidelines, and secured continued funding through the IV-E grant.

The title IV-E consultants administer two types of reviews for LDSS: ongoing reviews and new case validations. Ongoing reviews are designed to provide continuous QC and support to the LDSS by reviewing a percentage of open Title IV-E cases at least once each fiscal year. New case validations are designed to review and ensure appropriate eligibility determinations and are made within approximately 90 to 120 days of children and youth entering foster care. This validation process ensures timely, appropriate, and maximum utilization of federal dollars.

SECTION 2 QUARTERLY QA REVIEW JULY 1, 2023- JUNE 30, 2024

Virginia’s Title IV-E maintenance expenditures for state fiscal year (SFY) 2024 totaled \$ 35,114,221.90. Expenditures will continue to be in line with services and federal requirements for improved compliance and additional financial accountability. Maintenance payments are monthly payments made on behalf of an IV-E eligible child or youth to cover the cost of food and providing food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child and reasonable travel for a child's visitation with family or other caretakers.

Effective July 1, 2023, the Title IV-E QAA team resumed reviewing 100% of all ongoing cases in preparation for the upcoming FY25 IV-E Federal Review. During non-federal review cycles, the QAA title IV-E team reviews a percentage of the cases in each locality based on our Shared Fiscal Accountability (SFA) process. The tiered system is centered on how well a locality performs in its prior quarterly review. This system was created to enhance capacity at the local level, reduce the amount of work on the local level, and create a system of reward based on performance. The SFA process was built with local department's input and strives to reduce the burden on the LDSS while ensuring compliance with federal standards. The SFA process will resume at the beginning of FY26. The new case validations continue to be completed at 100% of all open cases. The QAA title IV-E consultants continue to complete reviews remotely.

ERROR RATE BY REGION

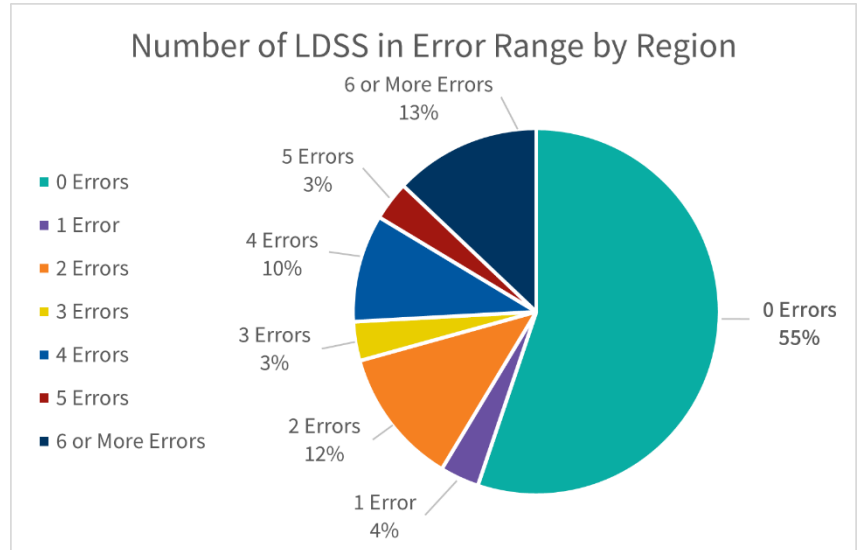
Out of 120 LDSS offices in the Commonwealth, 116 have title IV-E cases. QAA staff reviewed 4,260 IV-E cases in SFY24. The results for the Quarterly QA Reviews by region are as follows:

Region	Number of Cases Reviewed	Number of Total Case Errors	Overall Error Rate
Central	609	25	4.11%
Eastern	801	28	3.50%
Northern	878	26	2.96%
Piedmont	1148	28	2.44%
Western	824	39	4.73%
Total	4260	146	3.43%

YEAR END RESULTS

A LDSS with one or more error cases is identified as non-compliant and needing improvement to fully align with state and federal guidance and regulations for title IV-E. In SFY24, 68 LDSS had either zero or one error. The tables below provide a breakdown of the errors found during this reporting period.

Number of Errors Identified	Number of LDSS in Error Range	Number of Cases Reviewed
0	64	1,489
1	4	124
2	14	607
3	4	167
4	11	398
5	4	155
6 or More	15	1,315
Totals	116	4,255



In conclusion, the ten positions authorized by the 2022 Appropriations Act have allowed VDSS to continuously review LDSS title IV-E cases over the past six years, ensuring that eligibility errors are caught and corrected early. With a 3.43% rate of errors and the absence of an electronic CCWIS and title IV-E tracking system, these ten positions are critical to ensure ongoing compliance with title IV-E reviews. In preparation for the federal review scheduled for the third quarter of SFY25, VDSS is completing reviews of 100% of all new funding validations and all ongoing cases. These staff members provide ongoing and immediate technical assistance and support to LDSS in maintaining initial and ongoing federal funding requirements. These positions are vital to Virginia for preparing and being successful in all upcoming title IV-E federal reviews.

APPENDIX A: ITEM 324.E. OF THE 2024 APPROPRIATION ACT

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