

**DEPARTMENT OF CHILDREN AND
FAMILY SERVICES**

**INDEPENDENT LIVING TRANSITION SERVICES
PROGRAM**

Operational Audit



SECRETARY OF THE DEPARTMENT OF CHILDREN AND FAMILY SERVICES

The Department of Children and Family Services is created by Section 20.19, Florida Statutes. The head of the Department is the Secretary who is appointed by the Governor subject to confirmation by the Senate. During the period of our audit, the following individuals served as Secretary:

George Sheldon	From September 2008 to January 2011
Robert Butterworth	From January 2007 to August 2008

The audit team leader was Samantha Colbert, CPA, and the audit was supervised by Mary Stewart, CPA. Please address inquiries regarding this report to Jane Flowers, CPA, Audit Manager, by e-mail at janeflowers@aud.state.fl.us or by telephone at (850) 487-9136.

This report and other reports prepared by the Auditor General can be obtained on our Web site at www.myflorida.com/audgen; by telephone at (850) 487-9175; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

DEPARTMENT OF CHILDREN AND FAMILY SERVICES

Independent Living Transition Services Program

SUMMARY

This operational audit of the Department of Children and Family Services (Department) focused on the Department's administration of the Independent Living Transition Services (ILTS) Program. Our audit disclosed the following:

YOUNG ADULT SERVICES

Finding No. 1: The Department and community-based care (CBC) lead agencies did not require that actual living and educational expenses be utilized as a basis for determining the amounts of the Road to Independence (RTI) awards made to clients who were high school students. Additionally, for clients who were post-secondary students, the Department and CBCs were unable to provide documentation supporting the appropriateness of the amounts of the RTI awards.

Finding No. 2: Department rules and guidelines did not specifically address the type of documentation that would be sufficient to demonstrate appropriate progress by students in GED programs.

Finding No. 3: The Department and CBCs made payments for Aftercare Support Services to young adults in the same month during which the young adult received both RTI and Transitional Support Services payments. These payments in total were sometimes significant in amount, and in some cases, made to meet the same identified need. In addition, the Department and CBCs did not always ensure that only eligible young adults received Aftercare and Transitional Support Services and that the payments for Aftercare and Transitional Support Services were documented by applications and properly coded.

Finding No. 4: Federal funds totaling \$641,913 from the Chafee Foster Care Independence (Chafee) Program and Chafee Education and Training Vouchers (ETV) Program were paid to ineligible young adults. In addition, administrative and support services costs were not properly allocated to State General Revenue and Chafee Program funds. CBCs also did not properly code payments for young adult services to the correct funding source.

SPENDING CAPS

Finding No. 5: ETV Program, RTI, and Subsidized Independent Living (SIL) payments were made to young adults and adolescents in excess of established spending caps.

ADOLESCENT SERVICES

Finding No. 6: Specific to adolescents in SIL, the Department and CBCs were unable to provide documentation to support the required number of services worker visitations. In addition, the Department and applicable CBCs were unable to provide documentation showing that staffings, assessments, and judicial reviews had been completed.

Finding No. 7: The Department and CBCs did not properly conduct or provide supporting documentation showing that staffings, assessments, and case plans for adolescents ages 13 to 17 had been completed.

ILTS PROGRAM ADMINISTRATION

Finding No. 8: The Department did not require CBCs to fully utilize the functionality of the Florida Safe Families Network specific to the ILTS Program.

Finding No. 9: Department monitoring efforts were not sufficient to ensure ILTS Program compliance.

BACKGROUND

State law¹ requires the Department to outsource the provision of foster care and related services Statewide by contracting with community-based care (CBC) lead agencies. As of August 2010, the Department had entered into contracts totaling \$3 billion with 21 lead agencies.

The Independent Living Transition Services (ILTS) Program is one of the programs administered by the CBC lead agencies. The purpose of the ILTS Program is to assist older children in foster care and young adults, who become ineligible for foster care at age 18, with obtaining life skills and education to make the transition to independent living and employment, to have a quality of life appropriate for their age, and to assume personal responsibility for becoming self-sufficient adults. According to Department accounting records, the Department expended approximately \$38.5 million and \$51.9 million in the 2008-09 and 2009-10 fiscal years, respectively, for the ILTS Program. Included in these amounts were administrative and support services expenditures totaling approximately \$8.8 million and \$10.7 million in the 2008-09 and 2009-10 fiscal years, respectively. Administrative and support services costs consisted of salaries and expenses for staff providing case coordination and support services to youth and qualifying young adults. The Department funds the services primarily from the Chafee Foster Care Independence (Chafee) Program grant, the Chafee Education and Training Vouchers (ETV) Program grant, and State General Revenue.

The ILTS Program assists two age groups. Adolescents in foster care aged 13 to 18 are eligible to receive services under the Pre-Independent Living, Life Skills, and Subsidized Independent Living (SIL) Programs, hereafter cumulatively referred to as Adolescent Services, and financial assistance payments under the SIL Program. Young adults (ages 18 to 23) who were formerly in foster care may receive Young Adult (YA) Services that include financial assistance payments under the Aftercare Support, Road-to-Independence (RTI) Award, and Transitional Support Programs. Table 1 details the administrative and support services costs, as well as the YA and SIL payments and client counts, by funding source and service type for the 2008-09 and 2009-10 fiscal years for the ILTS Program. Additionally, **EXHIBIT A** of this report describes the various Program services and provides demographic information.

¹ Section 409.1671, Florida Statutes.

Table 1
ILTS Program Expenditures and Client Count
for the 2008-09 and 2009-10 Fiscal Years

ILTS Program Expenditures			Client Count	
Service Type	2008-09	2009-10	2008-09	2009-10
Administrative and Support Services Expenditures ^a	\$ 8,834,560	\$ 10,738,650	N/A	N/A
Financial Assistance Payments:				
SIL	833,921	737,457	246	157
Aftercare Support	1,056,033	877,447	985	911
Transitional Support	4,349,971	4,265,864	1,722	1,671
RTI Awards	<u>23,390,750</u>	<u>35,260,681</u>	<u>3,004</u>	<u>3,698</u>
Totals	<u>\$38,465,235</u>	<u>\$51,880,099</u>	<u>5,957</u>	<u>6,437</u>
Funding Source	2008-09	2009-10		
ETV Program	\$ 2,587,411	\$ 2,396,966		
Chafee Program	7,208,194	6,645,620		
State General Revenue	<u>28,669,630</u>	<u>42,837,513</u>		
Totals	<u>\$38,465,235</u>	<u>\$51,880,099</u>		

Source: Department records.

^a Because the Pre-Independent Living and Life Skills Services do not provide for direct payments to adolescents, ILTS Program expenditures for adolescents receiving those services are included within Administrative and Support Services expenditures.

The Department established rules² for the ILTS Program, while the CBCs were to provide the services. The CBCs were responsible for planning, administering, and coordinating the delivery of client services, ensuring compliance with State laws and Federal regulations (including eligibility determination), compensating service providers, and administering financial assistance payments to clients.

The Department monitored the activities of the ILTS Program through CBC contract monitoring, fiscal monitoring, quality assurance monitoring, special reviews, and surveys of participating adolescents and young adults. Specifically:

- The Department’s Contract Oversight Unit (COU) monitored the CBCs based on a scope identified by the contract manager. Depending on the scope, tools were utilized specific to the topics identified. During the 2009-10 fiscal year, 18 CBCs were monitored for compliance with one or more components of the ILTS Program standards. Effective July 1, 2010, COU monitoring will be limited to once a year, and administrative monitoring will be limited to once every 3 years if the CBC is accredited.³
- The Department was to perform fiscal monitoring on a continual basis through a review of CBC monthly expenditure reports, CBC policies and procedures, subcontractor monitoring reports prepared by the CBCs, and available Florida Safe Families Network (FSFN) data. In addition, on-site fiscal monitoring was performed for all CBCs at least once during the period July 2008 through June 2010.⁴ The fiscal monitoring performed was not specifically focused on ILTS Program expenditures.
- Department staff, along with CBC staff, performed quality assurance monitoring. Twenty-five cases related to youths in foster care were reviewed from each CBC each quarter through a three-step process. In this

² Department Rules, Chapters 65C-31 and 65C-28, Florida Administrative Code. Additionally, Chapter 2010-158, Laws of Florida, effective July 1, 2010, authorized the Department to begin rule-making procedures to govern the payments and conditions related to payments for services to youth or young adults provided under Florida law.

³ Section 2, Chapter 2010-158, Laws of Florida. Accreditation can be obtained through the Joint Commission on Accreditation of Healthcare Organizations, the Commission on Accreditation of Rehabilitation Facilities, or the Council on Accreditation of Children and Family Services.

⁴ Fiscal monitoring was outsourced until December 2009 for Our Kids of Miami-Dade/Monroe, Inc. and ChildNet, Inc.

process, the CBCs reviewed 17 cases and then a side-by-side review was conducted for the remaining 8 cases. Finally, the quality assurance staff performed an in-depth review of 2 cases. The quality assurance review report published in October 2009 for the 2008-09 fiscal year included two standards specific to Adolescent Services: pre-independent living assessments and case plans. For the two standards, the reports disclosed a 73 percent and 84 percent compliance rate, respectively. The report for the 2009-10 fiscal year was released in November 2010 and included four standards specific to Adolescent Services: pre-independent living assessments, development of educational and career paths, opportunities to participate in life skills activities, and monitoring progress through regular staffings.⁵ For these four standards, the reports disclosed compliance rates between 76 and 78 percent.

- At the conclusion of our audit field work, the Department was in the process of conducting the final phase of a three-phase special review addressing inequities and inconsistencies in ILTS Program service delivery throughout the State. The first phase, released in December 2009, focused on process management for Aftercare Support, Transitional Support, and RTI Services. The second phase, released in June 2010, focused on a review of randomly selected adolescents in foster care who had reached their 17th birthday to assess service delivery in preparing the adolescents for independence. The third phase, expected to be completed by January 2011, will include randomly selected case file reviews and interviews with children in foster care who are ages 13 through 16 to assess pre-independent living assessments and services.
- The Department utilized an ILTS Program Critical Checklist to obtain data directly from adolescents and young adults related to a variety of aspects of the ILTS Program. The checklist was an annual survey designed for adolescents ages 13 through 17 in licensed out-of-home care, and young adults ages 18 through 22 receiving RTI, Transitional Support, or Aftercare Support Services. The 2009 survey compiled results from over 6,500 participants and reported on various elements including life skills, housing, education, employment, health, corrections or juvenile justice, case plan, and Aftercare Support and Transitional Support Services. Future checklists will be utilized to comply with Federal reporting requirements.

FINDINGS AND RECOMMENDATIONS

Young Adult Services

Young adults (ages 18 to 23) who were formerly in foster care are eligible for YA Services, including RTI, Transitional Support, and Aftercare Support. Department records show payments totaling approximately \$28.8 million and \$40.4 million made to young adults in the 2008-09 and 2009-10 fiscal years, respectively.

Finding No. 1: RTI Award Needs Assessments

RTI is to be provided to eligible young adults, who are enrolled full-time in high school, GED programs, or post-secondary educational institutions, to pay for living and educational expenses. State law⁶ requires the CBCs to determine the RTI award amount based on an assessment of the living and educational needs of the young adult. State law also requires that in determining the amount of the RTI award, consideration be given to all income, including other grants, scholarships, waivers, earnings, and other income, that may be received by the young adult. Additionally, State law⁷ requires that CBCs assist young adults in applying for other grants and scholarships for which they may qualify. To assist the CBCs in completing the needs assessment for eligible young adults, the Department established rules, issued guidelines, and developed assessment documents for use by the CBCs.

Our examination of the assessment documents disclosed that the high school and post-secondary needs assessments developed by the Department appropriately provided for a consideration of all income in the calculation of RTI

⁵ A staffing is a meeting between the Independent Living service provider, the child, and any other individuals significant to and familiar with the child, the purpose of which is to develop plans for meeting the identified needs of the child.

⁶ Section 409.1451(5)(b)4., Florida Statutes.

⁷ Section 409.1451(5)(b)3., Florida Statutes.

award amounts. Additionally, for post-secondary students, the needs assessment process also appropriately took into consideration living and educational expenses (cost of attendance)⁸ and educational scholarships. However, the process for high school students did not require that the living and educational expenses of the young adult be individually determined and included in the calculation of the award amount. Instead, the Department set the cost of attendance for young adults in high school at the statutory maximum annual award amount of \$13,614 until July 2009, when it was increased to \$15,068.⁹

In response to our audit inquiry, Department staff indicated that, after review of the calculations of the costs of attendance for high school students, the Department determined that the overall costs of daily living would generally exceed the statutory maximum; therefore, the maximum allowed by State law would be the most appropriate amount to use in all cases. Absent a cost-of-living calculation for each young adult, the Department cannot demonstrate why the maximum allowable amount would be a better indicator of the living and educational needs of a young adult than a budget prepared by a high school student based on actual expenses.

Additionally, our examination of needs assessments for 24 post-secondary students disclosed instances in which required documentation was not provided or did not fully support the amount awarded. Specifically, we noted:

- For 8 students, the CBCs were unable to provide documentation evidencing that the young adults had applied for grants and scholarships for one or more academic years and no such amounts were considered in the determination of the RTI scholarship amount. For 7 of the students, we were able to obtain financial aid information from the applicable public institution and determined that grants or scholarships had been awarded to 4 students in amounts per student ranging from \$1,000 to \$4,875. The failure to include these amounts in the calculation of the RTI Scholarship amount resulted in overpayments to 2 students totaling \$536 and \$3,250.
- For 7 students, the CBCs were unable to provide documentation to support the living and educational needs (cost of attendance) amount reported on the assessments. Additionally, for 5 of the 7 students, it was not evident that the CBCs properly considered tuition and fee waivers when determining the award amount. For all 7 students, we obtained the costs of attendance from the applicable institutions and recalculated the monthly awards, including exemptions for tuition and fee waivers. Our recalculation disclosed that, for 4 students, the monthly award was overstated from \$71 to \$541 and resulted in overpayments during the period July 2008 through February 2010 ranging from \$71 to \$4,871.

In most instances, there was no evidence that a supervisory review of the needs assessment was conducted and, as a result, errors and omissions in the needs assessments and related documentation were not subject to timely detection. The failure to maintain adequate documentation limits the assurance that the award is calculated correctly. Additionally, the failure to accurately determine the cost of attendance and to consider any tuition and fee waivers or Federal scholarships increases the likelihood that the award amount will exceed the amount authorized.

Recommendation: We recommend that the Department reconsider the needs assessment process for high school students and provide for an estimate of living and educational needs for each student. We also recommend that for post-secondary students, the Department take steps to ensure that needs assessments are accurately completed and properly supported.

⁸ The cost of attendance is the “student budget” as determined by the educational institution, less any tuition and fee waivers.

⁹ The statutory maximum amount was computed based on the Federal minimum wage which increased on July 24, 2009. Department rules further required that the maximum monthly award amount not exceed \$1,134.46 prior to July 2009 and \$1,255.70 thereafter.

Finding No. 2: Appropriate Progress

State law¹⁰ requires young adults receiving RTI awards to complete the full-time equivalent credit hours on an annual basis as defined by the educational institution and to maintain appropriate progress. Department rules required the CBCs to maintain documentation of the young adult's progress as well as an annual evaluation of the young adult's compliance with the education requirement. The young adult was required to provide documentation of enrollment and of progress made in their course of study¹¹ and the CBCs were to complete the evaluations during the renewal process.

Department rules and guidelines did not specifically address the type of documentation that would be sufficient to demonstrate appropriate progress, other than obtaining progress reports or documenting contacts with educational institutions. Our interviews conducted during site visits to seven CBCs disclosed that, while the determination of appropriate progress for young adults in high school or post-secondary institutions can be readily evidenced by obtaining report cards or semester grades, the determination of appropriate progress was less evident for GED programs. Management at the seven CBCs indicated that they use various means to document proof of progress, including contacting the applicable GED program, obtaining monthly progress reports and attendance sheets, and relying on periodic test results, such as the test of adult basic education (TABE). Several CBC staff suggested that they needed clarification from the Department to ensure that proof of appropriate progress was consistently documented for young adults in GED programs.

Recommendation: We recommend that the Department establish rules or guidelines outlining accountability measures related to providing attendance and proof of appropriate progress for young adults in GED programs.

Finding No. 3: Transitional and Aftercare Support Services

In addition to RTI awards, State law¹² also makes funding available for Aftercare Support and Transitional Services to assist young adults to continue to develop the skills and abilities necessary for independent living. **EXHIBIT A** contains descriptions of the specific eligibility requirements for these programs.

Aftercare Support may include, for example, services relating to mentoring, job training, and temporary financial assistance for housing, food, or utilities. Department rules¹³ required eligible young adults to complete an application for financial assistance. The application was designed to allow an assessment of the specific financial needs of the young adult and requested information related to the feasibility of agreements with community providers to waive fees, assistance of relatives, and other such options.

Transitional Support may consist of services, including financial assistance, critical to the young adult's efforts to achieve self-sufficiency and develop a personal support system. State law and Department rules¹⁴ required young adults requesting Transitional Support to submit an application and prepare a transition plan designed to identify specific needs as well as tasks to be completed or maintained in order to achieve self-sufficiency. Since Transitional Support Services were by definition short-term in nature, CBCs were required to review the transition plan and, when

¹⁰ Section 409.1451(5)(b)6.i., Florida Statutes.

¹¹ Department Rule, 65C-31.004(5)(e), Florida Administrative Code.

¹² Section 409.1451(5)(a) and (c), Florida Statutes.

¹³ Department Rule 65C-31.003, Florida Administrative Code.

¹⁴ Section 409.1451(5)(c)1., Florida Statutes, and Department Rule 65C-31.005(5), Florida Administrative Code.

the young adult intended to re-apply for services, make adjustments to the plan a minimum of once every 3 months according to the young adult's needs.

As shown in Table 1, for the 2008-09 and 2009-10 fiscal years, Aftercare and Transitional Support expenditures totaled approximately \$1.9 million and \$8.6 million, respectively. We examined case file documentation related to Aftercare Support financial assistance payments totaling \$65,436 made to 17 young adults from July 2008 through January 2010. We also examined case file documentation related to Transitional Support payments totaling \$178,761 made to 20 young adults from July 2008 through February 2010. Our tests disclosed the need for Department guidance regarding allowable uses of Aftercare and Transitional Support, as well as some payment errors:

- Young adults sometimes received payments for one service type from multiple programs and monthly amounts that, in some instances, were excessive. The Department's rules did not require CBCs to document why a young adult would need to receive simultaneous ILTS Program component payments relative to the same service. Specifically, Aftercare Support financial assistance payments were made to 10 of the 17 young adults during the same months that the young adults received RTI award moneys or Transitional Support payments. While payments for more than one service type are allowed, our examination of the supporting documentation provided indicated that the payments were for the same service, specifically housing assistance. Upon further analysis of all recorded ILTS Program payments made to young adults from July 2009 through February 2010, we identified 61 instances in which young adults received payments for Aftercare Support, Transitional Support, and RTI ranging in total from \$638 to \$6,267, and averaging \$2,788 within the same month. We also identified 933 instances in which the young adult received payments for Aftercare Support and either RTI or Transitional Support within the same month. Absent a policy to consider all sources of ILTS payments, payments may exceed need.
- The CBCs were unable to provide the Aftercare Support cash assistance application, or other documentation evidencing their assessment of need, for 86 payments totaling \$10,129 made to 10 of the 17 young adults. In some instances, CBC staff indicated that they did not require an application because they did not realize applications were needed, for example, for bus tickets or gift cards. After examining additional documentation provided upon audit inquiry, we determined that 80 of the payments, ranging from \$22 to \$1,858, were for services such as rent, utilities, food, gift cards, and bus tickets. However, the applicable CBCs were unable to provide documentation detailing the purpose for 6 payments totaling \$702. Absent a completed application, the purpose or the appropriateness of the payment may not be clearly demonstrated.
- A CBC, using Transitional Support funds, awarded an educational incentive payment of \$3,000 each to 2 young adults for achieving an educational goal. It was not clear to us that the payments for such a purpose were authorized, and upon our inquiry, Department staff agreed the payments were not an appropriate use of Transitional Support funds.
- Payments to 7 young adults were erroneously coded. Specifically, Aftercare Support payments totaling \$12,744 made to 2 young adults were incorrectly charged to Transitional Support Services and Transitional Support payments totaling \$81,028 made to 5 young adults were incorrectly charged to RTI Services. Coding errors limit the Department's ability to control and accurately report the amount of funds expended by service type.
- In two instances, ineligible young adults received payments during the period July 2008 through January 2010 that totaled \$32,085. These individuals were ineligible because they had left foster care prior to age 18.

Recommendation: We recommend that the Department establish clear guidelines for CBC use regarding when it is appropriate for a young adult to receive both Transitional and Aftercare Support Services based on the situation of the young adult. In addition, we recommend that the Department ensure that payments to young adults are properly coded and that sufficient documentation, including applications, is completed and maintained in the case files.

Finding No. 4: Federal Grant Funding

Young Adult Services are funded from State General Revenue funds and Federal grants, including the Chafee Program and ETV Program. Both Federal programs are formula grants whereby each state receives an allotment based on its foster care ratio.¹⁵ Table 1 provides a breakdown of the YA expenditures by funding source for the 2008-09 and 2009-10 fiscal years.

Program Eligibility

To receive YA Services under the Chafee and ETV Programs, individuals must meet and maintain the eligibility requirements set forth in Federal regulations, State law, and Department rules, including age limitations and school enrollment. Our analysis of Chafee and ETV Program payments made to young adults during the period July 2008 through February 2010, disclosed instances in which the young adult did not meet the Program eligibility requirements. Specifically,

- Chafee Program payments totaling \$621,043 were made to 234 young adults who exceeded the maximum age limitation. Department staff indicated that they did not monitor CBC compliance with the age limitation during this period.
- ETV Program payments totaling \$20,870 were erroneously made to 3 young adults who were enrolled in high school or a GED program, rather than an institution of higher education, as required. Subsequent to our audit inquiry, the payments for 2 of these young adults were reclassified to an appropriate funding source.

Program Funding Source

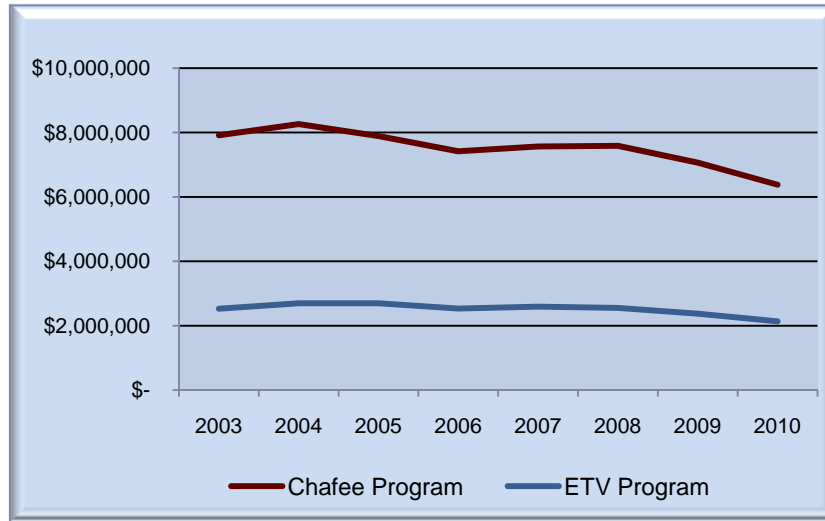
To maximize available funding and ensure compliance with Federal regulations, Department rules¹⁶ required the CBCs to determine the most appropriate funding source. Additionally, ETV Program funds were to be used for eligible students as the first option.

Historically, Florida has spent its entire annual Chafee Program allotment and, since 2006, has spent its annual allotment for the ETV Program as well. As indicated in Chart 1, Federal grant awards have decreased due to reductions in Florida's foster care ratio, thereby increasing the reliance on General Revenue funds. Although Florida has fully maximized funding from the Chafee and ETV Programs, proper coding of YA Services payments as to source is critical to accurately reflect the usage of Federal funding and General Revenue.

¹⁵ The foster care ratio is calculated by dividing the number of children in a state's foster care program by the total number of children in foster care in all states for the most recent fiscal year.

¹⁶ Department Rule 65C-31.002(5), Florida Administrative Code.

Chart 1
Chafee and ETV Programs Grant Awards
by Federal Grant Award Year



Source: Department records.

We examined the case files for 63 young adults who received RTI (43 young adults) or Transitional Support (20 young adults) payments totaling \$865,576 during the period July 2008 through February 2010 to determine whether the payments were coded to the most appropriate funding source. Our tests disclosed that payments were not always coded to the most appropriate funding source. For example, for 10 young adults, the CBC coded RTI or Transitional Support payments totaling \$142,234 to State General Revenue funds even though approximately \$72,290 should have been coded to the ETV or Chafee Programs.

Program Administrative and Support Services Cost Allocation

In addition to funding for YA Services, administrative and support services costs for the delivery of ILTS Program Services were also funded either by State General Revenue funds or by Federal funds received through the Chafee Program grant depending on the eligibility of the individual served. Administrative and Support Services costs include salaries and expenses for staff providing case coordination and support services.

According to staff at seven CBCs, typically, the allocation between State General Revenue funds and the Chafee Program grant was based on the number of young adults who met the eligibility criteria for the Chafee Program compared to the number of young adults who did not. Our review of accounting records maintained by those seven CBCs disclosed two CBCs that did not properly allocate administrative and support services costs. In both instances, all administrative and support services costs were allocated to the Chafee Program and, as a result, administrative and support services costs for young adults not eligible for the Chafee Program were incorrectly charged to the Chafee Program grant. Department staff indicated that they did not monitor each CBC’s allocation of ILTS Program administrative and support services costs.

Recommendation: We recommend that the Department enhance its monitoring procedures to ensure that payments to young adults are in compliance with Federal requirements and that administrative and support services costs allocated to the Chafee Program relate to Program-eligible young adults. In addition, we recommend that the Department take steps to ensure that the CBCs properly record ILTS Program payments.

Spending Caps

Finding No. 5: ETV Program, RTI Award, and SIL Program Spending Caps

Federal ETV Program requirements limit the ETV portion of the RTI award amount to the lesser of \$5,000 annually or the cost of attendance established by the applicable educational institution. Since the State is reimbursed for 80 percent of the amount of the young adult's RTI award, the Department established an annual ETV Program award limit of \$6,250. Our analysis of ETV Program payments totaling \$10,870,924 made to 2,523 young adults during the period July 2008 through February 2010, disclosed that 314 young adults received ETV Program payments in excess of the annual spending cap, in amounts ranging from \$1 to \$4,525 and averaging \$1,277. Department staff indicated that an annual evaluation of the ETV Program spending cap was completed for the 2008-09 fiscal year and that staff then notified the CBCs to reclassify the funds exceeding Federal limitations to either Chafee or General Revenue sources. As of February 2011, no evaluation for the 2009-10 fiscal year had been completed.

In addition, as described in finding No. 1, Department rules limited the amount of the monthly RTI award to \$1,135 until August 2009 when the award limit was increased to \$1,256. Department rules also applied the same award limits to SIL subsidy payments. During the period July 2008 through February 2010, Department records indicated that 52,018 RTI payments totaling approximately \$46 million and 1,834 SIL payments totaling approximately \$1.3 million were made to adolescents and young adults. Our analysis of RTI and SIL subsidy payments for the same period disclosed 2,887 instances in which the young adult's or adolescent's monthly RTI or SIL payment exceeded the maximum allowed amount. Specifically, our analysis disclosed:

- A total of 79 SIL payments in excess of the monthly spending cap ranging in amount from \$1 to \$1,269 and totaling approximately \$37,386 were made to 71 adolescents.
- A total of 2,808 RTI payments in excess of the monthly spending cap ranging in amount from \$5 to \$3,741 and totaling approximately \$1,165,000 were made to 984 young adults.

While Department rules provide for a maximum monthly award amount, Department management indicated that, in practice, the RTI and SIL spending cap limit had been considered on an annual basis. To determine whether spending cap limits had been exceeded on an annual basis, we performed an analysis of the total RTI and SIL payments made to young adults during the 2008-09 fiscal year. Our analysis disclosed 113 instances ranging in amount from \$4 to \$5,235 and totaling approximately \$128,000 in which the young adult received more than the maximum annual RTI award, but no instances where the annual spending cap for SIL adolescents was exceeded.

Department staff indicated that, as of February 2011, no comprehensive monitoring of ETV Program, RTI, and SIL spending caps had been conducted for the 2009-10 fiscal year. Absent monitoring of the spending caps, the Department had limited assurance that the amount of ETV Program funds used to pay young adult RTI awards did not exceed the Federal limitation and the RTI and SIL payments did not exceed the amount authorized in Department rules.

Recommendation: We recommend that the Department perform monitoring to ensure Department payments to young adults do not exceed the annual ETV Program spending limit. Additionally, to ensure compliance with Department rules, we recommend that the Department establish procedures to monitor the RTI and SIL spending caps on a monthly basis.

Adolescent Services

The ILTS Program, available to adolescents ages 13 to age 18 who are in the custody of the Department, consists of Pre-Independent Living, Life Skills, and SIL Services. While in the custody of the Department, adolescents receiving Program services remain subject to the requirements of case plans and judicial reviews until permanency is established. To develop plans for meeting the adolescents' identified needs, independent living staffings, assessments, and contacts were to be made periodically.

Finding No. 6: SIL Case Management

State law¹⁷ describes SIL Services as living arrangements that allow a teen, aged 16 or 17, to live independently of the daily care and supervision of an adult in a setting that is not required to be licensed. The teen must have been adjudicated dependent, resided in licensed out-of-home care for at least 6 months prior to entering SIL, and be able to demonstrate independent living skills as determined by the Department. Department rules¹⁸ require the teen to either be employed part-time or involved in extra-curricular activities, have sufficient savings for move-in costs, be enrolled full-time in an educational program, have made adequate progress in his or her educational program, have been evaluated through an assessment of skills, have exhibited responsible behavior, and have CBC approval.

Additionally, while a teen was in an SIL living arrangement, services workers¹⁹ were required to have contact with the teen at intervals of twice a week for the first 3 months. At least one contact a week was required to be in the teen's residence. After 3 months, the number of contacts could be reduced to no fewer than one a month in the teen's residence.

Our test of case files for 41 teens in the SIL Program during the period July 2008 through February 2010, disclosed:

- For 21 teens, the CBC was unable to provide documentation that the services worker contacted the teen at least twice a week during the first 3 months. During the 3-month period, approximately 24 visits were required for each teen. The actual number of visits ranged from 2 to 16, with 11 teens having fewer than 6 visits, 9 teens having between 6 and 15, and one teen having 16 visits.
- Subsequent to the first 3 months, for 5 teens, the CBC was unable to provide documentation that the services worker contacted the teen at least once a month in the teen's residence.

In addition to the contact requirements, services workers were also required to ensure that staffings, assessments, and judicial reviews were conducted at mandatory intervals. Upon reaching age 18, when the teen is emancipated from the Department, Department rules²⁰ required written documentation of the teen's preparation for independence and plan for transition to adulthood. Our test of the case files for 33 teens disclosed that staffings, assessments, and judicial reviews for teens approaching age 18 were not always documented or timely provided as shown in Table 2.

¹⁷ Sections 409.1451(4)(c)1. and 2., Florida Statutes.

¹⁸ Department Rule 65C-28.009(7)(c), Florida Administrative Code.

¹⁹ A services worker is an individual who is accountable for service delivery regarding safety, permanency, and well-being for a caseload of children and families under supervision, and includes an individual assigned to assist young adults who are receiving Independent Living services.

²⁰ Department Rule 65C-28.009(9)(a) and (b), Florida Administrative Code.

Table 2
SIL Case Management
Summary of Audit Test Results

Task	Date Required	Number Examined	Number of Tasks Not Documented	Number of Tasks Not Conducted Timely
Independent Living Assessment	Month following 17 th birthday	33	-	2
Staffing	30 days prior to special judicial review	32	3	1
Special Judicial Review Hearing	90 days after 17 th birthday	32	3	1
Special Judicial Review	Month that begins the 6-month period before 18 th birthday	32	1	-

Periodic visitations, staffings, and judicial review hearings enable Department and CBC staff to monitor the teens and measure whether they are making progress in the transition to adulthood. The failure of the services worker to perform and document these tasks may jeopardize a teen’s progress and safety in the SIL placement setting.

Recommendation: We recommend that the Department disseminate guidance and provide training to CBCs regarding the performance and documentation of SIL Program tasks.

Finding No. 7: Adolescent Case Management Tasks

To assist in a successful transition into adulthood, the Department provides adolescents in foster care transition to independence services through the ILTS Program. Adolescents aged 13 and 14 are to be referred for Pre-Independent Living Services including, but not limited to, life skills training, educational field trips, and conferences. Adolescents aged 15 through 17 are to be referred for Life Skills Services including, but not limited to, training to develop banking, budgeting, interviewing, parenting, time management, and organizational skills; educational support; employment training; and counseling. To document and monitor an adolescent’s progression, State law and Department rules²¹ set forth specific tasks to be performed by services workers for adolescents. These tasks included referrals, staffings, assessments, and case plans. Specifically:

- Staffings for adolescents aged 13 and 14 were required annually and once every 6 months for adolescents aged 15, 16, and 17.²² Staffings were to address topics such as educational and work goals, life skills needed, the SIL Program, the RTI Award Program, permanency arrangements, and plans for living arrangements after age 18.
- Assessments for adolescents were required at ages 13, 15, and 17. Assessments were to help determine the training and services needed for an adolescent to begin learning life skills, to measure life skills development and determine each adolescent’s strengths and needs, and to determine the adolescent’s skills and ability to live independently and become self-sufficient. Assessment tools most commonly used were either the Casey Life Skills Assessment or Daniel Memorial Institute Assessment. For every needed skill, the CBC was required to document who was to help the adolescent develop that skill and the time frame in which the adolescent would receive the training.
- Case plans were required for adolescents in foster care who had reached 13 years of age. The case plan was to be reviewed at each judicial hearing and a goal was required to be identified of either attending a 4-year college or university, a community college, or a military academy; receiving a 2-year post-secondary degree;

²¹ Section 409.1451, Florida Statutes, and Department Rule 65C-28.009, Florida Administrative Code.

²² Department Rule 65C-28.009(5)(f) and (6)(f), Florida Administrative Code.

attaining a post-secondary career, technical certificate, or credential; or beginning immediate employment or enlisting in the military.

As shown in Table 3, our examination of staffings, assessments, and case plans for adolescents disclosed that related tasks were not always documented.

**Table 3
Adolescent Case Management
Summary of Audit Test Results**

	Number Examined	Element Not Documented
Required Elements in Staffings		
Needed Life Skills	39	28
Progress Toward Developing Life Skills	39	28
Educational and Work Goals	39	9
Staffing Not Provided	9	
Required Elements in Assessments		
Counselor Discussed Results With Youth	10	9
Responsibility Assigned to Individual to Assist Youth With Life Skills	18	18
Time Frame in Which Life Skills Training Will be Received Specified	18	18
Assessment Not Provided	1	
Required Elements in Case Plan		
Educational and Career Path, Post-Secondary Goal, Core Courses and Electives Needed, and Grade Point Average Necessary to Achieve Goals	8	6
Case Plan Not Provided	12	

Absent the completion of case management tasks, there was no clear evidence that needed skills were identified, a plan had been developed to determine how and by whom needed skills would be provided, or progress toward ensuring independence and self-sufficiency had been measured. In addition to the results in Table 3, we identified 15 instances in which the assessment was not completed timely, with the assessments ranging from 16 to 378 days late, and 1 instance in which the staffing was completed 6 months past the due date.

Recommendation: We recommend that the Department take steps to ensure that required staffings, assessments, and case plans are properly and timely conducted and documented.

ILTS Program Administration

Finding No. 8: Florida Safe Families Network

Florida Safe Families Network (FSFN) is a Department system that has been used to document and integrate various aspects of child welfare case practice and service delivery, including intake and investigation, assessment and case planning, financial management, resource and provider management, and service delivery tracking. In August 2009, FSFN released a module with additional capabilities to allow for the reporting of ILTS Program data, both financial and support. Using the module, services workers are able to create an ILTS Program page for each client that would include data related to all ILTS Program Services.

According to Department management, although system capabilities were available, CBCs were not required to utilize FSFN to report ILTS Program data. Through interviews conducted during our site visits at seven CBCs, staff at six of the CBCs indicated that they did not utilize the FSFN ILTS Program capabilities. Alternatively, they maintained documentation through the use of internal databases or purchased software packages. Our analysis of the ILTS Program data in FSFN for 30 adolescents ages 13 through 17 disclosed that, for 17 adolescents, the services worker had not created an ILTS Program page. For the remaining 13 adolescents for whom an ILTS Program page had been created, data relating to the adolescents was incomplete.

CBC use of FSFN to report ILTS Program data would enable the Department to more closely track and monitor the work and efforts made by the CBCs toward assisting adolescents in becoming able to live independently as adults. Additionally, for program evaluation purposes, FSFN, if fully utilized by the CBCs, could provide a complete history of each adolescent's progress while involved in the ILTS Program.

Recommendation: We recommend that the Department consider requiring the CBCs to fully utilize FSFN's functionality related to the ILTS Program.

Finding No. 9: ILTS Program Monitoring

EXHIBIT B summarizes the COU monitoring performed, the services for which areas of noncompliance were reported, and whether the CBC was issued a corrective action plan specific to an ILTS Program deficiency. Although the Department utilized many monitoring techniques and had established a robust monitoring process, the monitoring efforts did not lead to timely resolution of identified problems. For example:

- COU monitoring during the 2008-09 fiscal year at one CBC identified eight areas of noncompliance related to the Pre-Independent Living Program. Monitoring during the 2009-10 fiscal year identified six areas of noncompliance, five of which were also identified in the 2008-09 fiscal year. The areas of continuing noncompliance included:
 - A lack of documentation showing that an ILTS Program referral was made.
 - Untimely referrals.
 - Assessments not completed.
 - Untimely assessments.
 - Assessments lacking documentation showing who was to be responsible for helping the child develop skills and the timeframe to receive training.
- COU monitoring during the 2008-09 fiscal year at one CBC identified nine areas of noncompliance related to the Life Skills Program. Monitoring during the 2009-10 fiscal year identified four areas of noncompliance, all of which were also identified in the 2008-09 fiscal year. The areas of continuing noncompliance included:
 - Assessments not completed.
 - Untimely assessments.
 - A youth that did not have a required special judicial review hearing.
 - A lack of documentation showing that a youth who received a special judicial review hearing was provided notice of the right to petition the court for continuing jurisdiction for one year after the youth's 18th birthday, along with information on how to obtain access to the court.

Upon identification of a CBC that fails to demonstrate satisfactory progress in addressing areas of noncompliance, the Department can implement its Progressive Intervention and Program Improvement process. According to

Department staff, no progressive intervention actions had been taken related to ILTS Program deficiencies as of January 2011. The process begins with a required action to correct performance deficiencies within a prescribed amount of time and, if the CBC continues to fail to demonstrate satisfactory progress, the Department is to establish a Management Peer Review Team to conduct an assessment and evaluation to determine the cause of the unacceptable performance. The final stage includes penalties, receivership, reprocurement of a service, or reprocurement of the CBC's contract.

Recommendation: We recommend that, in addition to the corrective action plans utilized during COU monitoring, the Department consider utilizing the Progressive Intervention and Program Improvement process to address continued CBC noncompliance in ILTS Program areas.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from January 2010 through October 2010 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit focused on the Department's operation and management of the Independent Living Transition Services Program. The overall objectives of the audit were:

- To evaluate the effectiveness of established internal controls in achieving management's control objectives in the categories of compliance with controlling laws, administrative rules, and other guidelines; the economic, efficient, and effective operation of State government; the relevance and reliability of records and reports; and the safeguarding of assets.
- To evaluate management's performance in achieving compliance with controlling laws, administrative rules, and other guidelines; the economic, efficient, and effective operation of State government; the relevance and reliability of records and reports; and the safeguarding of assets.
- To identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.
- To evaluate the Department's compliance with the ILTS Program laws and rules that are included in Section 409.1451, Florida Statutes, and Department Rule 65C-31, Florida Administrative Code, related to eligibility and funding.

In conducting our audit we:

- Obtained an understanding of the Department's FSFN IT general and application controls, assessed the risks of those controls, evaluated whether selected general and application IT controls were in place, and tested the effectiveness of the controls.
- Determined the extent of the Department's efforts to comply with the Chafee National Youth in Transition Database requirements.
- Determined the extent of the fields available in FSFN to capture Independent Living data.
- Obtained an understanding of the Department's monitoring processes related to the ILTS Program.

- Obtained an understanding of each community-based care organization's methodologies for providing Independent Living services to youth, including whether services are subcontracted, how services are monitored, the types of services offered to youth, and the costs of services.
- For seven selected CBCs:²³
 - Interviewed CBC management during site visits conducted during the period April 2010 through June 2010.
 - Obtained an understanding of the CBC controls related to the ILTS Program including determining and documenting eligibility and the disbursement of Program funds.
 - Obtained an understanding of the types of costs included in the CBC's general ledger specific to the ILTS Program.
 - Evaluated the administrative and support services costs related to the ILTS Program and determined the allowability of costs.
 - Obtained an understanding of the CBC's monitoring process related to any subcontracted Independent Living service providers.
- Examined case file documentation for 20 adolescents who were eligible for Pre-Independent Living Services during the period July 2008 through February 2010, to determine compliance with governing laws, rules, and Department policy.
- Examined case file documentation for 10 adolescents who were eligible for Life Skills Services during the period July 2008 through February 2010, to determine compliance with governing laws, rules, and Department policy.
- Examined case file documentation for 41 teens who received approximately \$334,810 in Subsidized Independent Living Services financial assistance payments during the period July 2008 through February 2010, to determine compliance with governing laws, rules, and Department policy.
- Examined case file documentation for 17 young adults who received approximately \$65,436 in Aftercare Support Services financial assistance payments during the period July 2008 through January 2010, to determine compliance with governing laws, rules, and Department policy.
- Examined case file documentation for 20 young adults who received approximately \$178,761 in Transitional Support Services financial assistance payments during the period July 2008 through February 2010, to determine compliance with governing laws, rules, and Department policy.
- Examined case file documentation for 43 young adults who received approximately \$686,815 in Road to Independence financial assistance payments during the period July 2008 through February 2010, to determine compliance with governing laws, rules, and Department policy.
- Performed analytical procedures related to Chafee Education and Training Vouchers Program spending caps and other statutory limitations for all payments during the period July 2008 through February 2010.
- Performed analytical procedures related to Chafee Foster Care Independence Program age limitations for all payments during the period July 2008 through February 2010.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe those matters requiring corrective actions.

²³ Big Bend Community Based Care, Inc. (East); ChildNet, Inc.; Our Kids of Miami-Dade/Monroe, Inc.; Family Services of Metro-Orlando, Inc.; Kids Central, Inc.; Heartland For Children; and Hillsborough Kids, Inc.

AUTHORITY

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each State agency on a biennial basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



David W. Martin, CPA
Auditor General

MANAGEMENT'S RESPONSE

In a response letter dated April 8, 2011, the Secretary of the Department concurred with our audit findings and recommendations. The Secretary's response is included as **EXHIBIT C**.

EXHIBIT A
INDEPENDENT LIVING TRANSITION SERVICES PROGRAM
DESCRIPTION OF PROGRAM COMPONENTS AND TYPES OF SERVICES PROVIDED

Program Components and Types of Services	Examples of Specific Services Provided	Age Group Served	Foster Care Status	Initial Request for Services by	Academic Requirements	Ongoing Determination Basis	Spending Caps	Funding Source
Pre-Independent Living	Life skills training, educational field trips, and conferences.	13 to 15	In custody of Department. ^a	N/A	N/A	Annual staffing.	N/A	N/A ^c
Life Skills	Independent living skills training, including training to develop banking and budgeting skills, interviewing skills, parenting skills, and time management or organizational skills, educational support, employment training, and counseling.	15 to 18	In custody of Department. ^a	N/A	N/A	Staffing every 6 months.	N/A	N/A ^c
Subsidized Independent Living (SIL)	Financial assistance for living arrangements that allow the child to live independently of the daily care and supervision of an adult.	16 to 18	In custody of Department for at least 6 months prior to entering SIL, with a goal of either adoption, long-term licensed care, or independent living. ^a	N/A	Full-time educational program making adequate progress.	Continue to demonstrate independent living skills.	N/A	Chafee Program and State.
Aftercare Support	Housing, electric, water, gas, sewer service, food, mentoring, tutoring, mental health services, substance abuse counseling, life skills classes, parenting classes, job and career skills training, counselor consultations, temporary financial assistance, and financial literacy skills training.	18 to 23 ^b	Leave foster care at age 18.	Prior to age 23.	N/A	N/A	N/A	Chafee Program and State.
Transitional Support	Financial, housing, counseling, employment, education, mental health, disability, and other services.	18 to 23 ^b	Be or have been in the legal and/or physical custody of Department at age 18 and spent at least 6 months in foster care before age 18. ^a	Prior to age 23.	N/A	Transition plan completed every 3 months. ^b	N/A ^b	ETV and Chafee Programs and State.
Road to Independence (RTI) Awards	Financial educational assistance.	18 to 23	In licensed foster care or in SIL at age 18 or currently living in licensed foster care or SIL or, after reaching age 16, adopted from foster care or placed with a court-approved dependency guardian and spent a minimum of 6 months in foster care immediately preceding such placement or adoption and spent at least 6 months in foster care before age 18.	Prior to age 21.	Full-time enrollment in post-secondary, high school, or GED program.	Annual renewal, maintain adequate progress.	Prior to July 2009, \$1,134 per month. \$1,255 per month thereafter.	ETV and Chafee Programs and State.

^a In custody of the Department refers to foster care placements.

^b Additional requirements exist if the young adult's benefits are paid from the ETV and/or Chafee Programs.

^c Funding included in amounts provided for Administrative and Support Services.

Sources: Department Rules 65C-28.009 and 65C-31, Florida Administrative Code, and Section 409.1451, Florida Statutes.

EXHIBIT B
SUMMARY OF CONTRACT OVERSIGHT UNIT (COU) MONITORING FINDINGS

CBC Lead Agency	COU Monitoring Dates	Pre-Independent Living	Life Skills	Subsidized Independent Living	Aftercare Support	Transitional Support	Road to Independence	Corrective Action Plan Required
Families First Network of Lakeview	06/12/2009	CD	CD				CD	Yes
	05/28/2010					CD		Yes
Big Bend Community Based Care, Inc. (East and West)	03/05/2009	CD	CD	CD	CD		CD	Yes
	03/24/2010	CD	CD	CD			CD	Yes
Partnership for Strong Families, Inc.	05/17/2009	CD	CD	CD			CD	Yes
	03/26/2010	CD	CD					Yes
Family Support Services of North Florida, Inc.	05/13/2009	CD	CD	CD		CD	CD	Yes
	05/03/2010	CD	CD	CD	CD		CD	Yes
Community Partnership for Children, Inc.	02/24/2009	CD	CD	CD		CD	CD	Yes
	01/07/2010	CD						No
St. Johns County Board of County Commissioners	11/25/2008	CD	CD	CD				Yes
	02/19/2010	CD	CD			CD		Yes
Kids First of Florida, Inc.	10/21/2008	CD	CD					Yes
	02/02/2010	CD	CD			CD	CD	Yes
Sarasota Family YMCA, Inc.	03/09/2009	CD	CD		CD	CD	CD	Yes
	02/10/2010	The ILTS Program was not monitored.						
Eckerd Community Alternatives	07/21/2009	CD	CD				CD	Yes
	06/29/2010	CD	CD			CD	CD	Yes
Hillsborough Kids, Inc.	04/24/2009	CD	CD				CD	Yes
	03/02/2010	The ILTS Program was not monitored.						
Children's Network of Southwest Florida, Inc.	06/08/2009	CD	CD			CD	CD	Yes
	06/29/2010	CD	CD	CD	CD	CD	CD	Yes
Community Based Care of Seminole, Inc.	04/15/2009	CD	CD			CD		No
	04/23/2010	CD	CD					No
Community Based Care of Brevard, Inc.	03/31/2009	CD	CD					Yes
	02/19/2010	CD	CD					Yes
Family Services of Metro-Orlando, Inc.	06/02/2009	CD	CD	CD		CD	CD	No
	06/18/2010		CD	CD			CD	Yes
Kids Central, Inc.	06/16/2009	CD	CD	CD		CD	CD	Yes
	05/06/2010	CD						No
Heartland for Children, Inc.	11/25/2008	CD	CD	CD	CD	CD	CD	Yes
	03/24/2010	CD	CD			CD	CD	Yes
United for Families, Inc.	06/11/2009	CD	CD			CD	CD	Yes
	05/04/2010	CD	CD					No
Child and Family Connections, Inc.	05/08/2009	CD			CD		CD	Yes
	01/07/2010	CD	CD		CD	CD	CD	Yes
ChildNet, Inc.	Monitoring performed by contracted monitors.							
Our Kids of Miami-Dade/Monroe, Inc.								

Note: A "CD" indicates that compliance deficiencies related to the provision of services were identified in the applicable monitoring report. The lack of deficiencies in a report may be due to: 1) the COU not monitoring the specified service, 2) the CBC not participating in the specified service, or 3) the COU not identifying any deficiencies.

Source: Department monitoring reports.

EXHIBIT C
MANAGEMENT'S RESPONSE



State of Florida
Department of Children and Families

Rick Scott
Governor

David E. Wilkins
Secretary

April 8, 2011

Mr. David W. Martin, CPA
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

Thank you for your March 3, 2011 letter providing preliminary and tentative audit findings and recommendations of the audit of the Department's Independent Living Transition Services Program.

Attached is the Department's response to the findings and recommendations. As you may be aware, there is proposed legislation to redesign the Independent Living Transition Services Program, Senate Bill 1902 and House Bill 1241. If adopted, the Department will revamp all components of the Independent Living Transition Services Program.

If you or your staff have any questions, please contact Jamie Self, Ed.D., Director of the Office of Family Safety, at 850-488-8762.

We appreciate the opportunity to respond and look forward to continued collaboration with your office.

Sincerely,

A handwritten signature in black ink, appearing to read 'David E. Wilkins'.

David E. Wilkins
Secretary

Attachment

1317 Winewood Boulevard, Tallahassee, Florida 32399-0700

Mission: Protect the Vulnerable, Promote Strong and Economically Self-Sufficient Families, and Advance Personal and Family Recovery and Resiliency

EXHIBIT C
MANAGEMENT'S RESPONSE (CONTINUED)

RESPONSE TO OFFICE OF AUDITOR GENERAL
PRELIMINARY AND TENTATIVE AUDIT FINDINGS ON
OPERATIONAL AUDIT OF
FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES
INDEPENDENT LIVING TRANSITION SERVICES PROGRAM

Finding No. 1: RTI Award Needs Assessments

Recommendation No. 1: We recommend that the Department reconsider the needs assessment process for high school students and provide for an estimate of living and educational needs for each student. We also recommend that for post-secondary students, the Department take steps to ensure that needs assessments are accurately completed and properly supported.

Department Response: The Department concurs. The high school needs assessment process should be re-evaluated to accurately reflect the cost of living and educational needs for the student. In addition, steps have already begun to ensure that the post secondary needs assessments are accurately completed and properly supported.

The Department's Statewide Automated Child Welfare Information System, Florida Safe Families Network (FSFN), provides the capacity to scan and store digital documents related to active casework. Policy and guidance will be provided to the community-based care lead agencies of the requirement to scan all needs assessments along with corresponding backup documentation into FSFN and store in the File Cabinet linked to the specific young adult.

Finding No. 2: Appropriate Progress

Recommendation No. 2: We recommend that the Department establish rules or guidelines outlining accountability measures related to providing attendance and proof of appropriate progress for young adults in GED programs.

Department Response: The Department concurs. Emergency rules developed for Chapter 65C-31, Florida Administrative Code (F.A.C.), Services to Young Adults Formerly in the Custody of the Department, became effective in September 2010. A modification to administrative rule 65C-31.004, F.A.C., Road to Independence Scholarship, requiring Road to Independence recipients enrolled in a GED program to take the full battery of GED tests every six months, was submitted to the Joint Administrative Procedures Committee (JAPC). This change provided the Community-Based Care lead agencies (CBCs) a way to measure appropriate progress for the GED program. However, the JAPC informed the Department that a statutory change is required to promulgate a rule addressing this issue. JAPC cited §409.1451(5)(b), Florida Statutes, "satisfactory progress as defined by the educational institution." Thus, we were unable to amend the language in the proposed permanent rule for 65C-31.004, F.A.C.

EXHIBIT C
MANAGEMENT'S RESPONSE (CONTINUED)

RESPONSE TO OFFICE OF AUDITOR GENERAL
PRELIMINARY AND TENTATIVE AUDIT FINDINGS ON
OPERATIONAL AUDIT OF
FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES
INDEPENDENT LIVING TRANSITION SERVICES PROGRAM

Finding No. 3: Transitional and Aftercare Support Services

Recommendation No. 3: We recommend that the Department establish clear guidelines for CBC use regarding when it is appropriate for a young adult to receive both Transitional and Aftercare Support Services based on the situation of the young adult. In addition, we recommend that the Department ensure that payments to young adults are properly coded and that sufficient documentation, including applications, is completed and maintained in the case files.

Department Response: The Department concurs. Establishment of clear guidelines is needed for local use when a young adult is seeking monetary benefits through the three Independent Living Transition Services Program service types. The guidance should also address protocol for the three service types to ensure proper application with documentation, as well as appropriate coding in FSFN.

In July 2007, an Independent Living Payment Guide and Code Definitions Guidebook was provided to each CBC lead agency. The guidebook gives detailed information on coding for each service type, in each available situation. In addition, the guidebook provides a complete and comprehensive definition of the expenditures allowed for each service type, as well as the eligibility and age limitation (for funding source purposes) for each service type. For example, the Road to Independence Program has different coding requirements for a young adult attending high school rather than post secondary education; the guidebook provides further clarification of available codes within each of these variations to allow for Chafee's funding restriction of age.

Although §409.1451(5), Florida Statutes, allows for a young adult to receive all three service types at the same time, the young adult should not be requesting the same need for all service types within the same time period. The Department will update the guidebook to assist the CBCs in evaluating applications when a young adult is requesting multiple service types to ensure each application is not duplicative of the need being requested within a specified time period, as well as including the requirement of scanning documents into FSFN.

Finding No. 4: Federal Grant Funding

Recommendation No. 4: We recommend that the Department enhance its monitoring procedures to ensure that payments to young adults are in compliance with Federal requirements and that administrative and support services costs allocated to the Chafee Program relate to Program-eligible young adults. In addition, we recommend that the Department take steps to ensure that the CBCs properly record ILTS Program payments.

Department Response: The Department concurs. Payments made to clients who exceeded the maximum age limitation for the Chafee program were improperly coded. As pointed out in the audit report, recoding these clients would have no impact on the amount of Chafee grant

EXHIBIT C
MANAGEMENT'S RESPONSE (CONTINUED)

RESPONSE TO OFFICE OF AUDITOR GENERAL
PRELIMINARY AND TENTATIVE AUDIT FINDINGS ON
OPERATIONAL AUDIT OF
FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES
INDEPENDENT LIVING TRANSITION SERVICES PROGRAM

drawn by the Department, as expenditures far exceed the grant available. The CBC lead agencies reported spending \$29.2 million in state fiscal year 2009-10 for eligible Chafee and ETV expenditures, but the federal grant amounts available were only \$11.3 million. The miscoding of \$621,043 represents an error rate of about 2.1%. The Department will reemphasize with the CBC lead agencies the importance of properly recording these program expenditures. In addition, when the final invoice is submitted by each CBC lead agency to the Department at the end of the state fiscal year, a final review will be completed of payments made to young adults to ensure compliance of age limitations as required by the Chafee grant. Any coding errors found will require corrections and a submission of an updated final invoice.

Policy and guidance will be provided to the CBC lead agencies of the requirement that all applications and backup documentation for young adults approved for any Independent Living Transition Services Program service type shall be scanned into FSFN and stored in the File Cabinet linked to the specific young adult. Scanning of each service type's application, along with backup documentation will enable the Department to ensure payments coded in the financial system are properly coded.

Finding No. 5: ETV Program, RTI Award, and SIL Program Spending Caps

Recommendation No. 5: We recommend that the Department perform monitoring to ensure Department payments to young adults do not exceed the annual ETV Program spending limit. Additionally, to ensure compliance with Department rules, we recommend that the Department establish procedures to monitor the RTI and SIL spending caps on a monthly basis.

Department Response: The Department concurs. Monitoring of direct payments made to young adults with the ETV funds is essential. The Department will continue to review ETV payments to young adults beginning in the fourth quarter of the fiscal year and provide notification to CBC lead agencies of any overages per young adult. When the final invoice is submitted by each CBC lead agency at the end of the state fiscal year, a final review will be completed of payments made to young adults to ensure compliance of the annual capped amount coded to ETV funds. Any overages found will require corrections, as well as submission of an updated final invoice.

The Department recently added the Subsidized Independent Living (SIL) maximum monthly payment amount to its contract monitoring tool. Therefore, as the Contract Oversight Unit monitors CBC lead agency contracts for Independent Living Transition Services, this is now available as part of the review.

A monthly process will be put in place to review SIL and RTI payments to ensure maximum monthly amounts are not exceeded. Should these monthly payment amounts exceed the maximum, notification will be sent to CBC lead agencies for correction. As mentioned above, when the final invoice is submitted by each CBC lead agency to the Department at the end of

EXHIBIT C
MANAGEMENT'S RESPONSE (CONTINUED)

RESPONSE TO OFFICE OF AUDITOR GENERAL
PRELIMINARY AND TENTATIVE AUDIT FINDINGS ON
OPERATIONAL AUDIT OF
FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES
INDEPENDENT LIVING TRANSITION SERVICES PROGRAM

the state fiscal, a final review will be completed of payments made to youth and young adults to ensure compliance with the maximum monthly amounts coded to SIL and RTI. Any overages found will require corrections, as well as a submission of an updated final invoice.

Finding No. 6: SIL Case Management

Recommendation No. 6: We recommend that the Department disseminate guidance and provide training to CBCs regarding the performance and documentation of SIL Program tasks.

Department Response: The Department concurs. Administrative rule 65C-28.009, Out-of-Home Care, Adolescent Services, provides the requirements for Subsidized Independent Living (SIL). The Department will develop guidance that provides detailed explanations for all required documentation for youth seeking to participate in SIL.

Currently, the Department facilitates monthly conference calls and periodic trainings for Independent Living and case management field staff. Trainings and technical support for providing SIL services to eligible youth will be conducted through these venues.

Finding No. 7: Adolescent Case Management Tasks

Recommendation No. 7: We recommend that the Department take steps to ensure that required staffing, assessments, and case plans are properly and timely conducted and documented.

Department Response: The Department concurs. Staffings, assessments, and case plans for youth in out-of-home care should be properly and timely conducted and documented.

Administrative rule 65C-28.009, Out-of-Home Care, Adolescent Services, lists required staffing, assessments, case plans, and services to be provided for children in out-of-home care within time frames. FSFN provides the capacity to scan and store digital documents related to active casework. Recently, the Department directed that all CBC Lead Agencies must convene meetings with each case management organization to ensure they fully understand case ownership responsibility as the integrator of all services and supports identified for each child.

Finding No. 8: Florida Safe Families Network

Recommendation No. 8: We recommend that the Department consider requiring the CBCs to fully utilize FSFN's functionality related to the ILTS Program.

Department Response: The Department concurs. Florida Safe Families Network (FSFN) is the State of Florida's Statewide Automated Child Welfare Information System (SACWIS), and

EXHIBIT C
MANAGEMENT'S RESPONSE (CONTINUED)

RESPONSE TO OFFICE OF AUDITOR GENERAL
PRELIMINARY AND TENTATIVE AUDIT FINDINGS ON
OPERATIONAL AUDIT OF
FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES
INDEPENDENT LIVING TRANSITION SERVICES PROGRAM

all child welfare services provided by the state are required to be documented in this system including services provided by the Independent Living Transition Services Program.

A directive was issued that all CBC lead agencies are to fully utilize the financial module within FSFN as the official record for payments made to and/or on behalf of clients, by July 1, 2011. In addition, the Department has provided guidance to the CBC lead agencies of the FSFN modules that are required to be completed for the federally mandated National Youth in Transition Database (NYTD) transmission of data from FSFN to the Administration for Children and Families semi-annually.

The Department has also provided policy and guidance to the CBC lead agencies for utilizing the scanning feature of FSFN, as well as the types of documents to be scanned; this included documentation required for youth and young adults receiving independent living services.

The Department will continue to provide trainings and technical assistance focused on completing these modules through webinars, desk references, monthly conference calls, and quarterly meetings for the Independent Living and Case Management staff.

Finding No. 9: ILTS Program Monitoring

Recommendation No. 9: We recommend that, in addition to the corrective action plan utilized during COU monitoring, the Department consider utilizing the Progressive Intervention and Program Improvement process to address continued CBC noncompliance in ILTS Program areas.

Department Response: The Department concurs. Once all efforts are exhausted to ensure compliance of independent living services as provided by §409.1451, Florida Statutes, Chapter 65C-31, F.A.C., and Administrative Rule 65C-28.009, F.A.C. by CBC lead agencies, the Department will utilize the Progressive Intervention and Program Improvement Process for the Independent Living Transition Services Program.

The Progressive Intervention and Program Improvement Process for any child welfare services' deficiencies provided by the CBC lead agency is already included, as a document incorporated by reference in each CBC contract. "The Department may begin this process at anytime in the event the provider is significantly below target on any performance measure, there are serious fiscal concerns, or if Quality Management review findings identify other serious systemic concerns, as determined by the District/Regional Administrator."