



AUDITOR GENERAL

WILLIAM O. MONROE, CPA



DEPARTMENT OF CHILDREN AND FAMILY SERVICES

INDEPENDENT LIVING TRANSITION SERVICES PROGRAM

Operational Audit

SUMMARY

The Department of Children and Family Services is responsible for administering a system of independent living transition services to enable older children in foster care and young adults who become ineligible for foster care at age 18 to make the transition to self-sufficiency as adults. The Independent Living Transition Services (ILTS) Program assists teens and young adults who meet certain eligibility requirements to obtain life skills and education for independent living and employment. Expenditures for ILTS services during the 2003-04 fiscal year totaled approximately \$17.3 million. Approximately \$16.4 million is budgeted for ILTS for the 2004-05 fiscal year.

Chapter 2004-362, Laws of Florida, directed the Auditor General to conduct an audit of the Independent Living Transition Services Program.¹ The audit primarily covered the period October 2002 through September 2004, and disclosed:

Finding No. 1: A comparison of the data systems used by the Department to record and report ILTS data disclosed significant differences. As a result, the Department and the Legislature cannot be assured as to the completeness and accuracy of information needed to make decisions

regarding long-term funding and the provision of services for the ILTS Program.

Finding No. 2: Department districts and contracted Community-Based Care agencies (CBCs) did not ensure only eligible youth were provided Young Adult (YA) services and did not always document how initial and ongoing eligibility requirements were determined.

Finding No. 3: YA payments totaling approximately \$542,000 were made to clients in excess of the fiscal year spending caps.

Finding No. 4: The Department did not effectively implement a needs assessment policy for Road-to-Independence (RTI) scholarship recipients until December 27, 2004. Additionally, the needs assessment instrument for high school recipients did not require the determination of actual need as the basis for the benefit amount.

Finding No. 5: The districts and CBCs did not always complete the required skills assessments for teens ages 13 up to 18, nor document that ILTS Program services were provided to the teens. Furthermore, the Department has not promulgated rules, or established written policies and procedures, addressing the provision of ILTS Program services to teens ages 13 up to 18.

¹ Chapter 2004-362, Laws of Florida, also directed the Office of Program Policy Analysis and Government Accountability (OPPAGA) to develop recommendations for the minimum system standards for ILTS. See OPPAGA Report No. 04-78.

BACKGROUND

The Independent Living Transition Services (ILTS) Program assists older children in foster care and young adults who become ineligible for foster care at age 18 to obtain life skills and education to make the transition to independent living and employment. According to Department accounting records, approximately \$17.3 million was expended in the 2003-04 fiscal year for the ILTS Program. The services are primarily funded from the Chafee Federal grant and State match.

The ILTS Program assists two age groups of children and young adults. Teens in foster care ages 13 up to 18 are eligible to receive Pre-Independent Living, Life Skills, and Subsidized Independent Living (SIL) services, hereafter cumulatively referred to as Teen services. Young adults (ages 18 up to 23) who were formerly in foster care may receive Young Adult (YA) services that include Aftercare, Road-to-Independence (RTI) Scholarships, and Transitional Support. Exhibit 1 of this report describes the various ILTS with demographic information.

During the past two years the Department has been transitioning Child Welfare services, including the ILTS Program, to Community-Based Care agencies (CBCs) (See Exhibit 4). While the Department is responsible for establishing rules, policies, and procedures for the ILTS Program, the services are provided through the CBCs. The CBCs are responsible for planning, administering, and coordinating the delivery of client services; ensuring compliance with State laws and Federal regulations (including eligibility determination); and making payments to service providers or disbursements directly to the youth.

FINDINGS AND RECOMMENDATIONS

Finding No. 1: Financial Data Reliability

The Department uses a myriad of data systems to record and report Child Welfare financial and program data:

- **FLAIR.** Prior to transitioning to CBCs, Department districts recorded payments made for ILTS in the State’s accounting system (FLAIR). However, upon transition, only the contract payments made to the CBCs are recorded in FLAIR. Specific information related to CBC expenditures for ILTS services are recorded in individual CBC accounting systems.
- **ICWSIS.** The districts and CBCs use the Integrated Child Welfare Services Information System (ICWSIS) to maintain Child Welfare client placement and financial data related only to payments made to clients (e.g., Aftercare, RTI Scholarships). ICWSIS produces invoices that are batched and uploaded by the districts into the CWVS described below. CBCs include the invoices as part of the support for their requests for contract payments.
- **CWVS.** The Child Welfare Vouchering System (CWVS) is a client information database which edits invoices for Child Welfare services and, for districts that have not transitioned to CBCs, produces vouchers that are uploaded into FLAIR for payment.
- **HomeSafenet.** Over the past several years, the Department has been developing and implementing HomeSafenet to manage Child Welfare related data. HomeSafenet does not currently include financial data. The Department plans for full functionality of HomeSafenet to include financial data and eventual phasing out of ICWSIS and CWVS.

As shown in Table 1, our review of the financial data maintained in each of these systems disclosed significant differences.

Table 1.
Comparison of ILTS Program Expenditures in Fiscal Year 2003-04

	ICWSIS	CWVS	FLAIR
YA Services			
Transitional	\$ 2,250,756.40	\$ 1,435,421.98	\$ (a)
Aftercare	324,172.25	136,097.47	2,278,091.73
RTI Scholarships	8,199,526.10	6,358,715.21	6,621,213.35
Education and Training Vouchers	948,217.00	870,832.52	869,944.08
Total YA Services	11,722,671.75	8,801,067.18	9,769,249.16
Teen Services			
Pre-Independent Living and Life Skills	(b)	(b)	7,312,870.26
Subsidized Independent Living (SIL)	657,733.76	342,946.02	(a)
Total Teen Services	657,733.76	342,946.02	7,312,870.26
Headquarters Expenditures	(b)	(b)	291,998.78
Total ILTS Expenditures	\$ 12,380,405.51	\$ 9,144,013.20	\$ 17,374,118.20

(a) Included in Aftercare amount.

(b) ICWSIS and CWVS are designed only to capture data related to payments to clients and certain payments on their behalf.

The Department does not perform reconciliations of the systems and, as a result, cannot accurately report the costs associated with ILTS. Factors that complicate the reconciliation process include:

- Adjustments to ICWSIS may be made after the fiscal year-end, but may not be entered into CWVS after the CWVS closeout period.
- ICWSIS and CWVS are designed to maintain only data related to payments made to clients or certain payments made on their behalf. Therefore, expenditures for program administration and payments to service providers are recorded in FLAIR, but not ICWSIS or CWVS.
- Expenditures for the types of YA and SIL services are readily identifiable in ICWSIS and CWVS through use of an expenditure type code that is not available in FLAIR.
- ICWSIS is maintained at the district level and does not provide a means to efficiently extract and report information on a Statewide basis. Additionally, Department headquarters personnel do not have the ability to extract and report ICWSIS data, but must request needed information from the Suncoast Region.

The Department has implemented a Spending Plan Analysis process to assist in collecting and monitoring

budget and expenditure data of the districts and CBCs. Exhibit 2 and Exhibit 3 of this report provide schedules of 2004-05 fiscal year budget, expenditures and projected surpluses (deficits) for the various types of ILTS. The projected 2004-05 fiscal year deficit ranges from approximately \$1.4 million (based on actual expenditures at December 31, 2004) to \$3 million (based on district projections). The absence of accurate and reliable financial data, in conjunction with the other findings in this report, has contributed to the financial condition of the ILTS Program.

Federal funding for the ILTS Program will decrease as the State’s foster care population continues to decrease. Therefore, it is imperative that the Department and the Legislature have complete and accurate information to make decisions regarding funding and provision of services for the ILTS Program.

Recommendation: We recommend the Department continue to pursue the completion of HomeSafenet and phase out the ICWSIS and CWVS legacy systems. In the interim, periodic reconciliations of the financial data in the ICWSIS, CWVS, FLAIR, and the Spending Plans should be performed.

Finding No. 2: YA Eligibility Determination

Young adults (ages 18 up to 23) that were formerly in foster care are eligible for YA services. The Department’s ICWSIS reported that payments totaling \$11.7 million were made to young adults during the 2003-04 fiscal year.

To receive YA services, individuals must meet and maintain eligibility requirements set forth in Federal regulations, State law, or Department policy (See Exhibit 1). Although the Department established and disseminated to the districts and CBCs guidelines that addressed an implementation plan, standard applications, form letters, and established spending caps, the districts and CBCs did not document the determination of how initial eligibility requirements or the ongoing maintenance of eligibility for renewed services were determined for 77 percent of the young adults reviewed in our tests. Additionally, based on the documentation provided, some young adults received services for which they were not eligible. Table 2 provides the demographics related to our review of the case files for 60 young adults and Table 3 provides a schedule of the deficiencies noted.

Recommendation: We recommend the Department enhance its technical assistance and monitoring procedures to ensure that the districts and CBCs provide services only to eligible young adults and sufficiently document initial and ongoing eligibility determinations for YA services.

Table 2.
Schedule of YA Cases Selected for Testing

District (a)	Service Type	No. of Case Files	RTI Scholarship Program Type			Amount Paid in the 2003-04 Fiscal Year
			Post-Secondary	High School	GED Program	
4	Aftercare	1				\$ 540.00
	Scholarships	9	4	2	3	76,712.00
	Transitional	5				15,794.22
		15				93,046.22
10	Aftercare	0				-
	Scholarships	8	3	3	2	64,764.00
	Transitional	7				34,255.97
		15				99,019.97
11	Aftercare	4				5,757.07
	Scholarships	18	9	4	5	166,744.00
	Transitional	8				32,861.00
		30				205,362.07
Total	Aftercare	5				6,297.07
	Scholarships	35	16	9	10	308,220.00
	Transitional	20				82,911.19
		60				\$ 397,428.26

Post-Secondary Institutions
 8 Universities
 4 Community Colleges
 4 Vocational Technical Institutions

(a) District 4 began transitioning services to CBCs June 2003-March 2004.
 District 10 began transitioning services to the CBC June 2003.
 District 11 had not begun transitioning services to the CBC, as of January 15, 2005.

Table 3.
Schedule of Noted Deficiencies

District	Service Type	Foster Care Requirement Not Met	Age Requirement Not Met at Initial Application Date	Approved Initial Application Not Provided	Appropriate Initial Proof of Eligibility Not Provided	Proof of Ongoing Eligibility Not Provided	Spending Caps Exceeded	Amount in Excess of Spending Caps (a)	Amount of Questioned Payments
4	Aftercare							\$ -	\$ -
	Scholarships		1		1	6		-	49,952.00
	Transitional			2	2	3	1	3,920.00	10,086.22
			1	2	3	9	1	\$ 3,920.00	\$ 60,038.22
10	Aftercare							\$ -	\$ -
	Scholarships	1				1		-	21,948.00
	Transitional					2	4	4,020.77	11,344.50
		1				3	4	\$ 4,020.77	\$ 33,292.50
11	Aftercare			2	3		4	\$ 1,757.07	\$ 4,500.00
	Scholarships		1		7		1	892.00	105,196.00
	Transitional			1	1	6	1	4,812.00	25,737.00
		1	1	3	11	13	6	\$ 7,461.07	\$ 135,433.00
Total	Aftercare			2	3		4	\$ 1,757.07	\$ 4,500.00
	Scholarships	1	2		8	14	1	892.00	177,096.00
	Transitional	1		3	3	11	6	12,752.77	47,167.72
		2	2	5	14	25	11	\$ 15,401.84	\$ 228,763.72

(a) Amounts are also included in Finding No. 3.

Finding No. 3: YA Spending Caps

As described in Exhibit 1, the various YA services provided to young adults are subject to annual spending caps. Our analysis of ICWSIS-reported YA expenditures for the 2003-04 fiscal year disclosed that 253 clients (11 percent) received payments totaling approximately \$542,000 in excess of the spending caps established for YA services:

- **Aftercare.** 106 of 200 clients received payments totaling \$169,382 in excess of the \$1,000 per fiscal year spending cap.
- **RTI Scholarships.** 40 of 1,267 clients received payments totaling \$31,980 in excess of the \$10,704 per fiscal year spending cap.
- **Transitional Support.** 107 of 800 clients received payments totaling \$340,186 in excess of the \$5,000 per fiscal year spending cap.

Some districts and CBCs indicated they were not aware of the spending caps for Aftercare and Transitional Support. Staff also indicated that Aftercare and Transitional Support spending caps were sometimes exceeded on a case-by-case basis due to emergency needs of the young adults. In other instances, posting errors to the financial records resulted in spending caps being exceeded.

Recommendation: We recommend the Department enhance its technical assistance and monitoring procedures (e.g., exception reporting or system edit checking) to ensure payments to clients do not exceed the established spending caps. The Department should establish written policies and procedures to address whether Aftercare and Transitional Support spending caps may be exceeded in certain situations and the documentation requirements related to those instances.

Finding No. 4: RTI Scholarship Needs Assessments

RTI scholarships provide young adults enrolled in high school, GED programs, and post-secondary educational institutions with funds for living and educational expenses. Effective June 24, 2004,

Chapter 2004-362, Laws of Florida, required the districts and CBCs to determine the amount of an RTI scholarship award based on the living and educational needs of the young adult. In accordance with the requirements of the law, the Department issued tools and instructions in September 2004, to be used in completing needs assessments. However, in response to concerns that decreasing benefits, as a result of the assessments, would be detrimental to the young adults, the Department notified the districts and CBCs on December 1, 2004, to immediately discontinue the implementation of the needs assessment process. Additionally, the Department instructed the districts and CBCs to reinstate payment amounts to the maximum \$892 per month and to retroactively pay for any prior benefit periods during the fiscal year for which the client did not receive \$892.

On December 27, 2004, the Department issued new guidelines and assessment documents. The districts and CBCs are required to use these documents to prepare a needs assessment for all new and existing clients by April 1, 2005. Our review of these documents disclosed that generally, the needs assessment for postsecondary students was sufficient to identify all needs and available resources. However, for high school students, the needs assessment process did not require determining the living and educational needs (cost of attendance) as a basis for the benefit amount. Instead, the Department set the cost of attendance at the statutory maximum annual award amount of \$10,704.

According to Department personnel, after review of multiple costs of attendance figures, the Department determined that the maximum allowed by State law would be the most appropriate figure. Notwithstanding the Department's explanation, since the \$10,704 statutory maximum amount is computed based on the income from a 40-hour per week minimum wage job, it is not clear why requiring a high school student to prepare a budget based on actual expenses would not be a better indicator of the living and educational needs of the young adult.

Recommendation: We recommend the Department review the needs assessment process for high school students and assess need based on a more accurate estimate of living and educational needs as required by law, such as preparing an individual budget. Such an exercise would not only be a more fiscally sound approach to determining the amount needed, but provide students with an opportunity to learn budget preparation and financial management skills.

Finding No. 5: Teen Assessments and Participation

To facilitate successful transition into adulthood, Section 409.1451(4), Florida Statutes, requires the Department to provide Pre-Independent Living and Life Skills services (See Exhibit 1). The specific services to be provided should be based on a Pre-Independent Living assessment for children at age 13 and a Life Skills assessment for children at age 15.

We requested all relevant documentation as of the effective date of the law, October 2002, for 42 foster care teens (ages 13 up to 18) in Districts 7 and 11 and the Suncoast Region. In total, the 42 cases reviewed should have had 55 assessments completed as of September 30, 2004. Our review disclosed:

Assessment

- Only 36 of the 55 assessments due during the period October 2002 through September 2004 were provided for our review.
- Of the 36 provided for our review, only 5 were completed in a timely manner (i.e., within 45 days of the due date). The remaining 31 assessments were performed an average of 10.1 months after the date due.
- No assessments were provided for 8 teens.
- The average age of the teens when receiving their first assessment was 15.05 years.

Participation

- For 10 of the 42 cases reviewed, documentation (e.g., signed rosters, case notes) was sufficient to demonstrate Teen services were delivered and the teen participated in the services. However, for 21

of the cases, no documentation was available to evidence that services had been delivered to the teens.

- For the remaining 11 cases, the district or CBC indicated that Teen services were delivered, but documentation evidencing that the teens actually participated in the services was not available.

The Department provides technical assistance to the districts and CBCs, including periodic meetings with Independent Living coordinators. However, the Department has not promulgated rules nor established written policies and procedures addressing Teen services to youth in foster care, other than those related to Subsidized Independent Living services.

Recommendation: We recommend that the Department promulgate rules as required by law and establish written policies and procedures that specifically address the completion of Teen assessments, including time frames in which the assessments should be completed. We also recommend that the Department enhance its technical assistance and monitoring procedures to ensure sufficient documentation is maintained to demonstrate that appropriate Teen services were offered to and participated in by the teens.

OBJECTIVES, SCOPE, AND METHODOLOGY

The scope of our audit focused on the Department’s Independent Living Transition Services Program. Specific objectives included determining:

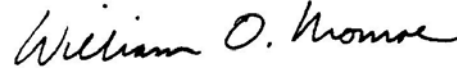
- The resources used to fund the ILTS Program, the amount expended for the various types of program services, and whether ILTS expenditures were necessary, reasonable, and in compliance with Federal regulations, State law, and Department policy.
- Whether the Department’s eligibility determination process was effective and appropriate documentation maintained to support client eligibility.
- Whether the Department’s assessment process of clients’ needs was effective and appropriately documented.
- Whether selected management controls promoted and encouraged the achievement of

management’s objectives, of compliance with controlling laws, administrative rules, and other guidelines; the economic, efficient, and effective operation of the Department; and the reliability of records and reports.

In conducting our audit, we interviewed auditee personnel, observed processes and procedures, and completed various analyses and other procedures as determined necessary. The audit included examinations of various transactions (as well as events and conditions) occurring during the period October 2002 through September 2004.

AUTHORITY

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.



William O. Monroe, CPA
Auditor General

AUDITEE RESPONSE

In a letter dated February 8, 2005, the Secretary of the Department provided her response to our findings and recommendations. The letter may be viewed in its entirety at the end of this report.

Exhibit 1

Independent Living Transition Services Program

Program Components and Types of Services	Examples of Specific Services Provided	Eligibility Requirements						Spending Caps	Client Count (a)
		Age Group Served	Foster Care Status	Initial Request For Services By	Initial Determination Basis	Academic Requirements	Ongoing Determination Basis		
Teen Services									
Pre-Independent Living	Training related to self care, social development, work and study habits, money management, etc.	13 up to 15	Current	N/A	Needs Assessment	N/A	Periodic Evaluations	N/A	1,848
Life Skills	Training related to banking and budgeting skills, interviewing skills, parenting skills, educational support, employment training, counseling, etc.	15 up to 18	Current	N/A	Needs Assessment	N/A	Evaluations every 6 months	N/A	3,429
Subsidized Independent Living (SIL)	Living arrangements that allow the child to live independently of the daily care and supervision of an adult	16 up to 18	At least 6 months prior to entering SIL	N/A	Demonstrate IL skills	N/A	Continue to demonstrate IL skills	N/A	374
Total IL									5,651
Young Adult (YA) Services									
Aftercare	Mentoring, tutoring, mental health services, substance abuse counseling, parenting classes, job skills training, counselor consultations, temporary financial assistance, etc.	18 up to 23	Leave foster care at age 18	Prior to age 23	Needs Assessment	N/A	Non-recurring	\$1,000 per fiscal year	200
Transitional Support	Short-term services, including financial, housing, counseling, employment, education, mental health, disability, etc.	18 up to 23	In foster care or SIL at age 18 and 6 months prior to age 18	Prior to age 23	Demonstrate services are critical to achieving self-sufficiency Transition Plan	N/A	Quarterly evaluations to demonstrate continual need	\$5,000 per fiscal year	800
Road-to-Independence (RTI) Scholarships	Provide funds to students pursuing educational goals to meet living and educational expenses (c)	18 up to 23	In foster care or SIL at age 18 and 6 months prior to age 18	Prior to age 21	Needs Assessment	Full time enrollment in Post-secondary, High School, or GED Program (d)	Annual renewal, earn full time credit hours, maintain appropriate progress	\$10,704 per fiscal year	1,267
Education and Training Vouchers (ETV) (b)	Provide funds to students attending institutions of higher education (university, community college, vocational school)	18 up to 23	In foster care or SIL at age 18 and 6 months prior to age 18 or adopted from foster care at age 16 or 17	Prior to age 21	Requirements of Scholarship or Transitional Support Transition Plan	Admission and attendance at post secondary institution	Requirements of Scholarship or Transitional Support	\$5,000 per fiscal year; Prorated if part time; Not to exceed cost of attendance	(b)
Total RTI									2,267

Sources: Chapter 2004-362, Laws of Florida; DCF Guidelines, HomeSafenet, Integrated Child Welfare Services Information System.

(a) Numbers for Pre-Independent Living and Life Skills represent children in foster care within the respective age group as of February 2005.

Numbers for all other types of service represent clients receiving services during fiscal year 2003-04. Note: Clients may receive more than one type of service.

(b) Additional funding for RTI Scholarships and Transitional Support (client count included therein). Presented separately due to unique Federal requirements.

(c) Young adults eligible for RTI Scholarships are exempt from paying tuition and fees while attending State post-secondary educational institutions, pursuant to Section 1009.25(2)(c), Florida Statutes.

(d) Prior to June 24, 2004, the effective date of Chapter 2004-362, Laws of Florida, high school students were required to maintain a 2.0 GPA and GED Program participants were required to show satisfactory progress.

Exhibit 2

Schedule of Budgeted Expenditures and Projected Surpluses (Deficits)
As Provided in District December 2004 Spending Plans
For the 2004-05 Fiscal Year

District	Budget per Service Type						Projected Budget Surplus (Deficit) per Service Type					
	Pre-Independent Living and Life Skills	Other than Room and Board for Aftercare, Transitional, and SIL	Room and Board for Aftercare and Transitional (b)	Scholarships	Education and Training Vouchers	Total	Pre-Independent Living and Life Skills	Other than Room and Board for Aftercare, Transitional, and SIL	Room and Board for Aftercare and Transitional (a)	Scholarships	Education and Training Vouchers	Total
1	\$ 204,575	\$ 9,208	\$ 22,310	\$ 183,507	\$ 112,959	\$ 532,559	\$ -	\$ (16,139)	\$ 18,649	\$ 21,087	\$ (20,699)	\$ 2,898
2	273,097	15,546	36,983	251,464	68,932	646,022	68,513	12,179	(17,935)	69,000	(23,833)	107,924
3	252,492	11,762	45,464	300,438	139,159	749,315	(30,888)	1,283	(1,225)	752	36,029	5,951
4	476,846	26,033	67,362	458,458	324,867	1,353,566	334,765	12,054	(241,089)	211,557	(13,619)	303,668
7	635,612	39,014	92,597	655,262	297,631	1,720,116	(752,066)	(91,856)	(73,642)	(102,503)	(529,113)	(1,549,180)
8	202,890	8,209	20,125	144,596	95,100	470,920	(2,424)	8,209	(32,063)	(20,410)	(20,408)	(67,096)
9	297,055	16,215	38,190	267,020	173,603	792,083	84,995	(8,949)	(70,562)	105,877	(339,810)	(228,449)
10	678,480	42,364	96,845	664,296	442,940	1,924,925	484,480	(97,025)	62,362	(660,198)	(39,542)	(249,923)
11	1,254,673	99,222	261,169	1,717,590	614,281	3,946,935	873,162	(103,961)	(392,554)	(1,201,397)	-	(824,750)
12	177,021	6,568	15,859	142,906	104,224	446,578	-	-	-	(50,458)	7,352	(43,106)
13	353,670	13,890	33,809	262,963	166,455	830,787	(197,962)	13,890	25,663	(149,655)	67,285	(240,779)
14	185,375	10,224	25,013	177,840	104,674	503,126	(152,615)	10,224	3,605	120,940	99,676	81,830
15	143,907	6,156	15,060	117,868	65,439	348,430	(56,137)	(7,400)	14,360	54,540	52,732	58,095
Suncoast	803,510	35,749	83,581	651,530	523,999	2,098,369	(75,831)	(178,486)	(462,514)	62,274	294,917	(359,640)
Total	\$ 5,939,203	\$ 340,160	\$ 854,367	\$ 5,995,738	\$ 3,234,263	\$ 16,363,731	\$ 577,992	\$ (445,977)	\$ (1,166,945)	\$ (1,538,594)	\$ (429,033)	\$ (3,002,557)

Source: District December 2004 Spending Plans.

(a) Room and Board identified separately for Federal regulation purposes.

Exhibit 3

**Schedule of Projected Surpluses (Deficits)
For the 2004-05 Fiscal Year
Based on Actual Expenditures as of December 31, 2004**

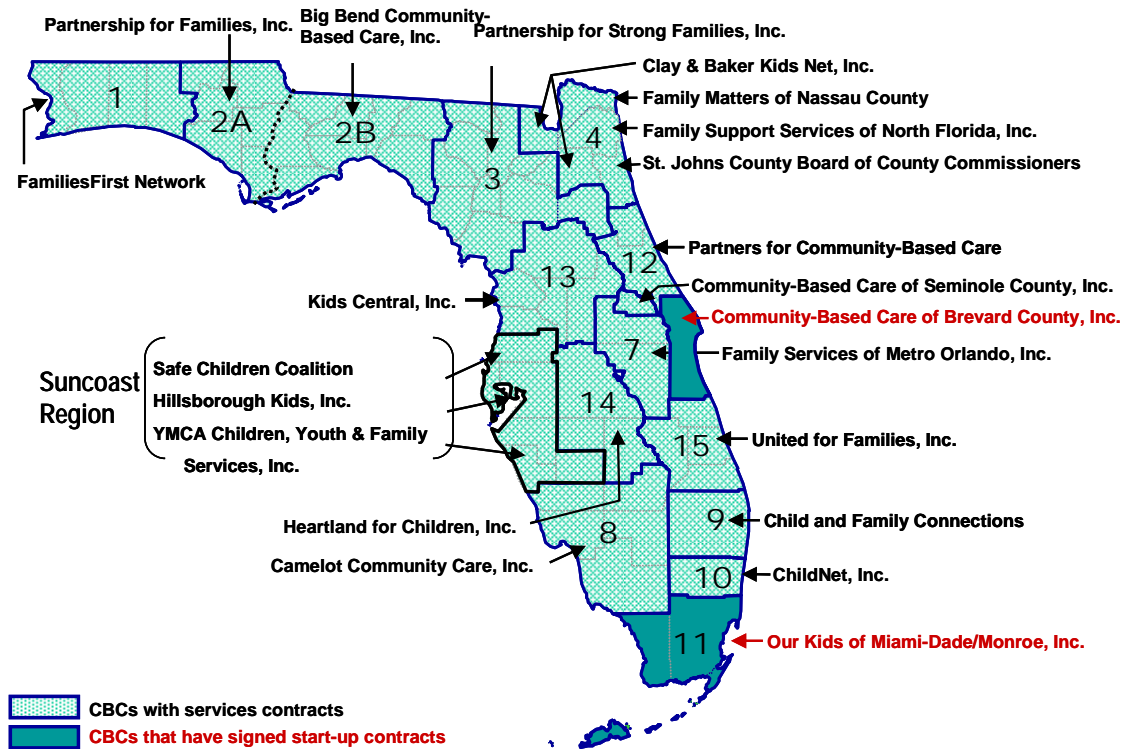
District	Actual Expenditures as of December 2004						Projected Budget Surplus (Deficit) per Service Type (a)					
	Pre-Independent Living and Life Skills	Other than Room and Board for Aftercare, Transitional, and SIL	Room and Board for Aftercare and Transitional (b)	Scholarships	Education and Training Vouchers	Total	Pre-Independent Living and Life Skills	Other than Room and Board for Aftercare, Transitional, and SIL	Room and Board for Aftercare and Transitional (b)	Scholarships	Education and Training Vouchers	Total
1	\$ 56,316	\$ 7,581	\$ 750	\$ 41,369	\$ 33,397	\$ 139,413	\$ 91,943	\$ (5,954)	\$ 20,810	\$ 100,769	\$ 46,165	\$ 253,733
2	42,562	5,057	36,758	137,075	63,332	284,784	187,973	5,432	(36,533)	(22,686)	(57,732)	76,454
3	128,729	191	750	18,029	34,788	182,487	(4,966)	11,380	43,964	264,380	69,583	384,341
4	240,552	6,285	83,123	162,806	138,052	630,818	(4,258)	13,463	(98,884)	132,846	48,763	91,930
7	187,251	53,416	31,631	198,413	123,203	593,914	261,110	(67,818)	29,335	258,436	51,225	532,288
8	119,163	-	27,561	78,637	59,837	285,198	(35,436)	8,209	(34,997)	(12,678)	(24,574)	(99,476)
9	162,738	3,267	89,143	92,773	201,010	548,931	(28,421)	9,681	(140,096)	81,474	(228,417)	(305,779)
10	182,349	185,493	14,454	767,603	206,864	1,356,763	313,782	(328,622)	67,937	(870,910)	29,212	(788,601)
11	120,039	126,183	343,449	1,775,439	135,839	2,500,949	1,014,595	(153,144)	(425,729)	(1,833,288)	342,603	(1,054,963)
12	109,401	1,600	5,704	79,234	29,384	225,323	(41,781)	3,368	4,451	(15,562)	45,456	(4,068)
13	290,807	-	1,787	129,783	112,881	535,258	(227,944)	13,890	30,235	3,397	(59,307)	(239,729)
14	227,253	-	9,111	23,896	4,998	265,258	(269,131)	10,224	6,791	130,048	94,678	(27,390)
15	84,997	2,395	700	38,819	6,313	133,224	(26,087)	1,366	13,660	40,230	52,813	81,982
Suncoast	529,284	18,878	208,584	236,918	191,184	1,184,848	(255,058)	(2,007)	(333,587)	177,694	141,631	(271,327)
Total	2,481,441	410,346	\$ 853,505	\$ 3,780,794	\$ 1,341,082	\$ 8,867,168	\$ 976,321	\$ (480,532)	\$ (852,643)	\$ (1,565,850)	\$ 552,099	\$ (1,370,605)

(a) Computed based on actual July 2004 - December 2004 expenditures reported in district's December Spending Plans.

(b) Room and Board identified separately for Federal regulation purposes.

Exhibit 4

Department of Children and Family Services Districts
and Community-Based Care Providers





Jeb Bush
Governor

Lucy D. Hadi
Secretary

February 8, 2005

Mr. William O. Monroe, CPA
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Monroe:

Thank you for your recent letter providing the preliminary findings and recommendations of your audit of the department's Independent Living Transition Services Program.

Enclosed is our response to the findings and recommendations. If your staff has any additional questions, please have them call Ms. Beth Englander, Director of Child Welfare/CBC or Ms. Gay Frizzell, Out-Of-Home Care Policy Supervisor, at (850) 488-8762.

Sincerely,

A handwritten signature in black ink, appearing to read "Lucy D. Hadi", is written over the typed name and title.

Lucy D. Hadi
Secretary

Enclosure

1317 Winewood Boulevard, Tallahassee, Florida 32399-0700

The Department of Children and Families is committed to working in partnership with local communities to ensure safety, well-being and self-sufficiency for the people we serve.

DEPARTMENT OF CHILDREN AND FAMILY SERVICES
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Finding 1: A comparison of the data systems used by the Department of Children and Families to record and report ILTS data disclosed significant differences. As a result, the department and the Legislature cannot be assured as to the completeness and accuracy of information needed to make decisions regarding long-term funding and the provision of services for the ILTS Program.

Recommendation: We recommend the department continue to pursue the completion of HomeSafenet and phase out the ICWSIS and CWVS legacy systems. In the interim, periodic reconciliations of the financial data in the ICWSIS, CWVS, FLAIR, and the Spending Plans should be performed.

The department concurs with this finding and recommendation.

In the past few months, a team has been analyzing and producing detailed software programming for exception reports to reflect differences between ICWSIS and HomeSafenet data for Title IV-E clients and the Independent Living clients. This project has progressed slowly due to many technical differences in databases, but the results should serve to meet part of this recommendation and to facilitate the eventual subsuming of ICWSIS into HomeSafenet. In addition, the Child Welfare Program Office just initiated a manual audit of all Independent Living claims in ICWSIS. This audit will serve as a point for corrective action and will assist in verifying projected surpluses and deficits.

Also, there is an active project underway to dispense with the Child Welfare Vouchering System due to the changed relationships of payment systems with the transition to community-based care providers. The target date for a final decision and implementation is set for July 1, 2005.

The Auditor General points out that data and financial systems for detailed tracking of expenditures related to the 13 to 17-year-olds are not sufficient. Corrections to the data systems for this finding will likely involve significant programming and human resources.

As the Auditor General states, analysis is difficult across existing systems given the differences in definitions used, coding, fields for data, timing for data entry, time periods reflected in different data fields, etc. between the various systems. For this reason, the data generated for financial analyses create variances.

Finding 2: Department districts and contracted Community-Based Care agencies (CBCs) did not ensure only eligible youth were provided Road-to-Independence (RTI) services and did not always document how initial and ongoing eligibility requirements were determined.

Recommendation: We recommend the department enhance its technical assistance and monitoring procedures to ensure that the districts and CBCs provide services only to eligible young adults and sufficiently document initial and ongoing eligibility determinations for RTI services.

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The department concurs with the recommendation to enhance technical assistance and monitoring procedures for eligibility determination and service provision for young adults formerly in foster care.

Currently, there is no system for monitoring eligibility determination for the three types of services for young adults formerly in foster care. The three service categories specified in Florida Statute are: Aftercare Support, Transitional Support Services, and Road to Independence Scholarship.

The type of work, skills, and processes required to document eligibility and compute dollar amounts for the financial assistance provided under the Road to Independence Scholarship is a new role/function for child welfare caseworkers. Generally, these staff perform clinical casework functions related to safety, permanency, and well-being outcomes for children age zero through 17. These Independent Living services are specifically for young adults age 18 through 22. These young adults are no longer "in foster care" and are no longer under the supervision of the juvenile court. Therefore, no monitoring systems existed for this unique group. A monitoring system will be developed and implemented for young adult services.

The department will review processes for monitoring similar programs such as public assistance and/or financial aid services and will develop a protocol for eligibility monitoring. The following elements will be considered in the development of a monitoring protocol for services for young adults formerly in foster care:

- Federal regulations regarding funding sources,
- State law regarding eligibility,
- Staff capacity to perform the monitoring function (casework, supervisor, zone quality management, headquarters policy, fiscal staff, and other),
- Relationship of the eligibility monitoring protocol to existing monitoring protocols of child welfare services for children age 13 through 17 in foster care (Florida Child Welfare Integrated Quality Assessment and Administration for Children and Families Child and Family Services Review),
- The most appropriate vehicle for disseminating the monitoring protocol to the community-based care agencies (operating procedure, contract requirement, administrative code, etc.),
- Availability of data systems to support the monitoring protocol,
- Frequency of monitoring efforts,
- Sampling methodologies,
- Written procedures regarding spending caps (see Recommendation # 3) and
- Documentation requirements regarding actual and appropriate service provision (Recommendation #5).

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Finding 3: RTI payments totaling approximately \$555,000 were made to clients in excess of the fiscal year spending caps.

Recommendation: We recommend the department enhance its technical assistance and monitoring procedures (e.g., exception reporting or system edit checking) to ensure payments to clients do not exceed the established spending caps. The department should establish written policies and procedures to address whether Aftercare and Transitional Support spending caps may be exceeded in certain situations and the documentation requirements related to those instances.

The department concurs that written procedures need to be established regarding spending caps for the three categories of services for young adults formerly in foster care and documentation requirements need to be clarified regarding exceeding spending caps for the Aftercare and Transitional Support Services programs. The department concurs with the recommendation to establish a monitoring protocol addressing spending caps, to include developing electronic edits on the payment system.

The department recognizes that Florida law allows for receipt of all three service categories, simultaneously. Section 409.1451(5)(c)1., F. S., provides, "In addition to any services provided through aftercare support or the Road to Independence Scholarship, a young adult formerly in foster care may receive other appropriate short-term services, which may include financial, housing, counseling, employment, education, mental health, disability, and other services, if the young adult demonstrates that the services are critical to the young adult's own efforts to achieve self-sufficiency and to develop a personal support system." However, the law also requires that young adult services shall be provided "based on the availability of funds." The department will consider the requirements of law, both the simultaneous services provision and the availability of funding provision in developing written procedures.

The department will review the written procedures regarding spending caps in the guidance disseminated by policy staff on October 25, 2002 and February 26, 2004. In addition, the department will consider the elements listed in the comments for Recommendation #2 in developing the monitoring protocol.

Finding 4: The Department did not effectively implement a needs assessment policy for RTI scholarship recipients until December 27, 2004. Additionally, the needs assessment instrument for high school recipients did not require the determination of actual need as the basis for the benefit amount.

Recommendation: We recommend the Department review the needs assessment process for high school students and assess need based on a more accurate estimate of living and educational needs as required by law, such as preparing an individual budget. Such an exercise would not only be a more fiscally sound approach to determining the amount needed, but provide students with an opportunity to learn budget preparation and financial management skills.

The department agrees with the recommendation to review the implementation of the needs assessment process to determine its effectiveness and make needed improvements. This is the only tool of its kind in the country for assessment of young adults' needs for services

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through Chafee funding. Careful research and deliberation, to include national technical assistance, resulted in the current model.

The department exercised its statutory obligation to implement an assessment tool in January, 2005. The needs assessment tool will be used by community-based care providers for the duration of this fiscal year, while the department continues to evaluate the model in accordance with your office's recommendation.

As it developed the needs assessment, the department considered the information below:

Objective criteria requirement in federal law

Section 477(b)(2)(e), Foster Care Independence Act of 1999 (federal Chafee law), requires states to use "objective criteria for determining eligibility for benefits and services under the programs, and for ensuring fair and equitable treatment of benefit recipients." Individual budgets are inherently subjective and would contain too many variables that could not be addressed in an objective manner. Students' personal spending choices in an individualized budget would not meet the criteria above.

Standard process and staff impact considerations

The department is required by Florida law to establish a needs assessment process for all students receiving the Road to Independence Scholarship regardless of whether the student attends high school or postsecondary school. Because differing federal sources are used to fund the awards for the different types of students, a range of federal regulations applies. The department determined that a standard needs assessment process using similar elements and factors would result in the most effective tool. In addition, the department determined that a standard approach would best meet the needs of casework staff conducting the assessments. The department was compelled to consider the impact of this workload on staff and the need for uniformity and consistency.

Cost of attendance figures for postsecondary and high school students

The department determined that the most fair and equitable process must include a standard "cost of attendance" figure for all students receiving the Road to Independence Scholarship. Per the Higher Education Act, postsecondary institutions are required to set cost of attendance figures. Federal regulations regarding Education and Training Voucher (ETV) funds require states to use the cost of attendance figure as the maximum educational assistance for all postsecondary students. These figures typically include costs for room, board, educational materials, student insurance, etc. Since the cost of attendance was a mandatory element for the needs assessment process for postsecondary students (scholarships funded by ETV), the department determined the high school format would be based on a similar structure.

Search for standard costs of living for high school students

The department conducted extensive review of factors to include in the assessment of the funding needs of the young adult student attending high school. Multiple approaches were considered prior to releasing the initial needs assessment process in September 2004. Based on concerns (specifically about the high school cost of attendance amount) voiced by stakeholders about the process disseminated in September 2004, the department revisited

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the needs assessment process in November/December 2004 and issued a revised process December 27, 2004.

The department consulted or reviewed the following to develop the needs assessment process:

- US Department of Agriculture Expenditures on Children
- US Department of Labor Issues in Labor Statistics, Housing Expenditures
- Florida Agency for Workforce Innovation
- National Resource Center for Youth Development, University of Oklahoma
- US Department of Health and Human Services Administration for Children and Families
- HHS Poverty Guidelines
- US Census Bureau Poverty Thresholds
- Bureau of Economic and Business Research, University of Florida
- Free Application for Federal Student Aid
- Child Welfare Community-Based Care Providers
- State Youth Advisory Board Members
- Florida Children's First, Inc.
- Florida Bright Futures Scholarship
- Web searches including financial aid calculators, cost of living, chambers of commerce, etc.

Unfortunately, there are no published living costs for students attending high school once he/she legally becomes an adult. There are no published living costs for single adults living in Florida. There are no standard educational costs for those attending public high school in Florida.

Lack of grants/scholarships for high school students

Students attending postsecondary institutions have the opportunity to apply for and receive financial support to attend school. This includes federal, state and private grants, loans, and scholarships. However, there are no similar programs for young adults attending high school. Therefore, students attending high school have fewer options for support for attending school than postsecondary students.

Living and Educational Costs Range

Finally, the department derived an estimated cost of living for a single adult by considering multiple sources. The average postsecondary cost of attendance figure for community colleges and vocational schools in Florida is approximately \$12,800. The average cost of attendance for public universities is approximately \$14,500. The poverty threshold figures are approximately \$9400-\$9600 for 2003. In 2002, the United States Department of Agriculture determined that it costs approximately \$9470 to raise one child. Based on the figures above, the department determined that the maximum award amount allowed by state law (\$10,704) was within the acceptable range of funding required for a high school student's living and educational needs in 2005.

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Finding 5: The districts and CBCs did not always complete the required skills assessments for teens ages 13 up to 18, nor document that ILTS Program services were provided to the teens. Furthermore, the Department has not promulgated rules, nor established written policies and procedures, addressing the provision of ILTS Program services to teens ages 13 up to 18.

Recommendation: We recommend that the Department promulgate rules as required by law and establish written policies and procedures that specifically address the completion of IL assessments, including time frames in which the assessments should be completed. We also recommend that the Department enhances its technical assistance and monitoring procedures to ensure sufficient documentation is maintained to demonstrate that appropriate IL services were offered to and participated in by the teens.

The department concurs with the recommendation regarding rules addressing assessments and time frames for completion. The department published the Notice of Rule Development December 17, 2004. The first of three public workshops on the rules was conducted on January 12, 2005, in Tallahassee. Workshops are scheduled for Tampa on February 21 and for Ft. Lauderdale on February 28, 2005. The draft Out-of-Home Care rule addresses this specific content on assessments and time frames in Section 65C-28.019 Adolescent Services.

The department has recently updated the monitoring tool for all children receiving services. If the child is eligible for Independent Living services, a section of the tool addresses requirements of the 2004 legislation. This tool is called the Child Welfare Integrated Quality Assessment (CWIQA). On January 31, 2005, the tool was disseminated to field staff. The tool includes 18 review areas derived from Florida law on teen services. It includes the following factors: assessment, case planning, staffing, case review, and service delivery.

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To promote accountability in government and improvement in government operations, the Auditor General makes operational audits of selected programs, activities, and functions of State agencies. This operational audit was made in accordance with applicable *Government Auditing Standards* issued by the Comptroller General of the United States. This audit was conducted by Mary Stewart, CPA and supervised by Lisa Norman, CPA. Please address inquiries regarding this report to Jane Flowers, CPA, Audit Manager, via E-mail at janeflowers@aud.state.fl.us or by telephone at **(850) 487-9136**.

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