

ACF

Administration
for Children
and Families

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration on Children, Youth and Families**

1. Log No: ACYF-CB-IM-02-03

2. Issuance Date: April 8, 2002

3. Originating Office: Children's Bureau

4. Key Words: AFCARS, Penalties, File Name

INFORMATION MEMORANDUM

TO: State Agencies Administering or Supervising the Administration of
Titles IV-B and IV-E of the Social Security Act

SUBJECT: Decision regarding AFCARS Penalties, AFCARS File Name

PURPOSE:

This Information Memorandum informs States of the decision made by Dr. Wade Horn, Assistant Secretary, Administration for Children and Families, regarding the States' appeal of the Adoption and Foster Care Analysis and Reporting System (AFCARS) penalties, and, as a result of that decision, required changes to the State's AFCARS file name.

LEGAL and RELATED REFERENCES: Section 479 of the Social Security Act; 45 CFR Part 1355.40, ACYF-CB-PI-01-07, Technical Bulletin Number 2.

This Information Memorandum (IM) rescinds ACYF-CB-PI-97-02, issued 5/8/1997; ACYF-CB-PI-98-11, issued 7/6/1998; and ACYF-CB-PI-99-01, issued 1/27/1999.¹

INFORMATION:

Twelve States jointly filed an appeal of the AFCARS penalties that the Administration for Children and Families (ACF) imposed as a result of their substantial failure to comply with the requirements in 45 CFR 1355.40. A presiding officer was appointed to hear the appeal and recommend a decision to the Assistant Secretary. On January 27, 2002, after reviewing the presiding officer's recommended findings and proposed decision, Assistant Secretary Horn decided to withdraw the penalties at issue in the appeal. Attached to this IM is a copy of Dr. Horn's decision. As a result of this decision, and until further notice, ACF will not assess penalties for States determined not to be in substantial compliance with the AFCARS standards in 45 CFR 1355.40. However, States must meet all AFCARS requirements, in accordance with

¹ These issuances are being withdrawn because they contain references to AFCARS penalties. Instructions regarding race and ethnicity changes required by OMB that were contained in PI-99-01 are included in the regulation at 45 CFR 1355.40 and appendices.

Federal regulations at 45 CFR 1355.40 and appendices to 45 CFR Part 1355, including the submission of data semi-annually to ACF by May 15 and November 14. ACF will continue to monitor States' progress in improving the quality of the AFCARS data, and notify them accordingly when they are determined to not meet the AFCARS standards.

The AFCARS data are an integral component of many of ACF's activities and programs. The need for reliable and consistent data has always been a critical concern, especially for planning services and developing policy. ACF uses these data for a number of purposes, including:

- Responding to Congress, the General Accounting Office (GAO), the Office of Management and Budget (OMB), the DHHS Office of Inspector General (OIG), national advocacy organizations, States, and other interested organizations requests for current data on children in foster care or those who have been adopted (e.g. Child Welfare Outcomes Report);
- Trend analyses and short and long-term planning;
- Short and long-term budget projections (e.g. Allotment of funds in the Chafee Foster Care Independence Program [CFCIP]);
- Adoption Incentives Program;
- Child and Family Services (CFS) and Title IV- E Eligibility Reviews.

States' continued efforts in improving the quality of AFCARS data submitted to ACF will help ensure the effective use of the data.

State File Name

As a result of the Assistant Secretary's decision, the file type "corrected data" no longer is applicable. Effective immediately, States should not use a "C" in the AFCARS file name. The "R" (regular) and "S" (subsequent) file names remain in effect when States submit their AFCARS files. Files that are submitted for the current report period will continue to be named with an "R," and all other files submitted will be named with an "S." For information on the definitions of "R" and "S" see ACYF-CB-PI-01-07, issued May 4, 2001 and ACF Technical Bulletin #2. Technical Bulletin #2 has been revised to reflect this change and is attached to this IM.

INQUIRIES TO: ACF Regional Offices

/s/

Joan E. Ohl
Commissioner
Administration on Children, Youth
and Families

Attachments:

Attachment A: [Final Decision on AFCARS Penalties](#)

Attachment B: [Technical Bulletin #2](#)