

**Memorandum**

Date APR 22 2002

From Deputy Inspector General
for Audit Services

Subject Review of Unobligated Balances and Cost Matching in the Title IV-B, Subpart 2,
Promoting Safe and Stable Families Program (CIN: A-06-02-00011)


To Susan Orr
Associate Commissioner, Children's Bureau
Administration for Children and Families

This memorandum transmits the U.S. Department of Health and Human Services, Office of Inspector General's (OIG) final report entitled, "Review of Unobligated Balances and Cost Matching in the Title IV-B, Subpart 2, Promoting Safe and Stable Families Program." This report provides a summary of our findings and recommendations resulting from our review of Administration for Children and Families' (ACF) Promoting Safe and Stable Families Program pertaining to the States Unobligated Balances and Cost Matching.

The ACF, on March 1, 2002, responded to our draft report and agreed with our findings and recommendations. The ACF provided comments which contained the actions they are taking to correct the issues we identified. The ACF also provided some technical comments and the report was revised where appropriate. The ACF comments to our draft report are summarized in the body of this report and are included in their entirety in Appendix B.

We would appreciate your views and the status of any further actions taken on our recommendations within the next 60 days. To facilitate identification, please refer to Common Identification Number A-06-02-00011 in all correspondence relating to this report. The final report will be posted on the OIG world wide web at <http://oig.hhs.gov>.

If you have any questions, please contact me or have your staff contact Donald L. Dille, Assistant Inspector General for Administrations of Children, Family, and Aging Audits at (202) 619-1175. To facilitate identification, please refer to the Common Identification Number in all correspondence relating to this report.


Thomas D. Roslewicz

Attachment

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**REVIEW OF UNOBLIGATED BALANCES
AND COST MATCHING IN THE TITLE
IV-B, SUBPART 2, PROMOTING SAFE
AND STABLE FAMILIES PROGRAM**



**JANET REHNQUIST
Inspector General**

**APRIL 2002
A-06-02-00011**



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Date APR 22 2002
Deputy Inspector General
From for Audit Services
Subject Review of Unobligated Balances and Cost Matching in the Title IV-B, Subpart 2, Promoting Safe and Stable Families Program (CIN: A-06-02-00011)
To Susan Orr
Associate Commissioner, Children's Bureau
Administration for Children and Families

This final report consolidates the results of five State reviews of Unobligated Balances and Cost Matching in the Title IV-B, Subpart 2, Promoting Safe and Stable Families Program. These reviews were conducted in New York, Mississippi, Florida, Arkansas and Louisiana. We issued individual reports to each of the five States reviewed (See Appendix A). All of the five States generally concurred with the facts, and reasonableness of the recommendations presented in our reports.

The review objectives were to determine: (1) if the five States were using all Federal funds available to them for the Promoting Safe and Stable Families program, and (2) if the selected States met their cost matching requirements.

Our review showed that the five States: (1) did not use \$66.5 million or 34 percent of the \$197.7 million available for Fiscal Years (FY) 1994 through 1999 (See Schedule A), and (2) met the required 25 percent State cost match for the Federal funds expended during each year of participation. One State, New York, was responsible for \$49.6 million of the unused funds during this period. New York elected not to participate in the Promoting Safe and Stable Families program beginning in FY 1997. However, by statute, funds continued to be made available to this State. An additional \$40.2 million was made available but not used by this State for FYs 2000 and 2001. The States cited a number of contributing factors for not using these grant funds, such as, the inability to address the requirements when the program was first initiated, insufficient staffing and lack of State matching funds.

The unobligated funds could not be used by any other State because the program statute did not provide the reallocation authority. During our review, the Administration for Children and Families (ACF) submitted proposed legislation that would provide it with reallocation authority. The proposed legislation was signed into law on December 18, 2001.

We believe that two States, Florida and Louisiana, have resolved their problems and should be able to use all of their grant funds in future grant periods. The problems identified by two other States, Mississippi and Arkansas, are expected to continue and can result in unspent grant funds being reported on their financial status reports. New

York believes that changes to the program are necessary and until they are made it does not plan to participate in the Promoting Safe and Stable Families program.

The financial status reports submitted by the five States showed that they had a total of \$32.1 million in unobligated Federal funds and \$5 million in unmet cost match. These amounts were inaccurately reported. The ACF officials said that the financial status reports were not reviewed in detail because regional reorganizations and staff attritions reduced the number of financial staff and resulted, in some instances, in program staff having to review the reports without the required level of skills and abilities to do so.

We recommend that ACF:

- more closely monitor program performance in the States to ensure accurate and timely financial reporting; and
- establish a mechanism to identify grant funds in sufficient time to allow reallocation for other States' use.

ACF RESPONSE AND OFFICE OF INSPECTOR (OIG) COMMENTS

The ACF agreed with the findings and recommendations and provided details on actions it is taking to correct the issues identified in our report. The ACF also provided technical comments and the report was revised, where appropriate. We summarized the ACF's comments in the body of this report and included them in their entirety in Appendix B.

BACKGROUND

Beginning in FY 1994, ACF awarded Title IV-B, Subpart 2 grants to State child welfare agencies and Indian tribes to focus on two service categories: (1) family preservation services and (2) community-based family support services for families at risk or in crisis. Amendments to Title IV-B, Subpart 2, in November 1997 changed the name of the program to Promoting Safe and Stable Families and added two additional service categories: (1) time-limited family reunification services, and (2) adoption promotion and support services. The amendments also stipulated that, at the option of the State, State and local funds could be used to meet the State's matching requirement. States must indicate the specific percentages of Title IV-B, Subpart 2 funds that they will expend on actual service delivery of the four service categories. The regulations further provide that the State must have a strong rationale if the percentage provided is below 20 percent for any one of the service categories.

Title 45 of the Code of Federal Regulations (CFR), part 92.41 (b) (4) requires grantees to submit financial status reports to ACF no later than 90 days after the grant year. Final reports are due 90 days after the expiration or termination of grant support. Title

45 CFR, part 92.41 (c) requires grantees to submit a Federal Cash Transactions Report, payment management system (PMS) form 272 and 272A. It also states that the Federal awarding agency will use the PMS forms to monitor cash advanced to recipients and to obtain disbursement information for each agreement with the recipients.

Title 45 CFR Part 1357.32 (g), provides that Federal funds must be expended by September 30th of the fiscal year following the fiscal year in which the funds were awarded. This allows the grantee to expend its FY grant funds over a 2-year period. However, if a State is unable to use all of its grant funds, ACF did not have the legislative authority to reallocate any unobligated funds to other States that could use additional funds.

Federal financial participation in program costs is 75 percent and States must provide a 25 percent cost match. Funding for the program was \$305 million in FY 2001.

OBJECTIVES, SCOPE, AND METHODOLOGY

This report consolidates the results of OIG reviews conducted in five States. These States were: New York, Mississippi, Florida, Arkansas and Louisiana. Our reviews were conducted in accordance with generally accepted government auditing standards. Our review of ACF was limited to gaining an understanding of the reporting system and obtaining financial status reports, and determining the extent of financial monitoring. For New York, our review did not include a verification of reported information because support documentation was not available.

We reviewed the financial status reports provided by regional and headquarters ACF staff, for the Promoting Safe and Stable Families program submitted by all States for FYs 1994 through 1999. These reports showed that in total, 33 States had reported \$43.5 million in unobligated Federal funds. These reports also showed that 19 States reported unmet cost match of \$17.9 million.

From those reports we found that 11 States reported over \$1 million in unobligated Federal funds. Most of these States also reported significant amounts of unmet required State cost match. We judgmentally selected 5 of the 11 States to perform an on-site review. We conducted our field work at the five State agencies during May and June 2001. Draft and final reports were issued to each State subsequent to our field work.

The objectives of our review were to determine: (1) if the five States were using all Federal funds available to them for the Promoting Safe and Stable Families program, and (2) if the selected States met their cost matching requirements. As part of our review, we obtained an understanding of the internal control structure relative to the compilation of the amounts the States reported to ACF on the financial status report. However, the objectives of this review did not require an assessment of these internal controls.

To accomplish our review objectives, we:

- prepared a summary of data by State from ACF files of financial status reports to determine which States reported unobligated funds and/or unmet State match;
- selected States to review based on the above analysis;
- reviewed and verified, at the five State agencies, the mathematical accuracy of the financial status reports that the States submitted to ACF for FYs 1994 through 1999;
- reviewed State support for the financial information claimed as Federal outlays and State cost match for FYs 1994 through 1999;
- interviewed State officials to determine why States had unobligated Federal funds or were unable to meet the State match; and
- interviewed ACF officials to determine why States had unobligated Federal funds or unmet State match.

DETAILED RESULTS OF REVIEW

Our review showed that the five States: (1) did not use \$66.5 million or 34 percent of the \$197.7 million available for FYs 1994 through 1999 (See Schedule A), and (2) met the required 25 percent State cost match for the Federal funds expended during each year of participation. One State, New York, was responsible for \$49.6 million of the unused funds during this period. New York elected not to participate in the Promoting Safe and Stable Families program beginning in FY 1997. However, by statute, funds continued to be made available to this State. An additional \$40.2 million was made available but not used by New York for FYs 2000 and 2001. The States cited a number of contributing factors for not using these grant funds such as the inability to address the requirements of this new program, insufficient staffing and lack of State matching funds.

The unobligated funds could not be used by any other State because program statutes did not provide the reallocation authority. During our review, ACF submitted proposed legislation that would provide ACF with reallocation authority. The proposed legislation was signed into law on December 18, 2001.

We believe that two States, Florida and Louisiana, have resolved their problems and should be able use all of their grant funds in future grant periods. The problems identified by two other States, Mississippi and Arkansas, are expected to continue and can result in unspent grant funds being reported on their financial status reports. New

York believes that changes to the program are necessary and until they are made it does not plan to participate in the Promoting Safe and Stable Families program.

The financial status reports submitted by the five States showed that they had a total of \$32.1 million in unobligated Federal funds and \$5 million in unmet cost match. These amounts were inaccurately reported. The ACF officials said that the financial status reports were not reviewed in detail because regional reorganizations and staff attritions reduced the number of financial staff and resulted, in some instances, in program staff having to review the reports without the required level of skills and abilities to do so.

We issued individual reports to each of the five States reviewed. All of the five States generally concurred with the facts and reasonableness of the recommendations presented in our reports. The results of our review of the five States are discussed in detail in Appendix A.

RECOMMENDATIONS

We recommend that ACF:

- establish a mechanism to identify grant funds in sufficient time to allow reallocation for other States' use; and
- more closely monitor the program performance in the States to ensure accurate and timely financial reporting.

ACF RESPONSE AND OIG COMMENTS

In the March 1, 2002 response to the draft report, ACF agreed with the findings and recommendations. The ACF provided details on actions it is taking to correct the issues identified in our report. We made revisions to appropriate sections of the report to address ACF's technical comments. However, we did not revise the report, as requested by ACF, to delete the \$40.2 million which was made available, but not used by New York for FYs 2000 and 2001. The ACF stated that this goes beyond the scope of the study, which reviewed expenditures for FYs 1994 through 1999. The reason we did not delete this from the report is that New York was the only State which elected not to participate in the program from FYs 1997 to 2001. Excluding the last 2 FYs would not show the full financial impact for New York. If ACF had had the reallocation authority, substantial program funds could have been made available to other States.

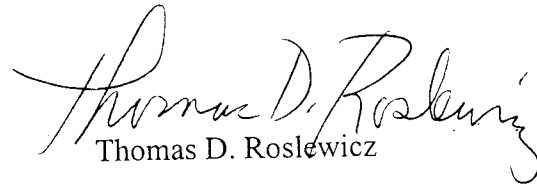
The ACF comments to our draft report are summarized below and are included in their entirety in Appendix B.

**Establish a Mechanism to Identify Grant Funds
in Sufficient Time to Allow Reallotment**

The ACF agrees with this recommendation. According to ACF, the Children's Bureau is issuing a Program Instruction to those States that may wish to apply for or release FY 2002 funds for reallocation. The States are to submit a written request or notification to the Regional Office no later than June 30, 2002. Also, the Child Family Services Budget Request Form is being modified to include the request for reallocated funds.

**Monitor Program Performance to Ensure Accurate
and Timely Financial Reporting**

The ACF agrees with this recommendation. According to ACF officials, it is developing an on-line data collection system which will contain an automated financial status report that grantees will complete for reporting financial data at the end of each fiscal year. The automated financial status report will have the ability to calculate the Federal and State share amount based on the total expenditures and correct the Federal Financial Participation rates for each program. The automated financial status report will also greatly facilitate the monitoring of timely reporting.


Thomas D. Roslewicz

APPENDICES

SUMMARY OF AUDIT REPORTS ISSUED TO THE FIVE STATES

Individual reports on each State which include their comments are available on our website at: <http://oig.hhs.gov>. The reports are identified by the Common Identification Number (CIN) assigned to each review.

New York (CIN: A-12-01-00010)

New York did not use \$49.7 million or 64 percent of the \$77.4 million of the Promoting Safe and Stable Families program grant funds for FYs 1994 through 1999. New York did not use \$167,089 in grant funds for FY 1994 because, according to New York officials, 1 of the 58 counties in the State was unable to spend its allotment. New York stated that it did not use the remaining \$49.6 million because it could not meet the required State matching requirement for both this grant program and the Temporary Assistance for Needy Families (TANF) program. In addition, by not participating in the Promoting Safe and Stable Families program, New York was unable to draw down its FYs 2000 and 2001 grant funds totaling an additional \$40.2 million. New York does not expect to participate in the Promoting Safe and Stable Families Program unless major changes are implemented.

Based on the information provided by State officials, New York applied a majority of the FY 1997 State expenditures that would have been required for State match under Title IV-B, Subpart 2, to the TANF program. State officials indicated that New York elected to meet the State matching requirement for TANF funding because the Federal TANF funding was far greater than the \$15.2 million available in FY 1997 for the Promoting Safe and Stable Families program. We noted from information provided by New York that its FY 1997 funding for the two programs declined substantially over FY 1996 State funding levels.

Officials in New York indicated they would be able to utilize the Promoting Safe and Stable Families program grant funds only if the State matching requirement was eliminated or revised downward. To revise the State matching requirement, New York suggested that the Federal Government allow other child welfare expenditures, such as those State funds spent in the Juvenile Justice system, to count toward the State match under Title IV-B, Subpart 2. New York officials also stated that Federal officials should relax the spending restrictions for the program and allow the States more latitude to move funding among the four program components of the Promoting Safe and Stable Families program.

Our review of the documentation provided by State officials indicated that New York met its required 25 percent State match for FYs 1995 and 1996 even though its financial status reports for those years showed otherwise. The initial submission of its final financial status reports to ACF indicated that New York did not meet the

SUMMARY OF AUDIT REPORTS ISSUED TO THE FIVE STATES

cost match by \$5.9 million for FYs 1995 and 1996. However, on May 15, 2001, more than 4 years after the end of both grant periods, New York submitted revised final financial status reports for FYs 1995 and 1996 showing that it met the required match.

The requirements addressing final financial status report submissions are contained in Departmental regulations 45 CFR 1355.30(i) and 45 CFR 92.41(b)(4). These regulations require submission of the final financial status report 90 days after the expiration or termination of grant support. In May 2001, New York submitted its final financial status reports for FYs 1995 and 1996 which did not comply with the time requirement.

Mississippi (CIN: A-06-01-00065)

Mississippi did not use \$6.2 million or 30 percent of the \$20.4 million of the Promoting Safe and Stable Families program grant funds available for FYs 1994 through 1999 because State funds were not available for matching. State officials said that they were unable to expend all of the Federal funds during those FYs because of the lack of general fund dollars being appropriated by the legislature to use as matching funds.

Mississippi originally funded eight Family First Resource Centers in seven Mississippi Department of Human Services' (MDHS) regions. During the State FY ending June 30, 2000, four additional resource centers were developed in two additional regions. The on-going issue for MDHS is funding that will allow the continued expansion of new centers and maintenance of the existing centers. The MDHS is working with the original centers to become self-sufficient by working with community groups to develop local ownership and support as well as taking advantage of other funding sources that might be available. Mississippi is currently attempting to obtain increased in-kind matching funds from the resource centers and from other State funds.

Florida (CIN: A-06-01-00067)

Florida did not use \$3.7 million or 29 percent of the \$13.1 million of the Promoting Safe and Stable Families program grant funds available for FY 1999 because of the combination of a program staffing shortage and problems implementing the requirements of the Adoption and Safe Families Act of 1997, as defined in the ACF Program Instruction 98-03, dated March 5, 1998.

SUMMARY OF AUDIT REPORTS ISSUED TO THE FIVE STATES

Florida had 15 districts that established, operated, coordinated, and contracted for the program services for Promoting Safe and Stable Families. The State officials oversee and coordinate all regulatory and financial requirements with each district. Based on information provided by a State official, the inability to expend the FY 1999 Federal funds for the Promoting Safe and Stable Families program was caused as a result of two major issues. The first was the shortage of program staff available to coordinate the expanded program and expenditure requirements with the districts. The second issue related to the districts' need to locate and contract with additional providers to implement the expanded services. The State officials are coordinating with ACF to realign expenditures from other programs that will allow them to claim the unobligated amount as expenditures within the Promoting Safe and Stable Families program. Florida will then submit a revised financial status report to ACF for FY 1999.

Arkansas (CIN: A-06-01-00068)

Arkansas did not use a total of \$3.7 million or 34 percent of the \$10.7 million of the Promoting Safe and Stable Families program grant funds available from FYs 1994 through 1999. In reviewing financial data supporting grant expenditures, we found that Arkansas did not spend any grant funds available at the inception of the program. Instead, it was not until the second year of the 2-year grant before any funds were spent. This pattern of not spending funds until the second year of the 2-year grant period has continued and currently still exists. As a result, Arkansas has had unobligated balances for each grant award year since the inception of the program.

In addition to impacting the spending pattern noted, Arkansas officials gave the following explanations as to other factors that made administering the program difficult and contributed to the inability to spend grant funds:

- Accounting System - The accounting system was outdated and only tracked expenditures, not obligations or unliquidated obligations, thus making it difficult for program managers to effectively manage their budgets. However, State officials said that a new accounting system that was implemented July 1, 2001 will greatly improve the State's ability to financially monitor its programs.
- Difficulty Contracting and Procuring Services - The process that the State must follow to contract with providers is very time consuming. Additionally, at times, contractors are unable to spend all of their money. However, by the time it becomes apparent that a contractor is not going to be able to spend all its funds, it takes at least 3 months to amend the contract and reallocate the funds elsewhere.

SUMMARY OF AUDIT REPORTS ISSUED TO THE FIVE STATES

Since Arkansas is only spending grant money in the second year of each grant, 3 months is a significant amount of time.

- **Family Preservation Unit Disbanded** - The entire Family Preservation Unit was disbanded in 1998. This had an impact on the State's ability to spend grant funds and it had an unobligated balance of over \$900,000 during that year.
- **Contractual Arrangement** - Arkansas had a contract for about \$1 million each year for in-home parenting services. This contract existed for a number of years and Arkansas paid for these services with State general revenue funds when the services related to family preservation. The State can begin using Promoting Safe and Stable Families grant funds to continue providing these services when this contractual arrangement comes to an end.

While Arkansas has had difficulties in the past within its Promoting Safe and Stable Families program, it has taken several steps toward improving the situation. As mentioned earlier, a new accounting system was put in place in July 2001 that should improve the State's ability to financially monitor its programs. Additionally, as part of a Child and Family Services Review, Arkansas did a self-assessment and identified areas in which additional services can be provided. Arkansas is also implementing a system of quality assurance to review and evaluate the quality of its child welfare services.

Louisiana (CIN: A-06-01-00066)

Louisiana did not use a total of \$3.2 million or 17 percent of the \$19.3 million of the Promoting Safe and Stable Families program grant funds in FYs 1994 through 1997. Louisiana had problems determining where the greatest needs were within the State and establishing the infrastructure within the many rural areas selected as needing Family Preservation and Family Support Services. Louisiana contracted with an out-of-State agency to conduct a study to determine where the greatest needs for these services were within the State. In addition, the State formed a committee of more than nine State agencies and a number of tribal and community-based agencies to help determine the needs of each Parish and coordinate the recommendations resulting from the contractor's study. As a result of the contractor's study, Louisiana found that many of the rural Parishes selected did not have the support infrastructure to provide these services. Establishing new providers within the rural Parishes selected contributed greatly to the delay in providing needed services and expending the Federal funds. After the Promoting Safe and Stable Families program was fully operational, the State was able to expend all of the Federal funds for FYs 1998 and 1999.



RECEIVED


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OFFICE OF INSPECTOR
GENERAL

ADMINISTRATION FOR CHILDREN AND FAMILIES
Office of the Assistant Secretary, Suite 600
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

MAR - 1 2002

TO: Janet Rehnquist
Inspector General

FROM: Wade F. Horn, Ph.D. 
Assistant Secretary
for Children and Families

SUBJECT: Comments on the OIG Draft Report, "Review of Unobligated Balances and Cost Matching in the Title IV-B, Subpart 2, Promoting Safe and Stable Families Program" (CIN-A-02-00011)

Attached are the Administration for Children and Families' comments on the OIG Draft Report, "Review of Unobligated Balances and Cost Matching in the Title IV-B, Subpart 2, Promoting Safe and Stable Families Program" (CIN A-06-02-00011).

If you have any questions regarding our comments, please contact Paul Kirisitz, Program Implementation Division Director, Administration on Children, Youth and Families, Children's Bureau, Administration for Children and Families at (202) 205-6733.

Attachment

COMMENTS OF THE ADMINISTRATION FOR CHILDREN AND FAMILIES
ON THE OFFICE OF THE INSPECTOR GENERAL'S DRAFT REPORT,
"REVIEW OF UNOBLIGATED BALANCES AND COST MATCHING IN THE
TITLE IV-B, SUBPART 2, PROMOTING SAFE AND STABLE FAMILIES
PROGRAM" (CIN-A-06-02-00011)

The Administration for Children and Families (ACF), Administration on Children, Youth and Families (ACYF), Children's Bureau (CB) appreciates the opportunity to comment on this draft report, which addresses an important topic.

General Comments

This document serves as the CB implementation plan for the recommendations in the Office of Inspector General (OIG) draft report.

OIG Recommendation

OIG recommends that ACF "establishes a mechanism to identify grant funds in sufficient time to allow reallocation for other States' use."

ACF Comment

The CB has established a mechanism to address this recommendation. The CB is issuing a Program Instruction (PI) to States notifying them that the Annual Progress and Services Report is due by June 30, 2002. This PI includes instructions to States that if they wish to apply for or release FY 2002 funds for reallocation, a request or notification in writing must be submitted to the Regional Office no later than June 30, 2002. Also, the Child Family Services (CFS) 101, Part I, Budget Request form is being modified to include the request for reallocated funds.

OIG Recommendation

OIG recommends that ACF, "more closely monitor program performance in the States to ensure accurate and timely financial reporting."

ACF Comments

ACF is developing an on-line data collection system that will contain an automated Financial Expenditures Report form, Standard Form 269 (SF-269), that grantees will complete for reporting financial data. Grantees will be required to complete and electronically submit the form at the end of each fiscal year, as is currently required with the hard copy SF-269's that are mailed to ACF. The automated SF-269 will have the ability to calculate Federal and State share amounts based on the total expenditures and correct Federal Financial Participation (FFP) rates for each program. This will alleviate mistakes that are currently being made in calculating

these amounts. The electronic form will also greatly facilitate the monitoring of timely reporting.

Technical Comments

Page 1, third paragraph, fifth sentence states,

"An additional \$40.2 million was made available but not used by State for FYs 2000 and 2001."

This sentence should be deleted, as it goes beyond the scope of the study, which reviewed expenditures for FYs 1994 through 1999. Supporting this request is the fact that Schedule A also does not reference the \$40.2 million.

Page 1, third paragraph, last sentence should indicate "State" and not "States".

Page 2, first paragraph, last sentence states,

"The ACF official said that the financial status reports were not reviewed in detail because regional reorganizations and attrition reduced financial staff and resulted in the mixing of financial and program staff."

Replace with the following revised sentence,

"The ACF officials said that the financial status reports were not reviewed in detail because regional office reorganizations and staff attrition reduced the number of financial staff and resulted, in some instances, in program staff having to review the reports without the required level of skills and abilities to do so."

Page 2, under the heading Background, first paragraph, last sentence the description of significant portion is not completely accurate. It states,

"Further, States are required to spend 20 percent of their total IV-B, Subpart 2 funds in each of the four service components, although this requirement may be waived by ACF based on individual State circumstances."

This sentence follows the discussion of the amendments and seems to imply that the 20 percent requirement is statutory and part of the amendments. This is not the case. The Social Security Act (SSA) requires an assurance from States that not more than 10 percent of expenditures ... shall be for administrative costs, and that the remaining expenditures shall be for programs ... with significant portions of such expenditures for each such program. The Federal regulations at 45 CFR 1357.15(s) address significant portions and the PIs that have been issued for the State plans and annual updates have redefined the percentage based on the addition of the two new programs. We suggest replacing the sentence with the following revision:

"States must indicate the specific percentages of Title IV-B, Subpart 2 funds that they will expend on actual service delivery of the four services under Promoting Safe and Stable Families (PSSF). The State must have an especially strong rationale if the percentage provided is below 20 percent for any one of the four service categories."

Page 4, under the heading Detailed Results of Review, we suggest deleting this section since it does not seem to have any additional information then what was already included on pages 1 and 2.

SCHEDULE

Amount of Allocated Funds Not Used (Unliquidated Obligations)
For the Five States Included in Our Review For Fiscal Years 1994 through 1999
(In Millions)

State	FY94 Funds		FY95 Funds		FY96 Funds		FY97 Funds		FY98 Funds		FY99 Funds		Total Funds		
	Allocated	Not Used	Allocated	Not Used	Allocated	Not Used	Allocated	Not Used	Allocated	Not Used	Allocated	Not Used	Allocated	Not Used	
New York	\$4.04	\$0.17	\$9.71	\$0.00	\$14.05	\$0.00	\$15.24	\$16.26	\$18.05	\$18.05	\$18.05	\$18.05	\$77.36	\$49.73	64.28%
Mississippi	\$1.16	\$0.40	\$2.77	\$0.80	\$3.95	\$0.70	\$4.02	\$1.30	\$4.20	\$1.40	\$4.33	\$1.60	\$20.42	\$6.20	30.36%
Florida	\$2.62	\$0.00	\$6.28	\$0.00	\$10.48	\$0.00	\$11.69	\$0.00	\$12.20	\$0.00	\$13.11	\$3.75	\$56.38	\$3.75	6.65%
Arkansas	\$0.58	\$0.37	\$1.39	\$0.91	\$2.02	\$0.25	\$2.11	\$0.91	\$2.20	\$0.65	\$2.41	\$0.57	\$10.71	\$3.66	34.18%
Louisiana	\$1.89	\$0.20	\$4.54	\$1.30	\$6.39	\$1.20	\$6.45	\$0.50	\$6.65	\$0.00	\$6.89	\$0.00	\$32.80	\$3.17	9.66%
Totals												\$197.66	\$66.50	33.64%	

NOTE #1 Florida did not use grant funds in one year, FY 1999. The percent of funds not used for FY 1999 is calculated below.

FY 1999 Funds Allocated: \$13.11
 FY 1999 Funds Not Used: \$3.75
 Percent of Amount Not Used: 29 Percent

NOTE #2 Louisiana did not use grant funds for the first four years of the grant, FYs 1994 through 1997. The percent of those funds not used are calculated below.

Total of FYs 1994 through 1997 funds allocated: \$19.27
 Total of FYs 1994 through 1997 funds not used: \$3.20
 Percent of Amount Not Used: 17 Percent

NOTE #3 The data reflected in this schedule was verified at each audit site to be current based on revised SF-269s.