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Administration for Children and Families

45 CFR Part 95

45 CFR Parts 1355 and 1356

Comprehensive Child Welfare Information System; Proposed Rule

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Administration for Children and Families**

**45 CFR Part 95**

**45 CFR Parts 1355 and 1356**

**RIN 0970-AC59**

**Comprehensive Child Welfare Information System**

**AGENCY:** Administration on Children, Youth and Families (ACYF), Administration for Children and Families (ACF), Department of Health and Human Services (HHS).

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** The Administration for Children and Families proposes to revise the Statewide and Tribal Automated Child Welfare Information System regulations. This proposed rule will remove the requirement for a single comprehensive system and allow title IV-E agencies to implement systems that support current child welfare practice. It also proposes to establish requirements around design, data quality, and data exchange standards in addition to aligning these regulations with current and emerging technology developments to support the administration of title IV-E and IV-B programs under the Social Security Act.

**DATES:** Written comments on this NPRM must be received on or before October 13, 2015 to be considered.

**ADDRESSES:** You may submit comments electronically via the Internet at <http://www.regulations.gov>. We urge you to submit comments electronically to ensure they are received in a timely manner. An electronic version of the NPRM is available for download on <http://www.regulations.gov>. Interested persons may submit written comments regarding this NPRM via regular postal mail to Terry Watt, Director, Division of State Systems, Children's Bureau, Administration on Children, Youth and Families, Administration for Children and Families, 1250 Maryland Avenue SW., 8th Floor, Washington, DC 20024. If you choose to use an express, overnight, or other special delivery method, please ensure that the carrier will deliver to the above address Monday through Friday during the hours of 9 a.m. to 5 p.m., excluding holidays.

Comments should be specific, address issues raised by the proposed rule, propose alternatives where appropriate,

explain reasons for any objections or recommended changes, and reference the specific section of the proposed rule that is being addressed. All comments received before the close of the comment period are available for viewing by the public. Although commenters should include contact information in any correspondence, the comments themselves should not include personally identifiable information or confidential business or financial information as we post all submitted comments without change to <http://www.regulations.gov>. Comments will also be available for public inspection Monday through Friday 7 a.m. to 3:30 p.m. at the above address by contacting Terry Watt at (202) 690-8177.

We will not acknowledge receipt of the comments we receive. However, we will review and consider all comments that are germane and are received during the comment period. We will respond to these comments in the preamble of the final rule.

Comments that concern information collection requirements must be sent to the Office of Management and Budget (OMB) at the address listed in the Paperwork Reduction Act (PRA) section of this preamble. A copy of these comments also may be sent to the Department representative listed above.

**FOR FURTHER INFORMATION CONTACT:**

Terry Watt, Director, Division of State Systems, Children's Bureau, Administration on Children, Youth, and Families, (202) 690-8177 or by email at [Terry.Watt@acf.hhs.gov](mailto:Terry.Watt@acf.hhs.gov). Do not email comments on the NPRM to this address.

Deaf and hearing impaired individuals may call the Federal Dual Party Relay Service at 1-800-877-8339 between 8 a.m. and 7 p.m. Eastern Time.

**SUPPLEMENTARY INFORMATION:** The preamble to the NPRM is organized as follows:

- I. Executive Summary per Executive Order 13563
- II. Background on the Statewide and Tribal Automated Child Welfare Information System
- III. Statutory Authority
- IV. Consultation and Regulation Development
- V. Overview of Major Proposed Revisions
- VI. Section-by-Section Discussion of the NPRM
- VII. Impact Analysis

**I. Executive Summary per Executive Order 13563**

*Purpose of the NPRM*

**The Need for Regulatory Action and How the Action Will Meet That Need**

The Statewide Child Welfare Information System (SACWIS) regulations published in 1993 provided states with enhanced funding to build a single comprehensive system supporting all child welfare case management activities for public and private child welfare workers in the state. This was in response to 1993 amendments to the Social Security Act (the Act) which provided title IV-E funding for statewide automated child welfare information systems. In the intervening years, child welfare practice changed considerably. It became challenging for title IV-E agencies (as defined at 1355.20) to support practices that may vary within a jurisdiction with a single comprehensive information system. Additionally, information technology (IT) has advanced. The advancements in IT provide title IV-E agencies with tools to rapidly share data among systems supporting multiple health and human service programs with increased efficiency. To address these practice challenges and IT changes, and allow agencies to improve their systems, our proposal removes the requirement for a single comprehensive system and supports the use of improved technology to better support current child welfare practice. With this flexibility, title IV-E agencies can build less expensive modular systems that more closely mirror their practice models while supporting quality data. Furthermore, IT tools now can be effectively scaled to support smaller jurisdictions such as federally-recognized Indian tribes, tribal organizations, and tribal consortia (tribes) at a reasonable cost.

Consistent with changes in child welfare practice and advancements in IT, section 6 of the President's Executive Order 13563 of January 18, 2011, called for retrospective analyses of existing rules "that may be outmoded, ineffective, insufficient, or excessively burdensome, and to modify, streamline, expand, or repeal them in accordance with what has been learned." As such, we placed the SACWIS regulations on the list of Administration for Children and Families (ACF) regulations to retrospectively review and determined that revising the SACWIS regulations would be in keeping with Executive Order 13563.

#### Statutory Authority for the NPRM

The statute at 42 U.S.C. 674(a)(3)(C) and (D) provides the authority for title IV–E funding for the planning, design, development, installation, and operation of a data collection and information retrieval system and the requirements a title IV–E agency must meet to receive federal financial participation (FFP). The statute at 42 U.S.C. 674(c) further specifies the expenditures eligible for FFP.

#### Summary of the Major Provisions of the NPRM

This rule proposes requirements for Comprehensive Child Welfare Information Systems (CCWIS). The primary changes to the current regulations are: (1) Providing title IV–E agencies with flexibility to determine the size, scope, and functionality of their information system; (2) allowing the CCWIS to obtain data required by this proposed rule from external information systems so that a copy of that data is then stored and managed in the CCWIS; (3) emphasizing data quality and requiring a new data quality plan; (4) requiring additional bi-directional data exchanges, and use of electronic data exchange standards that strengthen program integrity; and (5) promoting more efficient and less expensive development of reliable systems, that follow industry design standards, including development of independent, reusable modules. Because these changes permit title IV–E agencies to build systems fundamentally different from current Statewide and Tribal Automated Child Welfare Information Systems (S/TACWIS), we propose a new name for systems meeting the proposed requirements: Comprehensive Child Welfare Information Systems (CCWIS).

Complete, timely, and accurate data supports the goals of child safety, wellbeing, and permanency. Data informs actions and guides decisions at all levels of the agency. Workers use data to manage cases, monitor services, and assess client progress while supervisors and administrators use it to monitor and direct work, manage resources, evaluate program effectiveness, control costs, and estimate funding needs.

To support the collection, management, and dissemination of high quality data, the proposed rule requires CCWIS to maintain (store and manage) certain required data for federal reporting and produce all required title IV–E agency reports. To meet this expectation, external information systems that collect required data must electronically share data with CCWIS so

that a copy of the required data is then maintained in CCWIS. In addition, title IV–E agencies must also develop and maintain a comprehensive data quality plan to ensure that the title IV–E agency and “child welfare contributing agencies” (as defined in proposed § 1355.51) coordinate to support complete, timely, accurate, and consistent data. As part of the data quality plan, we propose to require that the title IV–E agency actively monitor and manage data quality. This proposal also requires a CCWIS to include new bi-directional data exchanges. We propose to require bi-directional data exchanges with any systems used by child welfare contributing agencies for child welfare case management activities. We also propose, where practicable, bi-directional data exchanges with other systems such as court systems, education systems, and Medicaid claims systems. We propose to require the use of electronic data exchange standards that strengthen program integrity.

The proposed rule would provide title IV–E agencies with flexibility to build systems that align more closely to their business needs and practices by allowing each agency to determine the size, scope, and functionality of their information system. Finally, we prioritize more efficient and less expensive development of systems that follow industry design standards, including development of independent, reusable modules. These provisions allow title IV–E agencies to customize CCWIS to efficiently, economically, and effectively provide the high quality data needed to support child welfare goals.

#### Costs and Benefits

Changes in this proposed rule directly benefit state and tribal title IV–E agencies. Specifically, we propose to allow title IV–E agencies to tailor CCWIS to their administrative, programmatic, and technical environments to meet their own business needs. The proposed system interoperability and bi-directional data exchange requirements allow a CCWIS to use and benefit from data collected or produced by other systems. By proposing similar design requirements as promulgated by the Centers for Medicare & Medicaid Services (CMS), the proposal encourages sharing system modules both within and across health and human service programs, which provides savings opportunities for all participating partners. These requirements may also benefit title IV–E agencies by yielding cost savings in the long term.

The proposed regulations minimize burden on title IV–E agencies, including tribal title IV–E agencies, by providing flexibility when designing systems. In particular, title IV–E agencies have the flexibility to leverage the investment made in existing S/TACWIS and non-S/TACWIS systems and to determine the size, scope, and functionality included in their CCWIS system. Therefore, this proposal allows title IV–E agencies to implement systems in a manner that does not impose a large burden or costs on the state or tribal agency. Implementing a CCWIS is voluntary, therefore any costs resulting from implementing new or modified systems are the result of choices title IV–E agencies make when implementing requirements in this proposed rule. We have determined that costs to title IV–E agencies as a result of this rule will not be significant and the benefits and potential cost savings justify costs associated with this proposed rule.

#### II. Background on the Statewide and Tribal Automated Child Welfare Information System

ACF published the existing regulations at 45 CFR 1355.50 through 1355.57 in December 1993 in response to statutory amendments to title IV–E to provide 75 percent title IV–E funding for federal fiscal years 1994 through 1996. This funding was made available for costs related to planning, design, development, and installation of statewide automated child welfare information systems. The legislation also provided an enhanced cost allocation to states so that title IV–E would absorb SACWIS costs to support foster and adopted children, regardless of their eligibility for title IV–E funding. Public Law 104–193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 extended the 75 percent enhanced funding through fiscal year 1997. Congress did not extend enhanced funding after 1997. As such, the current funding level is 50 percent for systems described in 474(a)(3)(C) of the Act, that:

- Meet the requirements for an Adoption and Foster Care Analysis and Reporting System (AFCARS);
- Interface with the state child abuse and neglect automated systems to the extent practicable;
- Interface with and retrieve information from a state’s automated title IV–A system, to the extent practicable; and
- Provide more efficient, economical and effective administration of title IV–B and IV–E programs.

Prior to the passage of Public Law 104–193, which authorized SACWIS,

ACF established a ten-state workgroup in early 1993 to identify features that a comprehensive child welfare information system should provide to support child welfare practice and program administration. ACF considered the workgroup's recommendations as it drafted and promulgated the 1993 SACWIS regulations.

The 1993 regulations were amended in 2012 to include tribes. These current regulations provide title IV–E agencies with the option to implement a S/TACWIS. If a title IV–E agency elects to implement a S/TACWIS, the system must be a comprehensive automated case management tool that meets the needs of all staff (including case workers and their supervisors, whether employed by the state, tribe, county or contracted private providers) involved in foster care and adoptions assistance case management. The S/TACWIS must be the sole automated child welfare case management tool used by staff. Staff must enter all case management information into S/TACWIS so that it holds the title IV–E agency's "official case record"—a complete, current, accurate, and unified case management history on all children and families serviced by the agency. Currently the system must support the reporting of AFCARS, the National Youth in Transition Database (NYTD), and the National Child Abuse and Neglect Data System (NCANDS) data sets. The system must have bi-directional electronic data exchanges with systems supporting the title IV–A, title IV–D, and title XIX programs. S/TACWIS must also exchange data with the system supporting child abuse and neglect reporting and investigations, although agencies may meet this requirement by integrating these functions into the system. S/TACWIS must also collect and manage the information needed to facilitate the delivery of child welfare support services, including family support and family preservation.

On October 7, 2008, the President signed the *Fostering Connections to Success and Increasing Adoptions Act of 2008* (Pub. L. 110–351) (Fostering Connections) into law. Among many other provisions, Fostering Connections amended title IV–E of the Act to create an option for title IV–E agencies to provide kinship guardianship assistance payments, to extend eligibility for title IV–E payments up to age 21, to de-link adoption assistance from Aid to Families with Dependent Children (AFDC) financial eligibility rules over an eight-year period, and to provide certain tribes with the option to operate a title IV–E program directly. In

response to Fostering Connections, ACF amended the SACWIS regulations in January 2012 to include tribes operating an approved title IV–E program. Through these amendments, the Tribal Automated Child Welfare Information System (TACWIS) became the designation for tribal systems meeting the requirements of §§ 1355.50 through 1355.57.

### III. Statutory Authority

This proposed regulation is being issued under the general authority of section 1102 of the Social Security Act (42 U.S.C. 1302) which requires the Secretary of Health and Human Services to publish regulations that may be necessary for the efficient administration of the functions for which she is responsible under the Act. The statute at 42 U.S.C. 674(a)(3)(C) and (D) provides the authority for title IV–E funding for the planning, design, development, installation, operation, and maintenance of a data collection and information retrieval system and the requirements a title IV–E agency must meet to receive federal financial participation (FFP). The statute at 42 U.S.C. 674(c) further specifies the expenditures eligible for FFP.

### IV. Consultation and Regulation Development

Starting in 2009, the Children's Bureau (CB) initiated a detailed analysis of the S/TACWIS regulations to assess if there was a need to change them to better utilize newer technology and support the changing child welfare program. Our analysis also considered whether modifications were necessary to address changing business practice models, including the expanded use of private case managers, and approaches to provide flexibility to title IV–E agencies in implementing child welfare systems.

To inform our efforts in developing this NPRM we solicited ideas from the public through a **Federal Register** notice on July 23, 2010 (75 FR 43188) (hereto referred to as the 2010 FR Notice).

CB publicized the 2010 FR Notice through electronic mailing lists used routinely by this agency, and other communications channels with the child welfare and IT communities. We conducted a series of conference calls with interested stakeholder groups to discuss the 2010 FR Notice, answer questions, and encourage the submission of comments. We conducted conference calls with state child welfare information system managers and program representatives, tribal child welfare representatives, private child welfare agencies, advocacy groups, and

IT vendors. In response to the 2010 FR Notice and our outreach efforts, we received 48 comments from state child welfare agencies, private providers and provider associations, advocacy groups, IT vendors, tribes and tribal associations, a local public agency, a state's welfare directors' association, a state-level office of court administration, and a university research center.

The comments we received offered thoughtful insights into the experience of states, tribes, and providers using various SACWIS applications. The following themes emerged from the comments:

- A S/TACWIS should serve as a central repository for child welfare data, with the content available to all users.
- Instead of describing S/TACWIS in functional terms, several commenters suggested that the federal regulations define expectations for required data elements.
- Commenters strongly supported an emphasis on data quality, consistency, and integrity.
- Commenters recommended a focus on data that addresses mandatory federal requirements, and those data elements used for federal reporting and reviews, as well as data needed for state and tribal operations and program management.
- Commenters suggested that data conforming to S/TACWIS standards and representing common data elements could be uploaded to a data repository from any source, whether a case management system used by a contracted services provider, or from an ancillary state or tribal system, thus eliminating the need to re-enter data into external systems.
- Recognizing that S/TACWIS technology approaches are nearly two decades old, multiple commenters suggested that new regulations allow the adoption of new and emerging technologies, and be written in such a way as to allow for the future adoption of new technologies for data entry, storage, access, and sharing.
- Commenters noted that requiring all users to use a single system did not encourage flexibility and innovation. Contracted private providers with different business processes cannot use proprietary systems designed to support those processes to manage child welfare case management, as the regulations require them to use S/TACWIS.
- Commenters expressed concern that a revised regulation would force them to build a new case management system. A number of states expressed a desire that any new regulations allow them to continue to use their existing system.

The full text of the public comments in response to the 2010 FR Notice is available for review at: <http://www.regulations.gov>.

In the April 5, 2011 **Federal Register**, CB published a related notice entitled: "Federal Monitoring of Child and Family Service Programs: Request for Public Comment and Consultation Meetings" (76 FR 18677) (hereto referred to as the 2011 FR Notice). The 2011 FR Notice included the following question relevant to our review of S/TACWIS regulations: "What role should the child welfare case management information system or systems that states/tribes/local agencies use for case management or quality assurance purposes play in a federal monitoring process?"

In response, some commenters noted that child welfare management information systems should play an important role in federal monitoring as they provide valuable quantitative data. However, other commenters cited data quality and integrity issues that could result in inaccurate data for baseline outcomes and measuring improvements. Commenters also observed that there could be a delay between changing child welfare practices and the system enhancements needed to support the changes. The full text of the public comments in response to the 2011 FR Notice is available for review at: <http://www.regulations.gov>.

These proposed regulations address the comments regarding the critical role of flexibility in a child welfare information system that must provide quality data to support the federal effort to monitor child and family service programs.

## V. Overview of Major Proposed Revisions

The primary changes in this proposed rule are: (1) Providing title IV–E agencies with flexibility to determine the size, scope, and functionality of their information system; (2) allowing the CCWIS to obtain required data from external information systems so that a copy of that data is then stored and managed in the CCWIS; (3) emphasizing data quality and requiring a new data quality plan; (4) requiring new bi-directional data exchanges and use of electronic data exchange standards that strengthen program integrity; and (5) promoting more efficient and less expensive development of reliable systems that follow industry design standards including development of independent, reusable modules.

First, we propose to provide title IV–E agencies with flexibility to build systems that align more closely to their

business needs and practices by allowing each title IV–E agency to determine the size, scope, and functionality of their information system. This flexibility allows title IV–E agencies to design systems tailored to their administrative, programmatic, and technical environments. A title IV–E agency may transition a current system to CCWIS, become a non-CCWIS, or build a new CCWIS. The new CCWIS may: Contain all the functions required to collect and maintain CCWIS data (similar to a current S/TACWIS), be little more than a data repository that collects and exchanges data captured in other systems, or fall somewhere in between these two extremes. This approach also accommodates different size states and tribes, as well as state agencies that are either state or county administered.

Second, data may be obtained from external information systems so that a copy of that data is then stored and managed in CCWIS. Although this proposed rule requires CCWIS to maintain (store and manage) the required data, it allows the CCWIS to obtain required data that is captured in external information systems. This is an important change from S/TACWIS—because current rules require S/TACWIS to collect and maintain the data, *i.e.*, the data must be entered directly into S/TACWIS. The proposed NPRM also requires that CCWIS be the source of data for federally required and other agency reports. This includes on-going federal reports such as AFCARS, NYTD, Title IV–E Programs Quarterly Financial Report (Form CB–496) and other ongoing reports needed by the federal, state or tribal agency. However, this requirement gives the IV–E agency flexibility to produce the federal report using data collected in CCWIS or data collected in other system(s) and then shared with CCWIS.

Third, this proposal emphasizes data quality and requires a new data quality plan. We propose emphasizing data quality by requiring title IV–E agencies to develop and maintain a comprehensive data quality plan to monitor the title IV–E agency, and if applicable child welfare contributing agencies, system(s) and processes to support complete, timely, accurate, and consistent data. The IV–E agency must also actively monitor, manage, and enhance data quality. Improving data quality is vital for all child welfare program activities. Reliable data, no matter who collects it or where it is collected, supports the goals of child safety, wellbeing, and permanency. Therefore, reliable data is a critical component of case work, supervision,

program management, evaluation, research, and policy development. This proposed regulation also includes new requirements to ensure that a CCWIS supports data quality by requiring agency reviews of automated and manual data collection processes, and by requiring the title IV–E agency to provide continuous data quality improvement, based on its review findings. Some of the data quality requirements include: Automatically monitoring the CCWIS data for missing data, generating reports and alerts when entered data does not meet expected timeframes, automatically providing data to and automatically requesting needed data from child welfare contributing systems, and regular review by the title IV–E agency to ensure that CCWIS data accurately documents all cases, clients, services, and activities.

Fourth, this proposal requires a CCWIS to include new bi-directional data exchanges and use of electronic data exchange standards that strengthen program integrity. The proposed rule continues to require, where practicable, bi-directional data exchanges with title IV–A, title IV–D, title XIX, and child abuse/neglect systems, as in S/TACWIS rules. We propose to continue to require bi-directional data exchanges with systems processing payments and claims and with systems generating information needed for title IV–E eligibility determinations, if the CCWIS does not perform these functions. We also propose to require, to the extent practicable, title IV–E agencies add new bi-directional data exchanges with other systems such as court systems, education systems, and Medicaid claims systems. Adding these new bi-directional data exchanges will contribute to efforts to improve outcomes for children and assist title IV–E agencies in collecting more comprehensive data on each child served by the title IV–E agency. In addition, we propose that any child welfare contributing agencies using a system other than CCWIS and approved by the title IV–E agency for child welfare case management (for example, a proprietary system built or licensed by a private agency to manage its child welfare cases) must have a bi-directional data exchange with CCWIS. This allows child welfare contributing agencies to enter data in their own systems and then exchange that data with the CCWIS instead of requiring the child welfare contributing agency to enter data directly into the CCWIS. This bi-directional data exchange ensures that data collected by one child welfare

contributing agency is available to the title IV–E agency and all other contributing agencies through the CCWIS. This proposal also requires title IV–E agencies to use an electronic data exchange standard to improve efficiency, reduce duplicate data collection, and promote common understanding of data elements. Such a standard promotes a common understanding of data across systems so all users have a shared, clear, and precise understanding of what the data means.

Finally, the proposal prioritizes more efficient and less expensive development of reliable systems that follow industry design standards, including development of independent, reusable modules. This proposal provides an incentive for title IV–E agencies to build independent plug-and-play modules that may be shared and reused by other states, tribes, and agencies. This proposal requires CCWIS automated functions to be built as independent modules that may be reused in other systems or be replaced by newer modules with more capabilities. The title IV–E agency must follow industry standards when designing and building the automated modules. Our proposal is similar to the design requirements established by the CMS for Federal Funding for Medicaid Eligibility Determination and Enrollment Activities. Proposing design requirements similar to CMS will increase the potential for re-use of automated functions across related health and human service programs.

In developing this proposed rule, we were mindful of the Administration's emphasis on flexibility as a guiding principle when considering ways to better accomplish statutory goals. Therefore, our proposal includes a waiver process for title IV–E agencies to submit, for ACF's review and approval, their proposed new approaches to designing IT systems. We included this process to accommodate new design approaches that are not anticipated by our design proposal. ACF may waive the design requirements for CCWIS automated functions if the title IV–E agency presents a business case for a more efficient, economical, and effective design approach.

This proposal also provides flexibility with a transition period of 24 months during which the title IV–E agency with a S/TACWIS or non-S/TACWIS project (as defined in these proposed regulations) may decide whether to: Transition the S/TACWIS or non-S/TACWIS to a CCWIS, become a non-CCWIS or build a new CCWIS. The state or tribe does not need to finish the

transition within the 24 months to be a CCWIS. A new CCWIS may be built at any time.

Title IV–E agencies report that systems built under the S/TACWIS regulations improve program administration by automating work processes, providing workers with data to manage cases, and generating reports for supervisors and administrators. The goal of our proposal is to assist title IV–E agencies in developing systems that further contribute to improving outcomes for children and families with more flexible, modernized systems that support the efficient, economical, and effective administration of the plans approved under titles IV–B and IV–E of the Act. Compliance with provisions in the final rule would be determined through ACF review and approval of a state's or tribe's Advance Planning Documents (APD) or a Notice of Intent, where applicable, and through the use of federal monitoring.

The proposed revisions in this NPRM describe an approach fundamentally different from the current regulations. Considering the scope of the proposed changes, we determined that these revisions could not be effectively incorporated through section-by-section amendments. Therefore, our proposal would completely replace the current regulations. Where applicable, the Section-by-Section Discussion of the NPRM notes where we propose to retain requirements from the current regulations.

## **VI. Section-by-Section Discussion of the NPRM**

Our proposals support a change in the focus from the S/TACWIS function-based requirements to the CCWIS quality-data based requirements. This change is expected to provide additional flexibility to states and tribes to implement systems that meet their needs. This is now possible due to the changes in technology and service delivery models since 1993. We propose to carry forward the same principles as used in S/TACWIS but propose to include a new data focus:

- A CCWIS is expected to improve program management and administration by collecting and sharing data addressing all program services and case management requirements by meeting the requirements we propose in revised § 1355.52;
- The design is expected to appropriately apply modern computer technology; and
- The costs are expected to be reasonable, appropriate, and beneficial when compared to alternative solutions.

### *§ 1355.50—Purpose of This Part*

We propose to revise § 1355.50 to describe that the purpose of the proposed regulations in §§ 1355.50 through 1355.59 is to set forth the requirements for receiving federal financial participation (FFP) as authorized under section 474(a)(3)(C) and (D) and 474(c) of the Act for the planning, design, development, installation, operation, and maintenance of a comprehensive child welfare information system (CCWIS).

Implementing a CCWIS is optional. While the Act provides a favorable cost allocation for a CCWIS, the Act does not require that a title IV–E agency have a CCWIS. Title IV–E agencies with a data collection system that does not meet CCWIS requirements may qualify for funding as described at § 1356.60(d).

Consistent with the definition of title IV–E agency in § 1355.20, if a title IV–E agency chooses to implement a CCWIS, we propose that the requirements in §§ 1355.50 through 1355.59 apply to the title IV–E agency (either state or tribe) unless otherwise specified.

### *§ 1355.51—Definitions Applicable to Comprehensive Child Welfare Information Systems (CCWIS)*

We propose to add a new § 1355.51 to provide definitions that apply to §§ 1355.50 through 1355.59. This section is new, as the current regulations provide no definitions specific to S/TACWIS. These definitions clarify the meaning of key terms and concepts applicable to these sections. See § 1355.20 for definitions of other terms used in these regulations.

*In new paragraph (a) of § 1355.51, we propose definitions for terms in §§ 1355.50 through 1355.59.*

#### **Approved Activity**

We propose to add a definition of “approved activity” to new § 1355.51 and to define it as a project task that supports planning, designing, developing, installing, operating, or maintaining a CCWIS. The term applies to all CCWIS projects whether or not they are required to submit an Implementation APD.

This phrase is used in § 1355.57—Cost allocation for CCWIS projects.

#### **Automated Function**

We propose to add a definition of “automated function” to new § 1355.51 and to define it to mean a computerized process or collection of related processes to achieve a purpose or goal. This general definition may include a simple process, such as searching a list,

or a collection of related processes, such as a case management module.

This phrase is used in § 1355.52—CCWIS project requirements, § 1355.53—CCWIS design requirements, § 1355.54—CCWIS options, and § 1355.57—Cost allocation for CCWIS projects.

#### Child Welfare Contributing Agency

We propose to add a definition of “child welfare contributing agency” to new § 1355.51 and to define this phrase as a public or private entity that, by contract or agreement with the title IV–E agency, provides child abuse and neglect investigations, placement, or child welfare case management (or any combination of these) to children and families.

This phrase is used in § 1355.52—CCWIS project requirements.

#### Data Exchange

We propose to add a definition of “data exchange” and to define it to mean the automated, electronic submission or receipt of information, or both, between two automated data processing systems.

This phrase is used in § 1355.52—CCWIS project requirements and § 1355.54—CCWIS options. We discuss the details of the data exchanges in the preamble for § 1355.52(e).

#### Data Exchange Standard

We propose to add a definition of “data exchange standard” and to define it to mean the common data definitions, data formats, data values, and other guidelines that the state’s or tribe’s automated data processing systems follow when exchanging data. A data exchange standard provides all parties with information that is consistently understood and defined. We propose that the definition apply to the automated data exchange process rather than to specify how either party stores the data.

This phrase is used in § 1355.52—CCWIS project requirements.

#### New CCWIS Project

We propose to add a definition of “new CCWIS project” and to define it as a project to build an automated data processing system meeting all requirements of §§ 1355.52 and 1355.53(a). All automated functions contained in such a system must be designed to meet the requirements of § 1355.53(a) unless exempted by § 1355.53(b)(2). This is different from S/TACWIS or non-S/TACWIS projects that are used as the basis for meeting the requirements of § 1355.52. Existing automated functions of S/TACWIS or

non-S/TACWIS projects are exempt from the CCWIS design requirements in § 1355.53(a). If a project does not meet the definition of a S/TACWIS or non-S/TACWIS project as of the effective date of these regulations, and the agency elects to implement a system meeting the requirements of this section it is classified as a new CCWIS project.

This phrase is used in § 1355.56—Requirements for S/TACWIS and non-S/TACWIS projects during and after the transition period and § 1355.57—Cost allocation for CCWIS projects.

#### Non-S/TACWIS Project

We propose to add a definition of active “non-S/TACWIS project.” We define this term because this is one type of an active project in which existing automated functions are exempt from the CCWIS design requirements in § 1355.53(a).

We propose to define a “non-S/TACWIS project” as an active automated data processing system or project that, prior to the effective date of these regulations, ACF has not classified as a S/TACWIS and for which: (1) ACF approved a development procurement; or (2) the applicable state or tribal agency approved a development procurement below the thresholds of 45 CFR 95.611(a); or (3) the operational automated data processing system provided the data for at least one AFCARS or NYTD file for submission to the federal system or systems designated by ACF to receive the report. By “active” automated data processing system or project, we mean that the system is being used as of the effective date of these regulations or that the state or tribe is designing, developing or implementing the system as of the effective date of the regulations.

The first proposed criterion requires the approval of development procurement documents (such as requests for proposals or requests for quotations) by ACF for procurements that exceed the thresholds as established in 45 CFR 95.611. The second proposed criterion requires the approval of development procurement documents by the state or tribal agency with authority to approve the documents when they are below the threshold of 45 CFR 95.611 requiring approval by ACF.

These two proposed criteria are clear measures of a project that has progressed beyond preliminary planning stages of information system development. To reach this point the agency has defined the project’s purpose, goals, and scope. The agency has also produced the clear, specific, and detailed requirements and other

documentation necessary for vendors to develop realistic cost and technical proposals. Review and approval of the documents by the appropriate federal, state, or tribal authority provides assurances that the plans to develop a non-S/TACWIS automated data processing system are well conceived and meet the standards of the approving authority. This formal approval of development procurement documents is an early indicator of the title IV–E agency’s commitment to build a system that qualifies the project as a non-S/TACWIS project.

The third proposed criterion to classify an application as a non-SACWIS is an operational system that has correctly gathered and formatted data for the submission of required title IV–E program reports. Having successfully submitted required reports, the agency has demonstrated that the application is an active automated data processing system and the system may be classified as a non-SACWIS project.

The two data collections are: AFCARS and, for states, NYTD. To be considered an operational non-S/TACWIS project, the title IV–E agency must have used the system to successfully provide the data needed to be submitted for either report during the most recent reporting period prior to the effective date of the final rule. ACF included this third criterion so that projects that are built in-house, such as without vendor assistance, may qualify as non-S/TACWIS projects.

This phrase is used in § 1355.56—Requirements for S/TACWIS and non-S/TACWIS projects during and after the transition period.

#### Notice of Intent

We propose to add a definition of “notice of intent” and to define it as a record from the title IV–E agency, signed by the governor, tribal leader, or designated state or tribal official, and provided to ACF declaring that the title IV–E agency plans to build a CCWIS project that is below the APD approval thresholds of 45 CFR 95.611(a). The definition specifies that this notice is a “record” rather than a “letter” to allow the title IV–E agency to electronically submit the notice of intent. The signatory must be an official who is authorized to commit the agency to building a CCWIS and is aware of and has approved this action.

This definition is used in § 1355.52—CCWIS project requirements where we propose the requirement for the notice of intent for CCWIS projects below the APD approval thresholds defined at 45 CFR 95.611.

## S/TACWIS Project

We propose to add a definition of an active “S/TACWIS project.” We wish to define an active S/TACWIS project because this is one type of project in which existing automated functions are exempt from the CCWIS design requirements in § 1355.53(a).

We propose to define a “S/TACWIS project” as an active automated data processing system or project that, prior to the effective date of these regulations, ACF classified as a S/TACWIS and for which: (1) ACF approved a procurement to develop a S/TACWIS; or (2) the applicable state or tribal agency approved a development procurement for a S/TACWIS below the thresholds of 45 CFR 95.611 (a).

The first proposed criterion requires the approval of development procurement documents (such as Requests for Proposals or Requests for Quotations) by ACF. The second proposed criterion requires the approval of development procurement documents by the state or tribal agency with authority to approve the documents. By ‘active’ automated data processing system or project, we mean that the system is being used as of the effective date of these regulations or the state or tribe is designing, developing or implementing the system as of the effective date of the regulations.

These two proposed criteria are clear measures of a S/TACWIS project that has progressed beyond preliminary planning stages. This formal approval of development procurement documents is an early indicator of the title IV–E agency’s commitment to build a system that qualifies the project as a S/TACWIS project.

This phrase is used in § 1355.56—Requirements for S/TACWIS and non-S/TACWIS projects during and after the transition period.

## Transition Period

We propose to add a definition of “transition period” and to define it as the 24 month period after the effective date of these regulations.

This phrase is used in § 1355.56—Requirements for S/TACWIS and non-S/TACWIS projects during and after the transition period.

In new paragraph (b) of § 1355.51, we propose to use terms defined at 45 CFR 95.605 in §§ 1355.50 through 1355.59. 45 CFR 95.605 lists definitions for regulations under which the Department will approve FFP for the costs of automated data processing incurred under an approved State plan for titles IV–B, IV–D, IV–E, XIX or XXI of the Act.

## § 1355.52—CCWIS Project Requirements

We propose to revise § 1355.52 to include requirements for all CCWIS projects. We organized the proposed requirements as follows:

- In revised § 1355.52(a), we propose that CCWIS must support the efficient, economical, and effective administration of the title IV–B and IV–E plans.

- In revised § 1355.52(b), we propose the categories of data CCWIS must maintain.

- In revised § 1355.52(c), we propose CCWIS reporting requirements based on the data requirements proposed in § 1355.52(b).

- In new § 1355.52(d), we propose data quality requirements applicable to the data described in our proposals in § 1355.52(b) as well as the systems and processes used to collect this data.

- In new § 1355.52(e), we propose that CCWIS must support one bi-directional data exchange to exchange relevant data with specified program systems.

- In new § 1355.52(f), we propose CCWIS must use a single data exchange standard for certain bi-directional data exchanges.

- In new § 1355.52(g), we propose that CCWIS must support the title IV–E eligibility determination process.

- In new § 1355.52(h), we propose requirements for title IV–E agencies to provide copies of CCWIS software and documents to ACF.

- In new § 1355.52(i), we propose that title IV–E agencies must submit certain project documentation to qualify for CCWIS cost allocation.

- In new § 1355.52(j), we propose to list APD requirements applicable to all under threshold CCWIS projects.

In revised § 1355.52(a), we propose to continue the statutory requirement that the system support the efficient, economical, and effective administration of the title IV–B and IV–E plans pursuant to section 474(a)(3)(C)(iv) of the Act. ACF proposes in revised § 1355.52(a)(1) through (4) general requirements that an efficient, economical, and effective system must meet.

In revised § 1355.52(a)(1), we propose that the system must improve program management and administration by maintaining all program data required by federal, state or tribal law or policy. Maintaining program data supports case workers, supervisors, and managers in efficiently and effectively providing service to clients and administering the program. We provide further proposed program data requirements in paragraph (b).

In revised § 1355.52(a)(2), we propose that the design must appropriately apply computer technology. Such designs implement innovative, tested, and proven approaches to support efficient, economical, and effective systems. We provide further design requirements in revised § 1355.53(a).

In revised § 1355.52(a)(3), we propose that the project must not require duplicative application system development or software maintenance. Duplicative development and maintenance increases costs. During our system reviews, we have also observed that duplicative applications require caseworkers to enter the same data repeatedly which reduces worker efficiency.

In revised § 1355.52(a)(4), we propose that project costs must be reasonable, appropriate, and beneficial. Our processes for reviewing project activities and costs are described in the APD regulations at 45 CFR part 95, subpart F. We also propose in new § 1355.52(j) to apply a subset of these regulations to projects under the thresholds defined in 45 CFR 95.611.

We propose in revised § 1355.52(b) to require that the CCWIS maintain all program data mandated by statute and regulation, and the data that the title IV–E agency determines is needed for the more efficient, economical, and effective administration of the programs carried out under a state or tribal plan approved under titles IV–B and IV–E of the Act. Specifically, in § 1355.52(b) we propose that the title IV–E agency’s CCWIS must maintain data that supports administration of the title IV–B and title IV–E program, data needed for ongoing federal child welfare reports, data to support state or tribal child welfare laws, regulations, policies, practices, reporting requirements, audits, program evaluations, and reviews. For states, CCWIS must maintain data to support specific measures taken to comply with 422(b)(9) of the Act related to the Indian Child Welfare Act (ICWA) and the National Child Abuse and Neglect Data System (NCANDS) data.

This is different from the S/TACWIS regulation in that the proposed requirements include an emphasis on maintaining data within the CCWIS, rather than the focus in S/TACWIS on where the data is collected. Focusing on the maintenance of data rather than the collection of data increases the flexibility available to title IV–E agencies regarding the design of automated data processing systems used to support their child welfare programs. We propose that the CCWIS maintain the data received from other sources, applying the data quality standards



defined in the new § 1355.52(d) to help ensure that the data is timely, consistent, accurate, and relevant. Therefore, the term “maintain” refers to data storage and data sharing with other appropriate child welfare automated data processing systems. Specific data storage requirements are defined by the authority requiring the data. For example, the data retention requirements for ongoing federal child welfare reports are defined in the applicable regulations and policies. “Maintain” also refers to the consistent application of data quality processes and procedures to the data no matter where the data may have been initially collected.

Some comments to the 2010 FR Notice requested that the proposed regulations define all required data. In general, other than the data specifically required in legislation, regulation, reviews, audits, and that needed by the title IV–E/IV–B agency to support its administration of its programs, as outlined below, we are not proposing to define a comprehensive set of CCWIS data elements. We determined that such specificity would require regulatory amendments to ensure consistency with future changes in law and policy and was not consistent with our goal of promoting the flexibility to design an automated data processing system to meet the title IV–E agency’s business needs. Therefore, revised § 1355.52(b) defines categories of data that may overlap so that specific data elements may be covered by multiple requirements.

In new § 1355.52(b)(1), we propose to require that the CCWIS maintain all data required to support the efficient, effective, and economical administration of the programs under titles IV–B and IV–E of the Act. We outline requirements regarding the scope of this data in paragraphs (b)(1)(i) through (iv) of § 1355.52.

In new § 1355.52(b)(1)(i), we propose to require that the CCWIS maintain all data required for ongoing federal child welfare reports. This includes data for required federal data reporting such as AFCARS and NYTD (if applicable), the Title IV–E Programs Quarterly Financial Report (Form CB–496) and any other ongoing federal reporting that may be required by statute or regulation. Where applicable, this includes case management data maintained in the CCWIS that the title IV–E agency uses to create narrative based reports such as the Child and Family Service Plan (CFSP) and Annual Progress and Services Report (APSR).

We acknowledge that requirements may vary among title IV–E agencies, for

example tribes are not required to submit data to the NYTD or NCANDS.

In new § 1355.52(b)(1)(ii), we propose to require that the CCWIS maintain data required for title IV–E eligibility determinations, authorizations of services and other expenditures that may be claimed for reimbursement under titles IV–B and IV–E.

For the purposes of this proposed requirement, data necessary for title IV–E eligibility determinations includes documentation of title IV–E eligibility requirements such as the factors used to demonstrate the child would qualify for AFDC under the 1996 rules, placement licensing and background check information and court findings. Data required for authorizations of services and other expenditures under titles IV–B and IV–E includes data on services authorized, records that the services were delivered, payments processed, and payment status, including whether the payment will be allocated to one or more federal, state, or tribal programs for reimbursement, and the amount of the payment. In addition, information needed to support federal financial claims reports for titles IV–B and IV–E are considered necessary, such as the Form CB–496, as well as information to support audits of the activities and services that are the basis of such claims. However, the automated functions that use this information, such as those that support financial claims processing and payments, are not required to be a part of the CCWIS. For example, the CCWIS may have an automated exchange with an external financial system(s) that processes payments and disburses funds as discussed in proposed new § 1355.52(e)(1)(i).

Proposed requirements regarding automated functions to support the process of making title IV–E eligibility determinations are in proposed new § 1355.52(g).

In new § 1355.52(b)(1)(iii), we propose to require that the CCWIS maintain all data needed to support federal child welfare laws, regulations, and policies. The data defined in this paragraph is expected to reflect title IV–B and IV–E federal policy and programmatic requirements and may change over time.

In new § 1355.52(b)(1)(iv), we propose to require that the CCWIS maintain all case management data to support federal audits, reviews and other monitoring activities that are not specifically covered by paragraph (iii). Examples include the data necessary for title IV–E reviews authorized under § 1356.71 and the Child and Family Services Reviews (CFSRs) authorized

under 42 U.S.C. 1320a–2a. We do not propose to require the CCWIS to maintain additional data that a review team may collect for review purposes that is not gathered as part of the title IV–E agency’s ongoing case management practice. For example, some of the data the state uses to evaluate CFSR systemic factors such as surveys or focus group summaries is not case management data and we would not expect that data to be maintained in the CCWIS.

In new § 1355.52(b)(2), we propose to require that the CCWIS maintain the data to support state or tribal laws, regulations, policies, practices, reporting requirements, audits, program evaluations, and reviews. We recognize that title IV–E agencies may identify a data need or functionality based on their specific circumstances, populations, title IV–E plan and business practices that is not specifically prescribed by federal law or policy. The title IV–E agency will define these requirements, specifying the basis for the data collection, as well as measures to help assure that the automated data processing system maintains quality data. Examples of these types of data include data specified in laws or policies, quality assurance, caseworker narratives, scanned documents, completed templates, and other program evaluation information or court monitor data. Title IV–E agencies may also identify candidate data elements by identifying common data collected across child welfare contributing agencies that is not shared with the CCWIS.

We propose this requirement to encourage title IV–E agencies to consider innovative ways CCWIS can support their unique programs. We look forward to working with and providing technical assistance to title IV–E agencies related to this requirement.

In new § 1355.52(b)(3), we propose to require that the CCWIS maintain for states, data to support specific measures taken to comply with the requirements in section 422(b)(9) of the Act regarding the Indian Child Welfare Act. Supporting ICWA with CCWIS makes administration of the state plan for compliance with ICWA more efficient, economical, and effective. As required by the Program Instruction ACYF–CB–PI–13–04, which was issued by ACYF on April 10, 2013, the state’s APSR must cite available data used to assess the level of compliance and progress made to improve the agency’s compliance with ICWA. Minimally, we expect states to maintain data in their CCWIS on notification of Indian parents and tribes of state proceedings involving Indian children. The CCWIS may maintain data

necessary to inform the APSR in the following areas:

- Placement preferences of Indian children in foster care, pre-adoptive, and adoptive homes;
- Active efforts to prevent the breakup of the Indian family when parties seek to place a child in foster care or for adoption; and
- The right of Indian parents and tribes to intervene in state proceeding or to transfer proceedings to the jurisdiction of the tribe.

In new § 1355.52(b)(4), we propose to require that the CCWIS maintain, for each state, data for NCANDS data. NCANDS is a voluntary data collection effort created in response to the requirements of the Child Abuse Prevention and Treatment Act (CAPTA) (Pub. L. 93-247) as amended. However, CB policy requires states that implement a SACWIS to submit NCANDS data. This proposed requirement is consistent with this policy.

In revised § 1355.52(c), we propose to incorporate the requirements in existing § 1355.53(a) and (b) and S/TACWIS policy described in the ACYF Action Transmittal ACF-OISM-001, which was issued on February 24, 1995, regarding generation and submission of reports. The reports must be based on data maintained in the CCWIS per the proposed requirements in revised § 1355.52(b). We simplified the regulations by placing all reporting requirements in revised § 1355.52(c) and organizing them into two general categories. We will provide technical assistance to title IV-E agencies as needed so that the CCWIS can use the data described in revised § 1355.52(b) to generate and submit the reports described in this paragraph.

In new § 1355.52(c)(1), we propose to revise and incorporate the current requirements in § 1355.53(a) and (b). We propose to require that the system generate, or contribute to, title IV-B and IV-E federal reports according to applicable formatting and submission requirements and based on data maintained in the CCWIS per the proposed requirements in revised § 1355.52(b). In order to avoid having to modify these rules as reporting requirements change over time, this requirement is inclusive of all current and any future federal reports required by titles IV-B or IV-E of the Act.

Examples of federal reports covered by this requirement include, but are not limited to:

- AFCARS reporting requirements found at § 1355.40. The CCWIS must maintain all data used to report information to AFCARS, even if data is collected and updated in child welfare

contributing systems or received through exchanges with other agencies such as the title IV-D system. The AFCARS report must be generated entirely from the data maintained in the CCWIS and must be a full historical account of the child's foster care experience within the state/tribal service area.

- NYTD, for state title IV-E agencies only. Consistent with section 479B(f) of the Act tribal title IV-E agencies are exempt from NYTD requirements at 45 CFR 1356.80 through 1356.86. The CCWIS must maintain the case management data on youth in foster care and services provided to them, even if some data are collected and updated in child welfare contributing systems. Consistent with current policy in Program Instruction ACYF-CB-PI-10-04, which was issued on April 2, 2010, states have the option to collect survey data on outcomes in an external system. The report may be generated entirely from the CCWIS. Alternately, data from the CCWIS may be combined with the outcomes data to construct the NYTD report.

- CFSP/APSR requirements found at 45 CFR 1357.15 and 1357.16. These submissions follow guidance provided by CB and are largely narrative in format. The CCWIS will provide statistics as needed to support the title IV-E agency's program analysis.

- Title IV-E programs quarterly financial report on Form CB-496 as required by Program Instruction ACYF-CB-PI-10-14, which was issued on November 23, 2010. The CCWIS will provide a subset of the financial and demographic data required to complete this form to support claims for title IV-E funding.

- CFSR reporting found at 45 CFR 1355.34 and 1355.35. CFSR reporting may include data collected during review activities, which is not required to be maintained in the CCWIS. However, we expect the CCWIS to maintain data as proposed in revised § 1355.52(b) to support the CFSR review process.

In new § 1355.52(c)(2), we propose to incorporate the current requirement at § 1355.53(a) and S/TACWIS policy that the system generate or contribute to reports that support programs and services described in title IV-B and title IV-E of the Act and are needed to support state or tribal child welfare laws, regulations, policies, practices, reporting requirements, audits, and reviews. These reports will be specific to the needs of the title IV-E agency or the state or tribal executive offices. Examples include, but are not limited to:

- Management and statistical reports to monitor, track, and support agency, office, team, or individual needs;
- Contract compliance, budgeting and forecasting;
- Court settlement agreement monitoring;
- Outcomes data to support continuous quality improvement efforts; and
- Reports to state legislatures or tribal leadership regarding aggregated case data.

In new § 1355.52(d), we propose data quality requirements that apply to the CCWIS. We distinguish between current and proposed data quality requirements in our discussion of the subparagraphs.

A CCWIS must consistently provide high quality data to meet the statutory requirement to support the efficient, economical, and effective administration of child welfare programs, as required in section 474(a)(3)(C)(iv) of the Act. During our reviews of SACWIS systems, we determined that most title IV-E agencies understand the importance of high quality data and implement a variety of strategies to improve data quality. However, these reviews also indicate that it remains challenging for title IV-E agencies to consistently ensure SACWIS produces high quality data. Therefore, we propose to supplement current data quality requirements with new requirements based on best practices to improve data quality. Although title IV-E agencies already implement many of these best practices, our proposed requirements will mandate their consistent use by all title IV-E agencies implementing a CCWIS.

In new § 1355.52(d)(1), we outline the proposed data quality and confidentiality requirements for data that must be maintained in the CCWIS, per § 1355.52(b).

In new § 1355.52(d)(1)(i), we propose that the data described in revised § 1355.52(b) that is maintained in the CCWIS meet the applicable federal, and state or tribal standards for completeness, timeliness and accuracy. Currently, S/TACWIS regulations at § 1355.53(g) requires the system to perform quality assurance reviews of case files to ensure accuracy, completeness and compliance, and S/TACWIS policy in Action Transmittal ACF-OISM-001, Part IV requires automated quality assurance measures, processes, and functions to ensure the completeness, accuracy, and consistency of critical data.

Complete, timely, and accurate data supports the entire child welfare program. The data supports all aspects of direct service to clients, including:

Managing child abuse and neglect investigations, conducting assessments, case management, service provision, placements, and licensing. Title IV–E agencies need reliable data to support administrative functions such as monitoring staff, quality control, budgeting, and forecasting. High quality data is critical for the safety and well-being of the children in care and also supports research, program analysis, and policy formulation.

This proposed requirement means that all data maintained in the CCWIS must be complete, timely, and accurate in order to support the efficient, economical, and effective administration of the child welfare program. Statutes, regulations, or policy may establish specific data quality standards. For example, federal regulations specify the data quality standards for AFCARS and NYTD data. Likewise, title IV–E agencies have policies requiring the completion of certain tasks within defined deadlines such as caseworker visits, transition planning, administrative reviews, permanency hearings, and the collection of related data. CCWIS data follows the specific standards identified by both federal requirements and state or tribal laws and policies. If two or more standards apply to the same data, the title IV–E agency follows the more rigorous standard. For example, if one standard required updating the CCWIS in seven days and a second standard set a two-day limit, the two-day limit applies.

In new § 1355.52(d)(1)(ii), we propose to require that data be consistently and uniformly collected by CCWIS and, if applicable, child welfare contributing agency systems. By “if applicable,” we mean if the title IV–E agency permits child welfare contributing agencies to use other systems to collect CCWIS data, that data must meet the standards established for CCWIS data.

S/TACWIS rules enforce consistent and uniform data collection by requiring a single state or tribal system for the collection of all child welfare data. Our proposed rule will provide greater data collection flexibility to title IV–E agencies by eliminating this requirement and permitting other systems to collect and electronically share data with CCWIS and other contributing systems. However, this flexibility will require closer monitoring of data by title IV–E agencies to ensure that data collected by child welfare contributing agencies and systems has the same meaning to all staff collecting, entering, and using the data. If all users do not share a common understanding of data, client records transferred

between agencies may be misinterpreted, adversely affecting client monitoring, services, and outcomes.

This proposed requirement means that the title IV–E agency will be able to ensure there is a shared understanding of all data electronically exchanged between CCWIS and child welfare contributing agency systems.

In new § 1355.52(d)(1)(iii), we propose that the title IV–E agency must exchange and maintain CCWIS data in accordance with the confidentiality requirements of applicable federal and state or tribal laws. This is not a new requirement as data maintained under a SACWIS are subject to federal, state, and tribal confidentiality requirements. The federal confidentiality provisions are those at section 471(a)(8) of the Act, regulations at 45 CFR 1355.30(p)(3) applying 45 CFR 205.50, and CB policy at sections 2.1A.1 and 8.4E of the Child Welfare Policy Manual. These statutes, regulations, and policies require that title IV–E agencies provide safeguards regarding the use and/or disclosure of data about children receiving title IV–E or IV–B assistance. They do not forbid agencies from sharing data with appropriate agencies, and set forth the parameters for when the data may (or must) be disclosed. Confidentiality requirements that apply to child abuse and neglect information is described in 42 U.S.C 5106a(b)(2)(B)(viii) through (x) of CAPTA. These confidentiality provisions also apply to agencies that are the recipients of the confidential information, such as child welfare contributing agencies.

In new § 1355.52 (d)(1)(iv), we propose to require that the CCWIS data described in revised § 1355.52(b) must support child welfare policies, goals, and practices. This means that data collected by or maintained in CCWIS is necessary to support the efficient, economical, and effective administration of the child welfare program.

In new § 1355.52(d)(1)(v), we propose to require that the CCWIS data described in revised § 1355.52(b) must not be created by default or inappropriately assigned. Through our S/TACWIS reviews, we have observed systems that create data by automatically completing data fields with a common response. For example, a system may classify all persons as U.S. citizens as a default, since the title IV–E agency presumes that most of the children and families that they serve are born in the United States. The practice of automatically generating data can create inaccurate data in the system because workers may not verify or

correct the accuracy of system-generated data.

We acknowledge there are cases where system calculated data is appropriate. For example, it is acceptable to generate time stamps denoting the time of record entry in the CCWIS. System created data also is acceptable in instances where CCWIS can accurately derive or calculate the data, such as calculating current age by using the verified birth date and current date.

In new § 1355.52(d)(2), we propose to require that the title IV–E agency implement and maintain specific automated functions in CCWIS. We expect that these automated functions will support the IV–E agency’s efforts to ensure that the CCWIS data described in revised § 1355.52(b) meets the data quality requirements of § 1355.52(d)(1). We propose five automated functions in CCWIS in the following subparagraphs. One requirement, for the CCWIS to monitor data quality, incorporates the current S/TACWIS regulatory requirement at § 1355.53(g). Of the four new automated function requirements, three are consistent with current S/TACWIS policy in Action Transmittal ACF–OISM–001.

We are proposing these requirements because information technology is consistently and successfully used to support data quality. It is efficient to use automation to support data quality processes since computers perform routine tasks quicker and more consistently than people. Computers can also review all data and flag potential data quality problems that require further investigation. This increases worker effectiveness by enabling workers to focus on solving data quality problems rather than sifting through data to identify errors.

In new § 1355.52(d)(2)(i), we propose to incorporate the requirement that the system regularly monitor data quality through automated functions. This requirement is currently found in S/TACWIS regulations at § 1355.53(g).

This proposed requirement means that CCWIS is expected to have automated functions at the point data is received in the CCWIS and other regular intervals to maintain data quality. For example, in addition to edit checks to validate data entry, automated functions in CCWIS should review data provided by data exchanges, compare data from different sources for inconsistencies, scan stored data for missing or out-of-date information, and validate CCWIS data before it is exchanged with other systems.

In new § 1355.52(d)(2)(ii), we propose a new requirement that through an

automated function, the CCWIS supports data quality by alerting staff to collect, update, correct, and enter CCWIS data. By “staff,” we mean users of CCWIS or child welfare contributing agency systems. This proposed requirement is consistent with S/TACWIS policy in Action Transmittal ACF–OISM–001 to support workers in completing data quality tasks.

This proposed requirement means that the CCWIS must provide automated alerts, reports, and other appropriate automated tools to support workers to effectively maintain data quality. In our experience with SACWIS reviews, agencies report measurable data quality improvements after implementing appropriate alerts. Staff collecting data play a key data quality role and agency training is critical in supporting workers in their role.

In new § 1355.52(d)(2)(iii), we propose a new requirement that IV–E agency’s CCWIS includes automated functions to send electronic requests to child welfare contributing agency systems to submit current and historical data to the CCWIS. This proposed requirement means that CCWIS automated functions must support bi-directional data exchanges with child welfare contributing agency systems, will monitor the data exchanged, and notify other systems when the CCWIS has not received data by the deadlines. Examples of such data include home visit reports, investigation reports, assessments, and placement changes. The required exchange between the CCWIS and systems operated by child welfare contributing agencies is described in new § 1355.52(e)(1)(ii).

Our proposed rule provides greater flexibility in allowing the CCWIS to maintain required child welfare data through an exchange with child welfare contributing agency systems. While ensuring data quality in a single system requires constant and diligent effort, it is even more challenging when independent systems are exchanging data. Therefore, we are proposing this requirement that CCWIS provide automated support for ensuring that the CCWIS is provided timely data from child welfare contributing agencies.

In new § 1355.52(d)(2)(iv), we propose a new requirement that a title IV–E agency implement and maintain automated functions in the CCWIS that prevent, to the extent practical, the need to re-enter data already captured or exchanged with the CCWIS. This includes data that is either entered directly into the CCWIS or maintained in the CCWIS through an exchange with a child welfare contributing agency’s system. It is our expectation that data

collected in the CCWIS or CCWIS data provided through an exchange should not need to be re-entered in either the CCWIS or a child welfare contributing agency’s system. This proposed requirement is consistent with S/TACWIS policy in Action Transmittal ACF–OISM–001 to support efficient work processes.

When the CCWIS exchanges data with one of the systems identified in new § 1355.52(e)(2), we recognize it may not always be possible to meet this requirement due to competing system requirements. However, to the extent practicable, the title IV–E agency should work with the other agency to implement automated functions and exchange data in a way that prevents the need to re-enter data already maintained by the CCWIS.

The automated functions will likely also promote data quality by preserving accurate historical data and supporting the review and correction of data. This requirement will eliminate inefficiencies in the system caused by duplicate data entry. It may also result in reducing the presence of inconsistent data (for example, if two workers enter different dates for a child’s birth date).

In new § 1355.52(d)(2)(v), we propose a new requirement that CCWIS generate reports of continuing or unresolved CCWIS data quality problems. For example, the CCWIS may flag children in foster care who have not received visits in expected timeframes so supervisors can follow-up to determine if a worker missed a visit or did not document the activity.

This proposed requirement is consistent with the best practice of creating regular or ad hoc reports to monitor data, which has been implemented by most title IV–E agencies. Title IV–E agencies indicate that these reports are an effective tool for improving data quality. State title IV–E agencies use such reports to continuously monitor data quality and to assist in identifying weaknesses in data quality processes. In many cases, agencies have corrected the weaknesses with new automated edit checks, staff training, or data collection processes.

In new § 1355.52(d)(3), we propose new requirements for annual title IV–E agency data quality reviews and what the reviews should entail. Data quality is critical to ensuring that agency staff have confidence in the data they rely on to make decisions or take action. Ensuring that data is not erroneous, missing, or misinterpreted is an important resource for effective case management activities and services that support children, families, and the child welfare program.

Annual data quality reviews ensure that the CCWIS maintains the high quality data necessary for the efficient, economical, and effective administration of the title IV–B and IV–E programs. The reviews are also critical to ensure that title IV–E agencies monitor and improve data, uncover the factors that negatively affect data quality, and implement corrective measures as needed. ACF will provide technical assistance related to these data quality reviews.

In new § 1355.52(d)(3)(i), we propose a new requirement that the annual data quality reviews determine if the title IV–E agency and, if applicable, child welfare contributing agencies, meet the new requirements of §§ 1355.52(b), (d)(1), and (d)(2). CCWIS data from child welfare contributing agency systems are included in annual data quality reviews because complete high quality data collected and exchanged by all partners is critical to supporting the communication and collaboration necessary for coordinating services to children and families, assisting with the title IV–E agency’s monitoring activities, and producing accurate federal reports. We expect that title IV–E agencies will, as part of the reviews proposed, monitor child welfare contributing agency data collection activities and systems to ensure CCWIS data meets the standards established in contracts and agreements.

In new § 1355.52(d)(3)(ii), we propose a new requirement that the title IV–E agency’s annual data quality reviews confirm that bi-directional data exchanges:

- Meet the bi-direction data exchange requirements described in § 1355.52(e);
- Meet the data exchange standard requirements described in § 1355.52(f); and
- Other ACF regulations and policies.

Having a process to periodically review established bi-directional data exchanges is essential to help exchange partners identify new opportunities for collaboration as well as uncover unexpected problems with the existing bi-directional data exchanges.

In new § 1355.52(d)(4), we propose a new requirement that the title IV–E agency must enhance CCWIS or the electronic bi-directional data exchanges of both to correct findings from the annual reviews described at § 1355.52(d)(3). This proposed requirement means that the title IV–E agency must correct identified factors contributing to the findings from the annual reviews. For example, if the annual review determined that CCWIS did not capture data to accommodate changing program requirements, the CCWIS must be enhanced to correct this finding.

This proposed requirement to address review findings with corrective action establishes an annual, repeatable cycle of continuous quality improvement. Each successive review measures the impact of past corrective actions. This enables title IV–E agencies to determine the effectiveness of those actions and make adjustments leading to further improvements.

In new § 1355.52(d)(5), we propose a new requirement that the title IV–E agency must develop, implement, and maintain a CCWIS data quality plan in a manner prescribed by ACF and include it as part of the Annual or Operational APD as required in 45 CFR 95.610. Required components of the CCWIS data quality plan are identified in § 1355.52(d)(5)(i) and (ii).

This proposed requirement means that title IV–E agency must prepare and implement a formal plan that ensures CCWIS data quality. A comprehensive, formal approach embodied in a plan will ensure data quality in systems maintaining wide-ranging data critical to delivering and managing child welfare services. Because the plan will need to be amended occasionally in order to address new issues as federal, state, and tribal laws, regulations,

policies, and practices change, ACF will provide further guidance as needed.

In new § 1355.52(d)(5)(i), we propose a new requirement that the data quality plan describe the comprehensive strategy to promote quality data including the steps to meet the requirements at § 1355.52(d)(1) through (3).

In new § 1355.52(d)(5)(ii), we propose a new requirement that the data quality plan must report the status of compliance with § 1355.52(d)(1). Section 1355.52(d)(1) outlines the data quality and confidentiality requirements. Title IV–E agencies demonstrated during our reviews that regularly measuring and reporting data quality can help them identify data quality issues that need to be addressed. For example, if certain data are low quality, the title IV–E agency may need to revise the data quality plan in specific areas to improve those data. Comparing the data quality measures in past and present data quality reports on a regular basis serves as an objective indicator of progress toward improving data quality. These measures can help both ACF and the title IV–E agency assess the overall effectiveness of the agency’s data quality strategy. This

proposed requirement means that the data quality report must include measures of the plan’s impact on data quality.

In new § 1355.52(e), we propose requirements for eleven bi-directional data exchanges (formerly called interfaces) to exchange relevant data. We propose to replace the technical term “interface” used in the current S/TACWIS regulations at § 1355.53(b)(1) and (d) with the phrase “data exchange” in these proposed regulations to more fully convey the purpose of sharing information. Otherwise, the terms are similar in meaning. By “relevant data,” we mean data collected in an information system that may, in compliance with applicable confidentiality requirements, be shared with a program that considers the data useful for meeting goals or objectives. We provide examples of relevant data in the discussion of several of the bi-directional data exchange requirements.

Six bi-directional data exchanges are unchanged from S/TACWIS regulatory requirements at § 1355.53(b)(2) and five are new bi-directional data exchanges, as shown in the following table.

CCWIS exchange with . . .	Unchanged from S/TACWIS or new?
Title IV–E/IV–B financial system § 1355.52(1)(i) . . . . .	Unchanged.
Child welfare contributing agencies § 1355.52(1)(ii) . . . . .	New.
Title IV–E eligibility § 1355.52(1)(iii) . . . . .	Unchanged.
Other systems IV–E agency uses to collect CCWIS data § 1355.52(1)(iv) . . . . .	New.
Child abuse and neglect system § 1355.52(2)(i) . . . . .	Unchanged.
TANF (title IV–A) § 1355.52(2)(ii) . . . . .	Unchanged.
Medicaid eligibility (title XIX) § 1355.52(2)(iii)(A) . . . . .	Unchanged.
Medicaid claims processing (title XIX) § 1355.52(2)(iii)(B) . . . . .	New.
Child support (title IV–D) § 1355.52(2)(iv) . . . . .	Unchanged.
Courts § 1355.52(2)(v) . . . . .	New.
Education § 1355.52(2)(vi) . . . . .	New.

The proposed bi-directional data exchanges are essential to:

- Support the efficient, economical, and effective administration of the titles IV–B and IV–E programs;
- Improve outcomes for children and families by promoting collaboration and service coordination with other programs;
- Gather comprehensive data on client histories, needs, and services;
- Eliminate duplicate work and service delivery across programs; and
- Reduce data collection costs.

Consistent with regulations at § 1355.53(a) requiring that a S/TACWIS promote the effective, economical, and efficient management of the titles IV–B

and IV–E programs, we propose to incorporate the regulatory requirement that permits a maximum of one bi-directional data exchange for each of the data exchange requirements. For example, a title IV–E agency could not build a dozen different bi-directional data exchanges to education systems used by school districts across the state or tribe. The agency could build a single education bi-directional data exchange capable of exchanging data with systems in multiple school districts. It is also acceptable to build one bi-directional data exchange that can meet the requirements of more than one of the required data exchanges. For example, a single exchange with a system

supporting eligibility determinations for the title XIX and title IV–A programs may meet the requirements of the title XIX and title IV–A data exchanges.

We also propose to incorporate the regulatory requirement at § 1355.53(b)(1) and policy in Action Transmittal ACF–OSS–05 specifying bi-directional data exchanges. This requirement means that the CCWIS must be capable of sending data to, and receiving data from the other system or systems participating in a bi-directional data exchange.

Finally, title IV–E agencies often incorrectly assume they must modify their S/TACWIS to store data in the format of the data received via an

exchange. That is not a S/TACWIS requirement. We propose to maintain that flexibility by requiring in proposed new § 1355.52(f) a single format for the exchange of information but continuing to allow data to be stored in the CCWIS database format.

In new § 1355.52(e)(1), we propose that CCWIS must support one-bi-directional data exchange to exchange relevant data with each of the systems in new § 1355.52(e)(i) through (iv), if data is generated by a system outside of CCWIS.

In new § 1355.52 (e)(1)(i), we propose a new requirement that CCWIS exchange data with systems generating financial payments and claims data for titles IV–B and IV–E, per § 1355.52(b)(1)(ii), if applicable. By “if applicable” we mean that the CCWIS must have a bi-directional data exchange if a system or module other than CCWIS generates financial payments and claims. If CCWIS generates the financial payments and claims, a bi-directional data exchange is not needed to provide the data to CCWIS.

We propose this requirement because child welfare agencies generate large numbers of financial payments and the resulting data is needed for audit and claiming purposes. Entering this data into multiple information systems can introduce errors. Electronic bi-directional data exchanges eliminate these data re-entry errors, ensure that all systems are using the same data, and increase worker efficiency.

This requirement incorporates current regulations at § 1355.53(b)(7) and S/TACWIS policy in Action Transmittal ACF–OISM–001. Current § 1355.53(b)(7) requires S/TACWIS to support financial management functions such as payment authorization and issuance, review and management. Action Transmittal ACF–OISM–001 requires that these financial management functions either be implemented in S/TACWIS or in a separate system that exchanges data with S/TACWIS.

In new § 1355.52(e)(1)(ii), we propose a new requirement that the CCWIS must have a bi-directional data exchange with systems operated by child welfare contributing agencies that are collecting or using data described in § 1355.52(b), if applicable. By “if applicable” we mean that the CCWIS must have a bi-directional data exchange if a system or module other than CCWIS is used to collect or generate the data. If CCWIS generates the required data for the entire population, a bi-directional data exchange is not needed to provide the data to CCWIS. An increasing number of title IV–E agencies contract with child

welfare contributing agencies to provide a range of child welfare services, ranging from traditional supportive services and placements to case management. If a title IV–E agency contracts or has an agreement with a child welfare contributing agency to perform case management activities, we expect this exchange between the CCWIS and the contributing agency’s system will avoid the need for duplicate data entry, which is monitored in the agencies data quality plan and reviews. If a child welfare contributing agency places children with multiple smaller providers, such as group homes, foster homes, or other institutions, the data exchange with the child welfare contributing agency that performs the case management activity and keeps records on the placements of its multiple providers will provide the required information. It is not necessary for CCWIS to exchange data with individual providers where the child is placed by the child welfare contributing agency.

The required bi-directional data exchange ensures the CCWIS maintains comprehensive case records while providing child welfare contributing agencies with the data needed to support services to children and families in the child welfare program.

The bi-directional data exchange should provide child welfare contributing agencies information with all available CCWIS data needed to administer the cases of children and families to whom they provide services.

In new § 1355.52(e)(1)(iii), we propose a new requirement that the CCWIS must have a bi-directional exchange with each system used to calculate one or more components of title IV–E eligibility determinations per § 1355.52(b)(1)(ii), if applicable. By “if applicable” we mean that the CCWIS must have a bi-directional data exchange if a system or module other than CCWIS generates the data. If CCWIS generates the required data, a bi-directional data exchange is not needed to provide the data to CCWIS.

Title IV–E agencies may use other systems to support different steps in the title IV–E eligibility process. For example, court findings related to title IV–E eligibility may reside in the private provider’s system; a licensing system may track foster home licenses; and a financial system may calculate compliance with the AFDC factors. In these examples, a bi-directional data exchange with each system is required to ensure CCWIS maintains all data related to title IV–E determinations.

This requirement is consistent with current regulations at § 1355.53(b)(5)

and (7) and S/TACWIS policy in Action Transmittal ACF–OSS–005 issued August 21, 1998. Current § 1355.53(b)(5) and (7) require S/TACWIS to support title IV–E eligibility determinations. Action Transmittal ACF–OSS–005 permits title IV–E agencies to use other systems to support title IV–E eligibility determinations provided the information is available to child welfare staff through the S/TACWIS.

We propose this requirement to promote efficiency and ensure CCWIS maintains complete, timely, and accurate data on all title IV–E eligibility determinations if the information is not part of the CCWIS. Title IV–E agencies report that consolidating eligibility information and case management data in the same system improves program operations. However, data errors may be introduced if data generated by one system is manually re-entered in CCWIS. It is also inefficient to reenter data manually. This requirement to exchange data eliminates the errors and inefficiencies of manual reentry.

In new § 1355.52(e)(1)(iv), we propose to require a bi-directional data exchange between CCWIS and each system external to CCWIS used by title IV–E agency staff to collect CCWIS data, if applicable. By “if applicable” we mean that the CCWIS must have a bi-directional data exchange if an external system used by title IV–E agency staff collects the data. If, for example, one external system conducts child assessments and a second external system collects NYTD survey data, CCWIS must have two bi-directional data exchanges. The bi-directional data exchange supports efficient, economical, and effective work by automatically transferring CCWIS data between systems. This requirement is more flexible than the current S/TACWIS policy that does not permit external systems for the collection of CCWIS data.

In new § 1355.52(e)(2), we propose that, to the extent practicable, the IV–E agency must support one bi-directional data exchange to exchange relevant data with specified state or tribal systems. These are exchanges with titles IV–D, IV–A, XIX (two exchanges), courts, education, and the child abuse and neglect systems. The one bi-directional data exchange requirement means that if there are multiple systems supporting one program, the title IV–E agency should design one data exchange that accommodates the multiple systems. If this cannot be done, the title IV–E may present a business case in an APD describing the circumstances that make the data exchange impracticable, in accordance with section 474(a)(3)(C)(ii)

and (iii) of the Act. “To the extent practicable” means that the title IV–E agency does not have to support a bi-directional data exchange requirement if the other system is not capable of an exchange or if the bi-directional data exchange is not feasible due to cost constraints. This is consistent with the S/TACWIS requirement applicable to bi-directional data exchanges at § 1355.53(b)(2) that must be implemented “if practicable.” To encourage the other programs to participate in bi-directional data exchanges with the title IV–E agency, we intend to provide technical assistance on each of the proposed data exchanges. This technical assistance will include information on the specific benefits the data exchange provides to both the title IV–E agency and the other programs.

We note that CCWIS funding is available for enhancements to CCWIS to support the data exchange. This funding is not available for enhancing the other system exchanging data.

In new § 1355.52(e)(2)(i), we propose that the IV–E agency must support one bi-directional data exchange with the child abuse and neglect system(s), to the extent practicable. This incorporates the current requirement at § 1355.53(b)(1)(ii) requiring a bi-directional data exchange with the system(s) collecting data related to child abuse and neglect. Consistent with guidance in Action Transmittal ACF–OSS–05, this means that the bi-directional data exchange supports the automatic exchange of common or relevant data between the CCWIS and the child abuse and neglect system(s).

Relevant data related to child abuse and neglect for the purposes of this requirement as listed in Action Transmittal ACF–OSS–05 includes screening, investigation, and assessment data collected during child abuse and neglect incidents as well as child welfare case management information related to prior or current child abuse and neglect cases.

Most state title IV–E agencies, recognizing the close connection between child protection and child welfare services, opted to integrate child abuse and neglect functions into their SACWIS. Because of the success of this approach over the 20 year S/TACWIS history, ACF strongly encourages title IV–E agencies to build their CCWIS to integrate these two systems in order to exchange essential data.

In new § 1355.52(e)(2)(ii), we propose that the title IV–E agency must support one bi-directional data exchange with the system(s) operated under title IV–A of the Act, to the extent practicable.

This proposed requirement continues the statutory provision requiring a bi-directional data exchange with systems supporting the title IV–A (TANF) program. Consistent with guidance in Action Transmittal ACF–OSS–05, this means the bi-directional data exchange:

- Supports the automatic exchange of common or relevant data between the two systems;
- Accepts and processes new or updated case data; and
- Identifies potential duplicate payments under the title IV–E and title IV–A programs, if applicable.

“Relevant data,” as listed in Action Transmittal ACF–OSS–05 for the purposes of this requirement, includes data that may benefit data exchange partners in serving clients and improving outcomes. Some examples of data title IV–E agencies report is beneficial include: Case management information such as child and family histories, assessments, contact notes, calendars, services recommended and delivered, eligibility for programs and services, and client outcomes. We encourage data exchange partners to learn about each other’s programs and systems to identify relevant data that may be shared while complying with the applicable confidentiality requirements as described in new § 1355.52(d)(2)(iii).

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Pub. L. 104–193) allows states and tribes to implement separate title IV–A programs within the jurisdiction and to administer the programs using a number of different information systems. In such circumstances, the CCWIS must have one bi-directional data exchange flexible enough to be used by the state or tribe’s title IV–A programs with which the title IV–E agency exchanges data.

In new § 1355.52(e)(2)(iii), we propose that the title IV–E agency must support one bi-directional data exchange with systems operated under title XIX of the Act, to the extent practicable. First, we propose to incorporate the requirement at § 1355.53(b)(2)(iii) and implemented in Action Transmittal ACF–OSS–05 requiring a bi-directional data exchange with the Medicaid eligibility system. Second, we propose to add a requirement for a bi-directional data exchange with claims processing and information retrieval systems under title XIX. We discuss both requirements below.

In new § 1355.52(e)(2)(iii)(A), we propose to incorporate the requirement at existing § 1355.53(b)(2)(iii) that the title IV–E agency must support one bi-directional data exchange with systems used to determine Medicaid eligibility,

to the extent practicable. Consistent with guidance in Action Transmittal ACF–OSS–05, the bi-directional data exchange:

- Provides for the exchange of information needed by the Medicaid eligibility system to calculate and track Medicaid eligibility for children in foster care;
- Allows for the automatic exchange of common or relevant data between the two systems; and
- Captures the data necessary to report AFCARS foster care data indicating whether the child is eligible for, or receiving assistance under title XIX.

“Relevant data” for the purposes of this requirement includes data that may facilitate the timely provision of Medicaid insurance to children under the care and custody of the title IV–E agency. Some examples may include: Categorical title IV–E indicators, income and resources for the child and family, insurance coverage (other than Medicaid) that may apply to the child, and eligibility ID numbers and effective dates. We encourage data exchange partners to learn about each other’s programs and systems to identify relevant data that may be shared while complying with the applicable confidentiality requirements as described in new § 1355.52(d)(2)(iii).

In new § 1355.52(e)(2)(iii)(B), we propose a new requirement that the title IV–E agency must support one bi-directional data exchange with the Medicaid mechanized claims processing and information retrieval systems as defined at 42 CFR 433.111(b), to the extent practicable.

We are adding this requirement because recent studies indicate that the movement of foster children between placements and medical providers may make the provision of consistent, coordinated, and cost effective care difficult. Providers may be unable to access critical information, including information on chronic conditions, needed immunizations, and current medications. As a result, previously diagnosed conditions may go untreated, immunizations may be missed or unnecessarily repeated, and drug regimens, such as psychotropic medications, stopped or inappropriately modified. A bi-directional data exchange can provide information to promote quality health care for these children and reduce costs to both programs.

This proposed new requirement means that the CCWIS maintains complete and current medical records on children in foster care.



“Relevant data” for the purposes of this requirement includes data on services paid by the state, tribe, or other federal programs, including Medicaid or the Children’s Health Insurance Program that is available in the Medicaid mechanized claims processing and information retrieval system, and that facilitates coordinated delivery of health care to children under the care and custody of the title IV–E agency. As noted above, examples of relevant data may include medical appointment histories, immunizations, and prescription records.

If the Medicaid eligibility and claims processing and information retrieval systems are integrated, we propose that these requirements may be met with one bi-directional data exchange to the single system. However, because these are substantially different bi-directional data exchanges, title IV–E agencies may build one bi-directional data exchange to meet the requirements of new § 1355.52(e)(2)(iii)(A) and a second bi-directional data exchange to meet the requirements of new § 1355.52(e)(2)(iii)(B) even if one Medicaid system performs all these functions.

Finally, we note that a number of states have already implemented such exchanges to the benefit of the children in care.

In new § 1355.52(e)(2)(iv), we propose to incorporate the requirement at § 1355.53(b)(2)(iv) that the title IV–E agency must support one bi-directional data exchange with system(s) operated under the title IV–D of the Act (child support), to the extent practicable. Consistent with guidance in Action Transmittal ACF–OSS–05, the bi-directional data exchange:

- Provides for the exchange of data necessary to establish a child support case;
- Accurately records child support collections on appropriate title IV–E federal reports;
- Identifies potential child support resources for the title IV–E child;
- Allows for the automatic exchange of common or relevant data between the two systems;
- Accepts and processes updated or new case data;
- Captures the data necessary to report AFCARS foster care data indicating whether child support funds are being paid to the state agency on behalf of the child; and
- Provides the title IV–D system with information about the current foster care maintenance payment.

“Relevant data” for the purposes of this requirement includes data that may facilitate timely identification of

resources for children under the care and custody of the title IV–E agency. Examples may include family resources such as contact information for the non-custodial parent and relatives that may be able to participate in family team meetings or as placement resources. The exchange may also facilitate establishment of a child support order, as appropriate, or the assignment of child support funds to the title IV–E agency on behalf of the child.

For tribal title IV–E agencies, Part 1, Section A, Line 3 of the title IV–E federal reporting form CB–496, instructs tribes to leave the “Federal Share of Child Support Collections” blank. This is because as of December 2014 there is no federal mechanism for tribes to report child support collections on behalf of title IV–E eligible children in placements. If a reporting mechanism becomes available in the future, this proposed regulation should be read consistent with updated regulation and policy.

In new § 1355.52(e)(2)(v), we propose a new requirement that the title IV–E agency must support one bi-directional data exchange with the systems operated by the court(s) of competent jurisdiction over the title IV–E foster care, adoption, and guardianship programs, to the extent practicable.

We propose this requirement because of the necessary partnership child welfare programs and the courts have in protecting the well-being of children and meeting statutory requirements under title IV–E. State or tribal courts with jurisdiction over the title IV–E foster care and adoption programs review the information provided by title IV–E agencies and approve or make other related legal determinations, including custody and placement activity. The courts are responsible for resolving a wide variety of issues with relevance to child welfare. Title IV–E of the Act requires that courts provide ongoing oversight of child welfare cases to:

- Make a determination that it is “contrary to the welfare” for the child to remain in the home, and that removal by the child welfare agency is necessary to keep the child safe from abuse or neglect (section 472(a)(2)(A)(ii) of the Act);
- Ensure that the child welfare agency makes reasonable efforts to avoid unnecessary removals of children from their homes and to reunify foster children with their families (section 472(a)(2)(A)(ii) of the Act);
- Finalize the child’s permanency goal, whether it is reunification, guardianship, adoption, permanent placement with a relative, or another planned permanent living arrangement,

within 12 months of the date the child entered foster care and to assess progress toward that goal every 12 months after that the child remains in care (section 475(5)(C) of the Act);

- Determine whether a voluntary placement of a child with a child welfare agency continues to be in the best interest of the child within 180 days of placement (section 472(e) of the Act); and determine whether termination of parental rights is in the child’s best interest (section 475(5)(C) and (E) of the Act).

In many jurisdictions, courts currently obtain the case information for judicial determinations and reviews from written petitions and filings submitted by the title IV–E agency. Caseworkers document the outcome of judicial events and rulings and the issuance of court orders in children’s case records. Much of this information is entered into child welfare information systems. A bi-directional data exchange between the CCWIS and courts can increase worker efficiency, enrich case information, improve case tracking, and promote safe and timely permanency decisions.

This proposed requirement will support improved outcomes for children by:

- Providing courts with relevant data for child welfare hearings and decisions; and
- Providing the title IV–E agency with relevant data on hearing schedules, logistics, court findings, actions, and decisions.

“Relevant data” for the purposes of this requirement includes data that may help improve case tracking and promote safe and timely permanency decisions. Examples may include petition dates, hearing dates and outcomes, documentation of timely completion of required actions by courts and the title IV–E agency, and documentation of upcoming court-related due dates.

In new § 1355.52(e)(2)(vi), we propose a new requirement that the title IV–E agency must support one bi-directional data exchange with the systems operated by the state or tribal education agency, or school districts, or both, to the extent practicable. The data exchange must comply with applicable confidentiality requirements in federal and other laws, such as the Privacy Rule under the Health Insurance Portability and Accountability Act, the Family Educational Rights and Privacy Act, and Parts B and C of the Individuals with Disabilities Education Act.

Title IV–E agencies must assure in the title IV–E plan that each child receiving a title IV–E payment and who has attained the age for compulsory school



attendance is a full-time student in an elementary or secondary school, in an authorized independent study program, or is home schooled consistent with the law of the state or other jurisdiction in which the school, program or home is located. Alternatively, the title IV–E agency must assure that such a child has completed secondary school or is incapable of attending school full time due to a medical condition as established in section 471(a)(30) of the Act.

Child welfare agencies must also include in a child's case plan a strategy for ensuring the educational stability of a child in foster care as established in section 475(1)(G) of the Act. The plan must take into account the appropriateness of the current educational setting and the proximity to the school the child was enrolled in at the time of placement, and the title IV–E agency must coordinate with the local education agency or agencies to ensure the child can remain in that school, or if remaining in that school is not in the best interests of the child, an assurance to enroll the child immediately in a new school with all of his or her educational records.

Consistent with the requirements under title IV–E, recent amendments made to the Family Education Rights and Privacy Act (FERPA) by the Uninterrupted Scholars Act (Pub. L. 112–278) (U.S.A.), allow education agencies and institutions to disclose the education records of a child in foster care, without parental consent, to a caseworker or other representative of a state or local child welfare agency or tribal organization authorized to access a student's case plan “when such agency or organization is legally responsible, in accordance with state or tribal law, for the care and protection of the student . . .” pursuant to 20 U.S.C. 1232g(b)(1)(L). These changes are further described in May 27, 2014 guidance issued by the U.S. Department of Education (located at <https://www2.ed.gov/policy/gen/guid/fpco/ferpa/uninterrupted-scholars-act-guidance.pdf>) regarding how the U.S.A. amended the confidentiality requirements in FERPA and Parts B and C of the Individuals with Disabilities Education Act (IDEA).

As a result, bi-directional data exchanges between the CCWIS and education systems can facilitate interagency coordination and assist state title IV–E agencies and local educational agencies in meeting the obligations mandated by title IV–E of the Act. For example, educational data, such as attendance records, progress reports, and individualized education programs

or individualized family service plans under the IDEA, may now be shared with a child welfare agency, and that can help title IV–E agencies improve monitoring and develop appropriate plans for educational stability. Child welfare data can inform schools of legal custody changes, the physical location of children, and assist with the development of appropriate education plans. A number of states, recognizing these advantages, have passed legislation or established policies supporting bi-directional data exchanges between child welfare and education systems.

An electronic bi-directional data exchange will promote timeliness of data transfers, reduce administrative burden by eliminating the interim step of translating and importing data into separate systems, ensure standardization of data elements, streamline mandated administrative reporting, and provide access to standardized information that can be used for cross-systems, multi-level analyses.

We acknowledge that states and tribes with de-centralized education systems may be challenged to build a single, bi-directional data exchange, and we look forward to providing technical assistance to state and tribal title IV–E agencies as they work to overcome these barriers and build exchanges with education system(s).

In new § 1355.52(f), we propose a new requirement that title IV–E agencies use a single data exchange standard for CCWIS electronic bi-directional data exchanges described in § 1355.52(f)(1) through (3) upon implementing a CCWIS.

The data exchange standard must describe the data, definitions, formats, and other specifications sending and receiving systems implement when exchanging data. This shared vocabulary improves collaboration and communication since partners know precisely what data to share and the meaning of data they receive. A data exchange standard may reduce costs as the standard may be reused for multiple exchanges and purposes. The standard applies only to the exchange and not to how the information is stored or collected in either the sending or receiving system.

In response to our 2010 FR notice, we received comments requesting that ACF specify a data exchange standard. We do not propose to mandate the specific data exchange standard. Instead, we propose to allow title IV–E agencies the flexibility to implement a standard that best meets their needs. For example, the data exchange standard may be:

- Developed by the title IV–E agency;
- An existing standard selected by the title IV–E agency, such as the National Information Exchange Model (NIEM);
- Designated by the federal government, such as DHHS or the Office of Management and Budget; or
- Designated by the state or tribe for use by all programs within the state or tribal service area.

In new § 1355.52(f)(1), we propose to require that a single data exchange standard be used for electronic bi-directional data exchanges between CCWIS and each child welfare contributing agency.

Implementing a common data exchange standard between the title IV–E agency and all child welfare contributing agencies ensures that all agencies know what data to share and the meaning of the data they receive. It also eliminates redundant work and supports coordinated services.

In new § 1355.52(f)(2), we propose to require that the data exchange standard must apply to internal data exchanges between CCWIS automated functions where at least one of the automated functions meets the requirements of § 1355.53(a), which are our proposed new requirements for the design of CCWIS automated functions. For example, if the CCWIS intake, case management, and eligibility modules exchange data with each other, the data exchanges must conform to the data exchange standard specifications.

A standardized data exchange between modules allows title IV–E agencies to more efficiently upgrade one module without changing other parts of the CCWIS sharing data with that module. The standard data exchange also helps document the module's operation and supports reuse. Modules using the same data exchange standard are more efficiently integrated into a single system, even if they are built by different developers or vendors.

In new § 1355.52(f)(3), we propose to require that the data exchange standard must apply for data exchanges with systems described under new § 1355.52(e)(1)(iv). These are electronic systems external to CCWIS used by title IV–E agency staff to collect CCWIS data. A standardized data exchange between CCWIS and these external systems will enable the title IV–E agency to efficiently and economically exchange data thereby preventing duplicate data entry and promptly providing CCWIS and external systems with CCWIS data.

Although our data exchange standard proposal applies to the three data exchanges specified above, we invite commenters to identify other entities, both within and across jurisdictions that

may benefit from a data exchange standard.

In new § 1355.52(g), we propose requirements for automated support for title IV–E eligibility determinations.

In new § 1355.52(g)(1), we propose to incorporate the requirement that a state title IV–E agency must use the same automated function or the same group of automated functions for all title IV–E eligibility determinations. This proposal is consistent with the existing S/TACWIS requirement at § 1355.53(b)(5) and incorporates into regulation current guidance in Action Transmittal ACF–OSS–05 that specifies that the automated support for the title IV–E eligibility determination process is:

- Wholly provided by the CCWIS;
- Wholly provided by another system such as a larger system that determines eligibility for multiple programs; or
- Provided by different systems that have different steps of the title IV–E eligibility determination process. For example, the automated support for determining if a child meets the AFDC requirements may be located in the system supporting the title IV–A program while the remaining automated support is in the CCWIS.

States have the flexibility to choose from these three options, however we emphasize that the same automated function or group of automated functions must be used for all title IV–E eligibility determinations. For example, states may not use one automated function for determining the AFDC eligibility requirement for some children and a different automated function for determining the AFDC eligibility requirement for the remaining children in the state.

In new § 1355.52(g)(2), we propose to require that tribal title IV–E agencies, to the extent practicable, use the same automated function or the same group of automated functions for all title IV–E eligibility determinations. This includes, for example, eligibility determinations for the title IV–E foster care, adoption assistance and, if elected by the title IV–E agency, the guardianship assistance programs.

Our proposal to require that tribal title IV–E agencies meet this provision “to the extent practicable” is a change from the S/TACWIS regulations at § 1355.53(b)(5) that require tribal title IV–E agencies to use, without exception, at most one automated function to support each step in the eligibility determination process. We propose this exception because it may be unrealistic for tribal title IV–E agencies to implement one automated function to support each step of the eligibility

determination process. For example, tribes are required by section 479B(c)(C)(ii)(II) of the Act to use the state AFDC plan that was in effect on July 16, 1996 of the state in which the child resides at the time of removal from the home to determine if the child meets the AFDC eligibility requirement. This means that tribal title IV–E agencies may need to use the AFDC plan from different states for different children, depending on the child’s location at the time of removal. Therefore, it may not be cost effective for tribal title IV–E agencies to build an automated function to accommodate AFDC eligibility requirements of all states from which tribal children may be removed. However, if it is cost effective for a tribal title IV–E agency to automate other steps in the title IV–E eligibility process, those steps are expected to be automated.

Guidance in Action Transmittal ACF–OSS–05 regarding automated support for the title IV–E eligibility determination process also applies to tribal title IV–E agencies.

In new § 1355.52(h), we propose to require that the title IV–E agency must provide a copy of agency-owned software that is designed, developed, or installed with FFP and associated documentation to the designated federal repository upon ACF’s request. This new requirement is a reasonable way to exercise our authority in 45 CFR 95.617(b) that provides the federal government “a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal Government purposes, such software, modifications, and documentation” funded with FFP. Our proposed requirement is consistent with guidance issued by the Department, such as the Centers for Medicare and Medicaid Services’ Medicaid IT Supplement (MITS–11–01–v1.0): Enhanced Funding Requirements: Seven Conditions and Standards.

This requirement means title IV–E agencies must provide copies of all software and associated documentation requested by ACF and developed with FFP. We anticipate using this requirement to deposit specific, tested, and proven CCWIS automated functions into a federal repository so that they may be shared and reused by other title IV–E agencies. For example, if a title IV–E agency adds software supporting a new safety assessment to the federal repository other title IV–E agencies using that safety assessment could access the software. In this way, the ability to reuse software modules may significantly reduce system

development costs for the federal government, states, and tribes.

In new § 1355.52(i), we propose to require the title IV–E agency to submit specific documentation for CCWIS projects.

In new § 1355.52(i)(1), we propose to require that before claiming funding in accordance with a CCWIS cost allocation, a title IV–E agency must submit an APD or, if below the APD submission thresholds defined at 45 CFR 95.611, a Notice of Intent. We propose to require that all projects must include the information described in this paragraph in its APD, or, if applicable Notice of Intent.

This proposed Notice of Intent will provide ACF with advance notice that an agency intends to implement a CCWIS project. This advance notice is necessary so that ACF can plan for the funding anticipated for these projects and provide technical assistance as they proceed.

In new § 1355.52(i)(1)(i), we propose to require the title IV–E agency to include in the APD or Notice of Intent a project plan describing how the CCWIS will meet the requirements in § 1355.52(a) through (h) and, if applicable, CCWIS options as described in § 1355.54.

ACF will provide guidance to IV–E agencies required to submit a Notice of Intent to describe the desired scope of a project plan in these documents. The documents should describe the activities, timeline, resources, and budget to be used to plan, design, develop, and implement a CCWIS.

In new § 1355.52(i)(1)(ii), we propose to require the APD or Notice of Intent include a list of all automated functions that will be included in the CCWIS.

Providing this list in addition to the more detailed information required in new § 1355.52(i)(1)(iii) at the start of a CCWIS project will help both ACF and the title IV–E agency to more reliably estimate project costs per CCWIS cost allocation requirements in § 1355.57.

In new § 1355.52(i)(1)(iii), we propose to require that the APD or Notice of Intent provide a notation whether each automated function listed in § 1355.52(i)(1)(ii) meets, or when implemented will meet, the requirements of § 1355.52(i)(1)(iii)(A) through (C). This proposed requirement will allow ACF and the title IV–E agency to determine which costs may qualify for CCWIS cost allocation throughout the development and operation of the CCWIS.

In new § 1355.52(i)(1)(iii)(A), we propose to require that the title IV–E agency report in the APD or Notice of Intent whether an automated function

supports (or when implemented will support) at least one of the CCWIS requirements listed at § 1355.52 or, if applicable, CCWIS options as described in § 1355.54. This requirement means that the title IV–E agency must indicate if the automated function supports the child welfare program. An automated function may support more than one CCWIS requirement.

We propose to add this new requirement because automated functions that support the child welfare program may qualify for CCWIS cost allocation, per the requirements described in § 1355.57. Providing additional detail to the list of automated functions will allow ACF and the title IV–E agency to more reliably estimate which project costs may qualify for CCWIS cost allocation.

In new § 1355.52(i)(1)(iii)(B), we propose to require that the title IV–E agency report in the APD or Notice of Intent whether an automated function is not (or when implemented will not be) duplicated within the CCWIS or systems supporting child welfare contributing agencies and is consistently used by all child welfare workers responsible for the area supported by the automated function.

This requirement incorporates S/TACWIS policy in Action Transmittal ACF–OISM–001 into regulation. We propose to include this new requirement because it is not effective, economical, or efficient to fund the implementation of automated functions that are duplicated or not consistently used by all users performing the function. For example, supporting a different risk assessment tool across multiple systems used by contracted providers and the CCWIS would not be an efficient use of CCWIS funding.

Providing this additional detail to the list of automated functions will allow ACF and the title IV–E agency to more reliably estimate which project costs may qualify for CCWIS cost allocation.

In new § 1355.52(i)(1)(iii)(C), we propose a new requirement that the title IV–E agency report in the APD or Notice of Intent whether an automated function complies (or when implemented will comply) with CCWIS design requirements described under § 1355.53(a), unless exempted in accordance with § 1355.53(b). We propose to add this requirement because automated functions that comply with CCWIS design requirements may qualify for CCWIS cost allocation. Providing this additional detail to the list of automated functions will allow ACF and the title IV–E agency to more reliably estimate which project costs may qualify for CCWIS cost allocation.

In new § 1355.52(i)(2), we propose to require title IV–E agencies to submit new information in their annual Operational APDs and Annual APD Updates for all CCWIS projects.

In new § 1355.52 (i)(2)(i), we propose to require that the Annual APD Update or Operational APD must include an updated list of automated functions included in CCWIS. This is a new requirement. We propose to require an updated list each year because changes to CCWIS may affect the number of automated functions included in CCWIS and eligible for CCWIS funding. Receiving updated information regarding automated functions allows ACF to monitor progress and adjust the CCWIS cost allocation, if necessary, to account for changes in whether new or existing automated functions comply with the requirements listed in § 1355.52(i)(2)(ii) and (iii).

In new § 1355.52(i)(2)(ii), we propose a new requirement that the title IV–E agency provide updates in the Annual APD Update or Operational APD including a notation whether each automated function listed in § 1355.52(i)(2)(i) meets (or when implemented will meet) the requirements of § 1355.52(i)(1)(iii)(B).

This requirement incorporates S/TACWIS policy from Action Transmittal ACF–OISM–001 into regulation. We propose to include this new reporting requirement because it is not effective, economical, or efficient to fund the implementation of automated functions that are either duplicated or not consistently used by all users performing the function.

In new paragraph (i)(2)(iii), we propose to require that the title IV–E agency report in the Annual APD Update or Operational APD a description of any changes to the scope or the design criteria described at § 1355.53(a) for any automated function listed in § 1355.52(i)(2)(i). This information is necessary to determine the appropriate cost allocation for automated functions, because complying with CCWIS design requirements is one of the criteria to determine if an automated function may qualify for CCWIS cost allocation.

In new § 1355.52(j), we propose a new requirement that a title IV–E agency claiming title IV–E FFP for CCWIS projects below the APD submission thresholds at 45 CFR 95.611, will be subject to certain portions of the APD rules that we have determined are necessary for effective project management.

These rules are a subset of 45 CFR part 95, subpart F that apply controls to projects using FFP for the planning,

design, development, implementation, operations and maintenance of automated data processing systems. These rules cover requirements that fall under the following topics:

- 95.613—Procurement standards;
- 95.615—Access to systems and records;
- 95.617—Software and ownership rights;
- 95.619—Use of Automated Data Processing (ADP) systems;
- 95.621—Automated Data Processing (ADP) Reviews;
- 95.626—Independent Verification and Validation;
- 95.627—Waivers;
- 95.631—Cost identification for purpose of FFP claims;
- 95.633—Nondiscrimination requirements;
- 95.635—Disallowance of FFP for automated systems that fail to comply substantially with requirements; and
- 95.641—Applicability of rules for charging equipment in Subpart G.

CCWIS projects claiming title IV–E FFP, with costs above the thresholds in § 95.611 (currently \$5 million total project cost) continue to be subject to all of the provisions of 45 CFR part 95, subpart F, including submission of APDs. For these over threshold projects, application of the APD rules will not change.

We note that this proposed rule does not cite all federal laws relevant to information technology. For example, title IV–E agencies should ensure compliance with federal and state or tribal laws related to data privacy and confidentiality, such as: the Gramm–Leach–Bliley Act, the Federal Trade Commission Act, the Health Information Technology for Economic and Clinical Health (HITECH) Act, the Federal Educational Rights and Privacy Act (FERPA) and the Individuals with Disabilities Education Act (IDEA).

#### § 1355.53—CCWIS Design Requirements

In revised § 1355.53, we propose new requirements for the design of CCWIS automated functions. This is a change from S/TACWIS regulations, which do not specify design requirements for S/TACWIS automated functions. In revised § 1355.53(a), we list the proposed design requirements. We propose these requirements to ensure that federal investments in information technology projects are efficient, economical, and effective in supporting programs. In revised § 1355.53(b), we propose to exempt CCWIS automated functions from one or more of the CCWIS design requirements in § 1355.53(a) under certain conditions.

We discuss the two proposed exemptions below.

Our proposed design requirements are consistent with several requirements in the Centers for Medicare and Medicaid Services' (CMS) *Final Rule—Medicaid Program: Federal Funding for Medicaid Eligibility Determination and Enrollment Activities* issued on April 19, 2011 in 76 FR 21905 through 21975. Establishing design requirements consistent with CMS guidance will reduce duplication across information systems and increase opportunities for states and tribes to share and benefit from technology innovations.

In new § 1355.53(a)(1), we propose a new requirement that CCWIS automated functions must follow a modular design that includes the separation of business rules from core programming.

By “modular” we mean a software development approach that breaks down complex program functions into separate manageable components with well-defined methods of communicating with other components. We propose this requirement because designing custom and highly specialized business processes to be independent and exchanging information by clear methods will allow title IV–E agencies to change one component of their CCWIS without modifying other processes or services. This will make subsequent CCWIS development and maintenance more efficient and economical. ACF will provide additional guidance on the design requirements to explain the efficiencies that may be gained if a title IV–E agency develops or licenses automated functions that:

1. May be reused in other automated processes requiring the same functions or services;
2. Are easier to maintain and enhance than large complex interlocking systems; and
3. Can be reliably connected to other automated functions without extensive re-testing of their internal processes.

ACF will consider the potential for reuse, ease of maintenance, and reliability to determine whether automated functions in a CCWIS comply with this requirement.

In new § 1355.53(a)(2), we propose a new requirement that title IV–E agencies must document automated functions contained in a CCWIS using plain language. By “plain language” we mean written communication using English, free of unexplained information technology jargon.

We propose this requirement because title IV–E agencies need complete and clear documentation, both in internal explanations of code and external

documentation, for their information systems to promote re-usability and integrate an automated function into an existing system. Title IV–E agencies report that it is difficult to train new staff without complete and clear documentation and poorly documented systems are difficult to maintain.

This proposed requirement means that child welfare programmatic staff will be able to understand the meaning and purpose of an automated function from the documentation. The documentation should be complete so that technical staff unfamiliar with an automated function can understand, maintain, and enhance the automated function. Although we expect the documentation to include detailed technical specifications, it should include keys or other features to prevent misinterpretation.

As part of our reviews in proposed § 1355.55, ACF may review documentation to confirm compliance with this requirement.

In new § 1355.53(a)(3), we propose a new requirement that automated functions contained in CCWIS must adhere to a state, tribal, or industry defined standard that promotes efficient, economical, and effective development of automated functions and produce reliable systems.

This proposed requirement means that the title IV–E agency will use a development standard consistently for the documentation, design, development, testing, implementation, and maintenance of CCWIS automated functions. The standard may be selected by the title IV–E agency or it may be a standard that the state or tribe requires all information technology projects to follow.

ACF will evaluate the title IV–E agency's compliance with the selected standard as part of our reviews per proposed § 1355.55 to determine if the agency meets this requirement.

In new § 1355.53(a)(4), we propose a new requirement that CCWIS automated functions be capable of being shared, leveraged, and reused as a separate component within and among states and tribes. Title IV–E agencies share common goals, policies, and practices, which provide opportunities for sharing successful technology solutions that support their child welfare business practices. Promoting the development of automated functions in the CCWIS that may be reused and shared among states and tribes can save development costs and time.

This proposed requirement means that the title IV–E agency will develop CCWIS automated functions, with associated documentation, that could be

used in another state or tribal modularly-designed system.

In revised § 1355.53(b), we propose to exempt CCWIS automated functions from one or more of the CCWIS design requirements in § 1355.53(a) under certain conditions. We discuss the two proposed exemptions below.

In revised § 1355.53(b)(1), we propose to exempt CCWIS automated functions from one or more of the CCWIS design requirements in § 1355.53(a) if the CCWIS project meets the requirements of § 1355.56(b) or 1355.56(f)(1). We are proposing this exemption so that title IV–E agencies do not have to replace existing automated functions of S/TACWIS and non-S/TACWIS projects transitioning to CCWIS if the automated functions do not meet the proposed design requirements of § 1355.53(a). This may reduce the costs of transitioning these systems to CCWIS.

In revised § 1355.53(b)(2), we propose to exempt CCWIS automated functions from one or more of the CCWIS design requirements in § 1355.53(a) if ACF approves, on a case-by-case basis, an alternative design proposed by a title IV–E agency that is determined by ACF to be more efficient, economical, and effective than what is found in paragraph (a). ACF will review and may approve requests for an exemption of paragraph (a) on a case-by-case basis.

We offer this exemption to accommodate technological advances that may provide new approaches, which are different from the requirements of § 1355.53(a), to design systems more efficiently, economically, and effectively. This allows title IV–E agencies to take advantage of such technological advances that meet CCWIS requirements.

An exemption may excuse a title IV–E agency from any or all requirements of § 1355.53(a). For example, the title IV–E agency may propose an approach different from the modular design requirement of § 1355.53(a)(1). If the title IV–E agency provides sufficient evidence that the alternative design approach delivers more efficient, economical, and effective results than § 1355.53(a)(1), ACF may exempt the title IV–E agency from § 1355.53(a)(1) and permit the agency to substitute the alternative design approach. Under this scenario, the other CCWIS design requirements remain in effect. If a design waiver is approved by ACF, CCWIS operational and development funding will be available.

#### § 1355.54—CCWIS Options

In revised § 1355.54, we propose that if a project meets, or when completed will meet, the requirements of

§ 1355.52, then ACF may approve CCWIS funding described at § 1355.57 for other ACF-approved data exchanges or automated functions that are necessary to achieve title IV–E or IV–B programs goals. This is consistent with S/TACWIS regulations at § 1355.53(c) and (d) that provide S/TACWIS funding for specified optional data exchanges and automated functions. An example of an optional exchange could be the implementation of a data exchange with the Social Security Administration to support timely automated verification of social security numbers and identification of client benefit information. An example of optional automated functions could be the implementation of intake and investigation functions as a component of the CCWIS.

This proposal means that CCWIS funding may be available to support the development and operation of optional data exchange or automated functions, provided that:

- It is part of a CCWIS project that meets, or when completed will meet, the requirements of § 1355.52 by supporting either an implemented CCWIS or an ACF-approved CCWIS project under development;
- It can qualify for the CCWIS cost allocation as described in § 1355.57;
- The title IV–E agency submits a business case to ACF for prior approval that explains how the automated function or data exchange supports a specific title IV–B or IV–E program goal; and
- It is approved by ACF.

Consistent with S/TACWIS regulations at §§ 1355.53(d) and 1355.57(a) and APD regulations at 45 CFR 95.631, CCWIS cost allocation may be available for the planning, design, development, installation, operations and maintenance of the CCWIS portion of approved optional data exchanges. CCWIS funding is not available for work completed on other systems, including those systems exchanging data with CCWIS.

#### *§ 1355.55—Review and Assessment of CCWIS Projects*

In revised § 1355.55 we propose that ACF will review, assess, and inspect the planning, design, development, installation, operation, and maintenance of each CCWIS project on a continuing basis, in accordance with APD requirements in 45 CFR part 95, subpart F, to determine the extent to which the project meets the requirements in §§ 1355.52, 1355.53, 1355.56, and, if applicable, § 1355.54. This is consistent with current S/TACWIS regulations at 45 CFR 1355.55 and APD regulations at

45 CFR part 95, subpart F. Our reviews will evaluate aspects of the system such as: system functionality, CCWIS design requirements, data quality requirements, and compliance with data exchange standards, as well as the requirements specific to new CCWIS projects and projects transitioning to CCWIS as described in the proposed sections on funding, cost allocation, and submission requirements which are §§ 1355.52, 1355.53, 1355.56, and, if applicable, § 1355.54.

We propose to incorporate this requirement because ACF has responsibility to monitor and support activities funded with FFP. It is important to validate that the state or tribe's system is complete, fulfills the approved development and operational goals laid out in the APD or Notice of Intent, and that it conforms to relevant regulations and policies. The review process may also help the state or tribe to: document that the system meets federal requirements, identify system deficiencies, determine necessary corrective actions, and obtain technical assistance as needed.

#### *§ 1355.56—Requirements for S/TACWIS and Non-S/TACWIS Projects During and After the Transition Period*

In revised § 1355.56, we propose new transition requirements that will apply to existing S/TACWIS and non-S/TACWIS projects (as defined at § 1355.51). Some requirements, as specified below, apply only during the transition period (defined at § 1355.51 as 24 months from the effective date of the final rule); other requirements apply both during and after the transition period. We intend for title IV–E agencies to use the transition period to evaluate the feasibility of using their legacy applications as the foundation of a CCWIS.

A title IV–E agency may preserve information technology investments in a S/TACWIS or non-S/TACWIS system or project by using that system or project as the foundation of a CCWIS. Portions of such a system may already meet some CCWIS requirements, and the title IV–E agency may enhance the system to meet the remaining CCWIS requirements. However, a title IV–E agency with a S/TACWIS or non-S/TACWIS is not required to use that system as the foundation of a CCWIS. The agency may implement a new CCWIS at any time during or after the transition period.

In revised § 1355.56(a), we propose that during the transition period a title IV–E agency with a S/TACWIS project may continue to claim title IV–E funding according to the cost allocation

methodology approved by ACF for development or the operational cost allocation plan approved by the Department, or both. This is permitted for active S/TACWIS projects as defined in § 1355.51. The title IV–E funding continues according to the developmental cost allocation methodology approved by ACF for development or the operational cost allocation plan approved by Cost Allocation Services (CAS) within the Department, or both. We propose this requirement to provide title IV–E agencies with a period of uninterrupted funding sufficient to make a determination about how to proceed under the CCWIS rules and whether to transition their existing system to a CCWIS. The title IV–E agency must submit proposed changes to their development or operational cost allocation methodologies either in an APD (for development) or for states, a cost allocation plan amendment (for operations). The changes must be approved by ACF or CAS respectively. There are no tribal title IV–E agencies that currently have an active TACWIS. If this occurs, a tribe may submit an APD for development costs, if required, or a cost allocation methodology amendment for operational costs. ACF will offer technical assistance to title IV–E agencies during the transition period.

In revised § 1355.56(b), we propose that a S/TACWIS project must meet the submission requirements of § 1355.52(i)(1) during the transition period to qualify for the CCWIS cost allocation methodology described in § 1355.57(a) after the transition period. This means the title IV–E agency must submit an APD or Notice of Intent as described at § 1355.52(i)(1) during the transition period, notifying ACF of their intent to transition the S/TACWIS to a CCWIS, in order to qualify for the CCWIS cost allocation methodology in § 1355.57(a) after the transition period. This is a new requirement that only applies if a title IV–E agency has a S/TACWIS project that the agency intends to transition to a CCWIS and claim title IV–E funds according to the CCWIS cost allocation methodology after the transition period.

In new § 1355.56(c), we propose that a title IV–E agency with a S/TACWIS may request approval to initiate a new CCWIS and qualify for the CCWIS cost allocation methodology described in § 1355.57(b) by meeting the submission requirements of § 1355.52(i)(1). This means the title IV–E agency must submit an APD or Notice of Intent as required in § 1355.52(i)(1). Title IV–E agencies that choose to implement a

CCWIS will have the flexibility to receive CCWIS funding if they start a new CCWIS project rather than transition their existing S/TACWIS.

In new § 1355.56(d), we propose new requirements for a title IV–E agency that elects not to transition a S/TACWIS project to a CCWIS project.

In new § 1355.56(d)(1), we propose that a title IV–E agency must notify ACF in an APD or Notice of Intent submitted during the transition period of this election not to transition a S/TACWIS project to a CCWIS project.

In new § 1355.56(d)(2), we propose to require that the title IV–E agency that elects not to transition its S/TACWIS must continue to use S/TACWIS throughout its life expectancy in accordance with 45 CFR 95.619. The life expectancy is the length of time before the system may be retired or replaced as determined in APD submissions.

Title IV–E agencies that do not elect during the transition period to transition their S/TACWIS systems to a CCWIS may seek title IV–E reimbursement for administrative costs, including system development, under section 474(a)(3)(E) after the transition period ends.

However, it is important that the title IV–E agency submit the APD or Notice of Intent as required in § 1355.56(d), so that the title IV–E agency can reclassify

a S/TACWIS project to non-CCWIS projects without the risk of having to repay the costs invested in the project, as discussed in § 1355.56(e).

In new § 1355.56(e), we propose to incorporate the S/TACWIS requirement at § 1355.56(b)(4) allowing for recoupment of FFP for failure to meet the conditions of the approved APD. In our proposed requirement a title IV–E agency that elects not to transition its S/TACWIS project to a CCWIS and fails to meet the requirements of paragraph (d) is subject to funding recoupment described under § 1355.58(d). ACF may recoup all title IV–E FFP provided for the S/TACWIS project. This recoupment requirement is described in § 1355.58(d) that applies to non-compliant CCWIS projects and is consistent with S/TACWIS requirements.

In new § 1355.56(f), we propose that a title IV–E agency with a non-S/TACWIS (as defined in § 1355.51) that elects to build a CCWIS or transition to a CCWIS must meet the submission requirement of § 1355.52(i)(1). This means the title IV–E agency must submit an APD or Notice of Intent at the times described in § 1355.52(f)(1) and (2).

In new § 1355.56(f)(1), we propose that the APD or Notice of Intent must be submitted during the transition period

to qualify for a CCWIS cost allocation as described at § 1355.57(a).

In new § 1355.56(f)(2), we propose that a title IV–E agency may submit an APD or, if applicable, a Notice of Intent at any time to request approval to initiate a new CCWIS and qualify for a CCWIS cost allocation as described at § 1355.57(b).

The title IV–E agency must notify ACF that they intend to transition to a CCWIS in a manner that meets the submission requirements at § 1355.52(i)(1).

*§ 1355.57—Cost Allocation for CCWIS Projects*

In revised § 1355.57 we propose cost allocation requirements for CCWIS projects.

We are providing the following table to summarize the costs that may be allocated to title IV–E using the three different cost allocation methodologies described in this proposed section (CCWIS development, CCWIS operational, and non-CCWIS cost allocation). The table also references paragraphs of the proposed regulation related to each methodology. This table is for illustrative purposes and is not intended to address all cost allocation scenarios.

**COSTS ALLOCATED TO TITLE IV–E USING PROPOSED COST ALLOCATION METHODOLOGIES**

Cost allocation methodology	Applicable regulations for each methodology	Allocate costs to title IV–E, if costs benefit . . .			
		title IV–E funded participants in title IV–E programs and activities.	state or tribal funded participants of programs and activities described in title IV–E.	title IV–B programs.	both title IV–E and child welfare related programs (at this time, ACF only classifies juvenile justice and adult protective services as child welfare related programs).
CCWIS development .....	1355.57(a)(2), (b), (c), (e)(1), & (e)(2).	✓	✓	✓	✓
CCWIS operational .....	1355.57(a)(2), (b), (c), & (e)(1).	✓	✓	.....	.....
Non-CCWIS (development and operational).	1355.57(f) .....	✓	.....	.....	.....

These proposed regulations are similar to S/TACWIS cost allocation requirements, which permit title IV–E agencies to allocate title IV–E system costs that support all participants of programs and activities described in title IV–E. CCWIS also incorporates the same development and operational cost allocation as S/TACWIS.

The proposed regulations provide a cost allocation incentive to build automated functions meeting the CCWIS requirements. As noted in the above

table, the non-CCWIS cost allocation is the least beneficial to the title IV–E agency.

The proposed CCWIS cost allocation requirements provide title IV–E agencies with new flexibility to build a CCWIS supporting their specific program and circumstances while still qualifying for CCWIS cost allocation. Specifically, CCWIS cost allocation is available for automated functions and approved activities meeting CCWIS requirements. Automated functions and activities not

meeting CCWIS requirements may qualify for a non-CCWIS cost allocation. For example, a title IV–E agency may build a system that partially qualifies for the CCWIS cost allocation, while the remaining parts of the system do not.

This approach is a change from S/TACWIS regulations, which require a title IV–E agency to implement a system providing all mandatory S/TACWIS functionality to qualify for S/TACWIS cost allocation. If a single mandatory functional requirement, such as the

required case management screens and functions, is not supported by S/TACWIS, then the entire system, including components meeting S/TACWIS requirements, does not qualify for S/TACWIS cost allocation and ACF classifies the application as non-S/TACWIS.

In revised § 1355.57(a), we propose cost allocation requirements for projects transitioning to CCWIS. Transitioning projects may be either a S/TACWIS or a non-S/TACWIS project that meets the definitions in § 1355.51(i)(1).

In new § 1355.57(a)(1), we propose a requirement that all automated functions developed after the transition period for projects meeting the submission requirements in § 1355.56(b) or 1355.56(f)(1) must meet the CCWIS design requirements described under § 1355.53(a), unless exempted by § 1355.53(b)(2). Our proposed regulations provide a transition period to accommodate title IV–E agencies with existing systems that may transition to CCWIS. After the transition period, new development in these systems must comply with CCWIS design requirements under § 1355.53(a), unless exempted by § 1355.53(b)(2).

In new § 1355.57(a)(2), we propose two requirements an automated function of a project transitioning to CCWIS must meet in order for the Department to consider approving the applicable CCWIS cost allocation. The department will apply the definitions of “development” and “operation” in 45 CFR 95.605 to determine if the applicable CCWIS cost allocation for automated function costs is CCWIS development cost allocation or CCWIS operational cost allocation. ACF is authorized to approve state and tribal development cost allocation methodologies. CAS is authorized to approve operational cost allocation methodologies for states. The Department approves operational cost allocation methodologies for tribes.

In new § 1355.57(a)(2)(i), we propose that an automated function must support programs authorized under titles IV–B or IV–E, and at least one requirement in § 1355.52 or, if applicable § 1355.54. This proposed requirement is consistent with established cost allocation regulations and policies at 45 CFR 95.631, 1356.60(d)(2) and 45 CFR part 75 (45 CFR part 75 superseded OMB Circular A–87). These regulations and policies require system costs be allocated to the benefiting programs.

This means that the automated function must support the programs authorized under title IV–B or title IV–E (including the John H. Chaffee Foster

Care Independence program), in addition to at least one requirement at § 1355.52 or, if applicable § 1355.54.

In new § 1355.57(a)(2)(ii), we propose that an automated function also must not be duplicated within either the CCWIS or systems supporting the child welfare contributing agency and be consistently used by all child welfare workers responsible for the area supported by the automated function. Automated functions of a CCWIS that do not meet this requirement but support title IV–E programs or services may qualify for non-CCWIS cost allocation as described in § 1355.57(f).

While similar to the S/TACWIS policy in Action Transmittal ACF–OISM–001, this requirement is more flexible than the current policy that requires that the entire S/TACWIS be used for all child welfare tasks in the state or tribal service area.

In revised § 1355.57(b), we propose cost allocation requirements for new CCWIS projects. A new CCWIS project is one that starts after the effective date of the final rule and will meet the CCWIS project requirements of §§ 1355.52 and 1355.53(a). We use the term “New CCWIS Project,” which is defined in § 1355.51, to distinguish these projects from S/TACWIS or non-S/TACWIS projects that began before the effective date of the final rule.

In new § 1355.57(b)(1), we propose that unless ACF grants the title IV–E agency an exemption in accordance with § 1355.53(b)(2), all automated functions of a new CCWIS project must meet all the CCWIS design requirements described under § 1355.53(a) to qualify for CCWIS cost allocation. By this we mean, if all automated functions of a project that the IV–E agency plans to implement as new CCWIS, do not meet the requirement at § 1355.53(a) and are not exempt from those requirements by § 1355.53(b)(2), the project may not be classified a new CCWIS.

In new § 1355.57(b)(2), we propose the requirements an automated function must meet so that it may qualify for CCWIS cost allocation.

In new § 1355.57(b)(2)(i), we propose that an automated function must support programs authorized under titles IV–B or IV–E, and at least one requirement of § 1355.52 or, if applicable § 1355.54. This is similar to the proposed requirement for CCWIS development cost allocation in § 1355.57(a)(2)(i).

This means that the automated function must support programs authorized under title IV–B or title IV–E (including the John H. Chaffee Foster Care Independence program), in addition to at least one requirement at

§ 1355.52 or, if applicable § 1355.54 to qualify for CCWIS cost allocation.

In new § 1355.57(b)(2)(ii), we propose that an automated function must not be duplicated within the CCWIS or other systems supporting child welfare contributing agencies and be consistently used by all child welfare users responsible for the area supported by the automated function.

While similar to the S/TACWIS policy in Action Transmittal ACF–OISM–001, this requirement is more flexible than the current policy that requires that the entire S/TACWIS be used for all child welfare tasks in the state or tribal service area.

CCWIS automated functions not meeting this requirement but that support title IV–E programs or services may qualify for non-CCWIS cost allocation as described in § 1355.57(f).

In new § 1355.57(c), we propose a new requirement consistent with the APD rule at 45 CFR part 95 subpart F that the Department may approve a CCWIS cost allocation for an approved activity for a CCWIS project meeting the requirements of § 1355.57(a) (transitioning projects) or (b) (new CCWIS projects).

Approved activities may be directly associated with an automated function, such as requirements gathering sessions, meetings to design screens, or writing test plans. However, certain automated systems related activities that are not directly linked to developing, implementing, or operating an automated function may also qualify for CCWIS cost allocation. Examples include developing the data quality plan, and conducting data quality reviews. ACF plans to issue guidance on approved activities.

In new § 1355.57(d), we propose a requirement that the title IV–E agency must allocate project costs in accordance with applicable HHS regulations and guidance. This requirement is consistent with current regulations at 45 CFR 95.631 and 45 CFR 95.503 as well as 45 CFR part 75.

We propose this requirement because our experience with title IV–E agencies on S/TACWIS reviews indicate that they frequently integrate child welfare information systems into enterprise systems shared with other health and human services programs. For example, a state or tribe may have one system supporting the child welfare, juvenile justice, and child support programs. We encourage this strategy to improve program collaboration and reduce system development costs.

However, this proposed requirement clarifies the order in which project costs must be allocated to be consistent with



applicable regulations and HHS policy. Specifically, we propose to require that the title IV–E agency must allocate project costs so as to identify child welfare and non-child welfare benefiting components. Any project costs assigned as non-child welfare costs must be allocated to all benefiting programs (including other health and human service programs). Project costs assigned as child welfare costs are subject to allocation according to the specific CCWIS or non-CCWIS cost allocation requirements of this section.

In new § 1355.57(e), we propose cost allocation requirements for CCWIS development and operational costs. This proposal means that title IV–E agencies will be able to continue to receive the favorable cost allocation available to S/TACWIS projects for CCWIS projects meeting the requirements of §§ 1355.50 through 1355.57.

In new § 1355.57(e)(1), we propose to allow a title IV–E agency to allocate CCWIS development and operational costs to title IV–E for approved system activities and automated functions that meet three requirements as described in § 1355.57(e)(1)(i), (ii), and (iii).

We propose in new § 1355.57(e)(1)(i) that the costs are approved by the Department.

In new § 1355.57(e)(1)(ii), we propose that the costs meet the requirements of § 1355.57(a) (transitioning projects), (b) (new CCWIS projects), or (c) (approved activities).

In new § 1355.57(e)(1)(iii), we propose that the share of costs for system approved activities and automated functions that benefit federal, state or tribal funded participants in programs and allowable activities described in title IV–E of the Act may be allocated to the title IV–E program. Therefore, system costs benefiting children in foster care, adoptive, or guardianship programs, regardless of title IV–E eligibility, may be allocated to title IV–E.

In new § 1355.57(e)(2), we propose to allow title IV–E agencies to also allocate additional CCWIS development costs to title IV–E for the share of system approved activities and automated functions that meet requirements in § 1355.57(e)(1)(i) and (ii). These additional costs are described in new § 1355.57(e)(2)(i) and (ii).

In new § 1355.57(e)(2)(i), we propose that CCWIS development costs benefiting title IV–B programs may be allocated to title IV–E.

In new § 1355.57(e)(2)(ii), we propose that CCWIS development costs benefiting both title IV–E and child welfare related programs may be allocated to title IV–E. At this time, ACF

only classifies juvenile justice and adult protective services as child welfare related programs.

In new § 1355.57(f), we propose to require that title IV–E costs not previously described in this section may be charged to title IV–E at the regular administrative rate but only to the extent that title IV–E eligible children are served under that program. This requirement is consistent with regulations at 45 CFR 95.631 and 1356.60(d)(2) and 45 CFR part 75 that allocate system costs to the benefiting programs.

This proposed requirement means that system costs that benefit title IV–E programs but do not meet the requirements of this section may still be allocated to title IV–E as administrative costs, but only to the extent that title IV–E eligible children are served under that program. However, as noted previously, costs that do not meet the requirements of § 1355.57(a), (b) or (c) but benefit title IV–B, other child welfare related programs, other human service programs, or participants in state or tribal funded programs may not be allocated to title IV–E but instead must be allocated to those programs.

#### *§ 1355.58—Failure To Meet the Conditions of the Approved APD*

New § 1355.58 of the proposed rule incorporates the current regulation at 45 CFR 1355.56. This section introduces the consequences of not meeting the requirements of the APD. Those consequences may include suspension of title IV–B and IV–E funding and possible recoupment of title IV–E funds claimed for the CCWIS project as described below.

In new § 1355.58(a), we propose that in accordance with 45 CFR 75.371 to 75.375 and 45 CFR 95.635, ACF may suspend IV–B and IV–E funding approved in the APD if ACF determines that the title IV–E agency fails to comply with the APD requirements in 45 CFR part 95, subpart F or meet the CCWIS requirements at § 1355.52 or, if applicable, §§ 1355.53, 1355.54, or 1355.56. The proposed requirement incorporates S/TACWIS regulations at 45 CFR 1355.56(a). We added a reference to the Department administrative rules at 45 CFR 75.371 to 75.375 that provides authority to suspend the funding and updated references to the proposed CCWIS requirements.

We propose to continue this requirement because our authority under 45 CFR part 75 and the APD rules in 45 CFR part 95, subpart F remains unchanged. Furthermore, it is not an efficient, economical, or effective use of

federal funds to allow agencies to claim FFP using the CCWIS cost allocation for projects that do not meet the CCWIS requirements.

In new § 1355.58(b), we propose to incorporate the requirement that the suspension of funding under this section begins on the date that ACF determines that the agency failed to comply with or meet either the requirements of § 1355.58(b)(1) or (2). The proposed requirement incorporates the existing S/TACWIS rules at 45 CFR 1355.56(b)(2).

In new § 1355.58(b)(1), we propose that a suspension of CCWIS funding begins on the date that ACF determines the title IV–E agency failed to comply with APD requirements in 45 CFR part 95 subpart F.

In new § 1355.58(b)(2), we propose that a suspension of CCWIS funding begins on the date that ACF determines the title IV–E agency failed to meet the requirements at § 1355.52 or, if applicable, §§ 1355.53, 1355.54, or 1355.56 and has not corrected the failed requirements according to the time frame in the approved APD.

In new § 1355.58(c)(1) and (2), we propose that the suspension of funding will remain in effect until the date that ACF determines, in accordance with § 1355.58(c)(1), that the title IV–E agency complies with 45 CFR part 95, subpart F; or, in accordance with 1355.58(c)(2), until ACF approves the title IV–E agency's plan to change the application to meet the requirements at § 1355.52 and, if applicable, § 1355.53, § 1355.54, or § 1355.56. These proposed requirements incorporate the S/TACWIS regulations at 45 CFR 1355.56(b)(3).

In new § 1355.58(d), we propose that if ACF suspends an APD, or the title IV–E agency voluntarily ceases the design, development, installation, operation, or maintenance of an approved CCWIS, ACF may recoup all title IV–E funds claimed for the CCWIS project. The requirement incorporates the S/TACWIS requirements at 45 CFR 1355.56(b)(4), but we have modified the requirement to allow for all FFP to be recouped consistent with 2010 changes in the APD rules at § 95.635. We are including this requirement in the proposal because it is not an efficient, economical, or effective use of federal funds to allow title IV–E agencies to claim FFP using the CCWIS cost allocation for projects that do not meet the APD or CCWIS requirements.

#### *§ 1355.59—Reserved*

We propose reserving § 1355.59 for future regulations related to CCWIS.



*§ 1356.60—Fiscal Requirements (Title IV–E)*

We propose changing the title of § 1356.60(e) from “Federal matching funds for SACWIS/TACWIS” to “Federal matching funds for CCWIS and Non-CCWIS.” We also propose to revise the paragraph to describe that federal matching funds are available at the rate of fifty percent (50%) and that the cost allocation of CCWIS and non-CCWIS project costs are at § 1355.57 of this chapter. These changes clarify that while the same matching rate applies to CCWIS and non-CCWIS, the proposed cost allocation requirements at § 1355.57 apply. The cost allocation rules describe the more favorable cost allocation available to CCWIS.

*§ 95.610—Submission of Advance Planning Documents*

We propose to revise § 95.610(b)(12) to conform with our proposed regulations at §§ 1355.50 through 1355.58. We propose deleting the references to §§ 1355.54 through 1355.57, which is a title IV–E regulation since enhanced funding for information systems supporting the title IV–E program expired in 1997. We also propose revising § 95.610(b)(12) by adding the phrase “or funding, for title IV–E agencies as contained at § 1355.52(i).” because our proposed regulations at § 1355.52(i) add new requirements for CCWIS APDs.

*§ 95.611—Prior Approval Conditions*

We propose to revise § 95.611(a)(2) to delete the reference to the title IV–E regulation, § 1355.52 because enhanced funding for information systems supporting the title IV–E program expired in 1997.

*§ 95.612—Disallowance of Federal Financial Participation (FFP)*

We propose to revise § 95.612 which provides guidance on conditions that may lead to a disallowance of FFP for APDs for certain information systems. We propose to replace the phrase “State Automated Child Welfare Information System” with “Comprehensive Child Welfare Information System (CCWIS) project and, if applicable the transitional project that preceded it.” We also propose to change the identified CCWIS regulations from §§ 1355.56 through 1355.58 because the paragraph also identifies other departmental regulations that are applicable when approval of an APD is suspended.

*§ 95.625—Increased FFP for Certain ADP Systems*

We propose to revise § 95.625(a) which provides guidance on FFP that may be available for information systems supporting title IV–D, IV–E and/or XIX programs at an enhanced matching rate. We propose removing the reference to title IV–E enhanced funding in the paragraph since enhanced funding for information systems supporting the title IV–E program expired at the end of Federal Fiscal Year 1997.

Section 95.625(b) identifies other departmental regulations that systems must meet to qualify for FFP at an enhanced matching rate. We propose removing the reference to title IV–E enhanced funding in the paragraph because enhanced funding for SACWIS expired at the end of Federal Fiscal Year 1997.

**VII. Impact Analysis***Executive Order 12866*

Executive Order (E.O.) 12866 requires that regulations be drafted to ensure that they are consistent with the priorities and principles set forth in the E.O. The Department has determined that this proposed rule is consistent with these priorities and principles, and represents the best and most cost effective way to achieve the regulatory and program objectives of CB. We consulted with OMB and determined that this proposed rule meets the criteria for a significant regulatory action under E.O. 12866. Thus, it was subject to OMB review.

We determined that the costs to states and tribes as a result of this proposed rule will not be significant. First, CCWIS is an optional system that states and tribes may implement; therefore, we have determined that the proposed rule will not result in mandatory increased costs to states and tribes. Second, most if not all of the costs that states and tribes will incur will be eligible for FFP. Depending on the cost category and each agency’s approved plan, states and tribes may be reimbursed 50 percent of allowable costs, applying the cost allocation rate authorized under section 474(a)(3)(C) and (D) of the Act, and section 474(c) of the Act, or at the 50 percent administrative rate authorized under section 474(a)(3)(E).

Costs will vary considerably depending upon a title IV–E agency’s decision to either (1) build a new CCWIS or (2) transition an existing system to meet CCWIS requirements. Furthermore, the cost of the system will be affected by the optional functions an agency elects to include in the CCWIS.

We used cost data from five recent SACWIS implementations for mid-to-large sized states to estimate the average cost to design, develop, and implement a new SACWIS as \$65 million (costs ranged from approximately \$39 to \$83 million). There are five states currently in the planning phase for a new system; the length of the planning phase typically ranges from 1 to 4 years. Once the final rule is issued, we anticipate that a similar number of states in the planning phase for a new SACWIS at that time will implement a new CCWIS for a total federal and state cost that will not exceed the \$325 million (5 states x \$65 million) estimated to build a new SACWIS. Based on our experience with SACWIS projects, development efforts typically last 3 to 5 years. We lack comparable tribal data for this estimate as no tribe has implemented a TACWIS.

We expect actual CCWIS costs to be lower than this S/TACWIS-based estimate for the following reasons. First, because CCWIS has fewer functional requirements than SACWIS, title IV–E agencies may build a new CCWIS for significantly lower cost. Whereas a S/TACWIS must develop and implement at least 51 functional requirements, the proposed rule only requires fourteen functional requirements, including eleven data exchanges, federal and agency reporting, and the determination of title IV–E eligibility. Second, CCWIS requirements permit title IV–E agencies to use less expensive commercial-off-the-shelf software (COTS) as CCWIS modules. A S/TACWIS must be custom built or transferred from another state and customized to meet agency business practices; lower cost COTS are just recently available to S/TACWIS projects. Third, the requirement to build CCWIS with reusable modules reduces overall costs as newer projects benefit from software modules shared by mature CCWIS projects. Finally, we anticipate lower tribal costs as most tribes serve smaller populations with fewer workers than states.

A title IV–E agency may also meet CCWIS requirements by enhancing an operational system to meet new CCWIS requirements. The new CCWIS requirements are data exchanges with courts, education, and Medicaid claims processing systems (and if applicable, data exchanges with child welfare contributing agencies and other systems used to collect CCWIS data), developing a data quality plan, compiling a list automated functions, and, if applicable, drafting a Notice of Intent. To estimate data exchange costs, we reviewed a sample of APDs where states reported S/TACWIS costs for eight data exchanges ranging from \$106,451 to \$550,000. The

average is approximately \$247,000 or \$741,000 (\$247,000 × 3) for three data exchanges. We expect 46 states (50 states plus the District of Columbia minus 5 states anticipated to be planning a new system) to exercise the flexibility in the proposed rule to transition their operational system to CCWIS for a total cost of \$34 million (46 states × \$741,000). The costs for the data quality plan, automated functions list, and Notice of Intent are listed in the following Paperwork Reduction Act section and are not significant.

Historically a S/TACWIS has a useful life ranging from 12–20 years and the age of current systems varies from new to nearing retirement. Consistent with past replacement trends, we anticipate that after the final rule is published, 2 to 4 systems annually will be replaced with new CCWIS systems for the average cost not to exceed the average SACWIS cost of \$65 million each.

State and tribes will realize significant program administration and IT benefits from CCWIS. The requirements to maintain comprehensive high quality data will support the efficient, economical, and effective administration of the title IV–B and title IV–E programs. The requirements to exchange standardized data with other programs will support coordinated service delivery to clients served by multiple programs. The data exchanges will also reduce data collection costs and improve data quality for all participating programs. The requirements to build CCWIS with modular, reusable components meeting industry standards will result in systems that can be more quickly modified, easier to test, and less expensive to maintain. These modular, reusable components may be shared

within and among states and tribes resulting in benefits to other programs and systems.

Alternatives Considered: We considered alternatives to the approach described in the proposed rule. First, an approach that leaves the current rules in place encourages the overdevelopment of large costly systems, and makes it increasingly difficult for title IV–E agencies to implement an efficient, economical, and effective case management system that supports their evolving business needs. Such an approach does not support a service model managed by multiple service providers that is still capable of providing high quality data on the children and families served. Second, an approach that provides even greater flexibility than what we proposed will undermine our collective goal of using the data maintained by child welfare information systems to help improve the administration of the programs under titles IV–B and IV–E of the Act and improving overall outcomes for the children and families served by title IV–E agencies.

*Regulatory Flexibility Analysis*

The Secretary certifies, under 5 U.S.C. 605(b), as enacted by the Regulatory Flexibility Act (Pub. L. 96–354), that this proposed rule will not result in a significant impact on a substantial number of small entities. The primary impact of this proposed NPRM is on state and tribal governments, which are not considered small entities under the Act.

*Unfunded Mandates Reform Act*

The Unfunded Mandates Reform Act (Pub. L. 104–4) requires agencies to prepare an assessment of anticipated

costs and benefits before proposing any rule that may result in an annual expenditure by state, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more (adjusted annually for inflation). That threshold level is currently approximately \$151 million. We propose CCWIS as an option for states and tribes, therefore this proposed rule does not impose any mandates on state, local, or tribal governments, or the private sector that will result in an annual expenditure of \$151 million or more.

*Paperwork Reduction Act*

Under the Paperwork Reduction Act (44 U.S.C. Ch. 35, as amended) (PRA), all Departments are required to submit to OMB for review and approval any reporting or recordkeeping requirements inherent in a proposed or final rule. Collection of APD information for S/ TACWIS projects is currently authorized under OMB number 0970–0417 and will be applicable to CCWIS projects. This proposed rule does not make a substantial change to those APD information collection requirements; however, this proposed rule contains new information collection activities, which are subject to review. As a result of the new information collection activities in this NPRM, we estimate the reporting burden, over and above what title IV–E agencies already do for the APD information collection requirements, as follows: (1) 550 Hours for the automated function list requirement; (2) 2,200 hours for the first submission of the data quality plan; and (3) 80 hours for the one-time Notice of Intent submission by states and tribes not submitting an APD.

The following are estimates:

Collection	Number of respondents	Number of responses per respondent	Average burden per response	Total burden hours
Automated Function List § 1355.52(i)(1)(ii) and (iii) and (i)(2) .....	55	1	10	550
Data Quality Plan § 1355.52(d)(5) (first submission) .....	55	1	40	2,200
Notice of Intent § 1355.52.(i)(1) (one-time submission) .....	12	1	8	96
One-time Total .....	.....	.....	.....	2,296
Annual Total .....	.....	.....	.....	550

*Burden Hour Estimate*

1. List of automated functions. Our first step was to estimate the burden associated with the requirements we propose in §§ 1355.52(i)(1)(ii) and (iii) and 1355.52(i)(2)(i) and (ii). In those sections, we propose that the title IV–E agencies must provide a list of automated functions to be included in the CCWIS and report compliance with

the design standards in § 1355.53(a). We applied the following assumptions:

- We assume that all 50 states plus the District of Columbia will build a CCWIS or transition their existing systems to CCWIS in the next three years.
- We also assume that few tribes will elect to build a CCWIS. As of December 2014, no tribal title IV–E grantee has

expressed an interest in building a TACWIS-compliant system. To ensure that our estimate is not understated, we assume that four tribes will elect to build a CCWIS in the next three years.

We estimate the burden for these activities at 10 hours per respondent per year. We multiplied our estimate of 10 burden hours by 55 respondents (50 states + District of Columbia + 4 tribes)

to arrive at an annual burden increase of 550 hours (10 burden hours × 55 respondents) for the proposed automated function list requirement.

2. Data quality plan. Our next step was to estimate the burden associated with the requirements we propose in § 1355.52(d) that title IV–E agencies building a CCWIS must develop and report on a data quality plan as part of an Annual or Operational APD submission. We applied the following assumptions:

- We assume that all 50 states plus the District of Columbia and four tribes will build a CCWIS or transition their existing systems to CCWIS in the next three years.
- We assume that states and tribes already have mechanisms in place to monitor and improve the quality of the data to meet program reporting and oversight needs.

We estimate the burden for these activities at 40 hours per respondent for the initial submission.

We do not estimate an additional burden in subsequent years because those submissions will require minimal updates of information previously submitted. We multiplied our estimate of 40 burden hours by 55 respondents (50 states + District of Columbia + 4 tribes) to arrive at a one-time burden increase of 2,200 hours (40 burden hours × 55 respondents) for the proposed data quality plan requirement.

3. APD or Notice of Intent. Finally, we estimated the burden associated with the proposed requirement in § 1355.52(i)(2)(ii), that a title IV–E agency that elects to build a CCWIS must announce their intention to do so either by submitting an APD, if the proposed project requires an APD, or a Notice of Intent if an APD is not required. We applied the following assumptions:

- A title IV–E agency with a CCWIS project subject to the APD process will have no new burden as such projects are already required to contain a plan per 45 CFR 95.610.
- The four tribes will submit a Notice of Intent because their projects are unlikely to exceed the threshold requiring submission of an Implementation APD at 45 CFR 95.611.
- 8 of 14 states with complete, fully functional SACWIS projects will undertake projects that will not exceed the threshold requiring submission of an Implementation APD at 45 CFR 95.611 and therefore will submit a Notice of Intent.

Our burden estimate for completing the Notice of Intent includes additional time for title IV–E agencies to review the submission requirements and for

producing the letter and project plan for those projects not subject to the APD rules at 45 CFR part 95. We estimate that burden at 8 hours per respondent. We multiplied our estimate of 8 burden hours by 12 respondents (8 states + 4 tribes) to arrive at a one-time burden increase of 96 hours (8 burden hours × 12 respondents) for the proposed Notice of Intent requirement.

#### Total Burden Cost

Once we determined the burden hours, we developed an estimate of the associated cost for states and tribes to conduct these activities, as applicable. We reviewed 2013 Bureau of Labor Statistics data to help determine the costs of the increased reporting burden as a result of the proposed provisions of this NPRM. We assume that staff with the job role of Management Analyst (13–111) with a mean hourly wage estimate of \$43.26 will be completing the Automated Function List, Data Quality Plan, and Notice of Intent documentation. Based on these assumptions, the Data Quality Plan and Notice of Intent represent a one-time cost of \$99,324.96 (2,296 hours × \$43.26 hourly cost = \$99,324.96). We estimate that the average annual burden increase of 550 hours for the Automated Function List will cost \$23,793 (550 hours × \$43.26 hourly cost = \$23,793.00).

We specifically seek comments by the public on this proposed collection of information in the following areas:

1. Evaluating whether the proposed collection is necessary for the proper performance of the functions of ACF, including whether the information will have practical utility;
2. Evaluating the accuracy of ACF's estimate of the proposed collection of information, including the validity of the methodology and assumptions used;
3. Enhancing the quality, usefulness, and clarity of the information to be collected; and
4. Minimizing the burden of the collection of information on those who are to respond, including using appropriate automated, electronic, mechanical, or other technology, such as permitting electronic submission of responses.

OMB is required to make a decision concerning the collection of information contained in these proposed regulations between 30 and 60 days after publication of this document in the **Federal Register**. Therefore, a comment is best assured of having its full effect if OMB receives it within 30 days of publication. This does not affect the deadline for the public to comment to the Department on the proposed

regulations. Written comments to OMB for the proposed information collection should be sent directly to the following:

Office of Management and Budget, either by fax to 202–395–6974 or by email to [OIRA\\_submission@omb.eop.gov](mailto:OIRA_submission@omb.eop.gov). Please mark faxes and emails to the attention of the desk officer for ACF.

#### Congressional Review

This proposed rule is not a major rule as defined in 5 U.S.C. Ch. 8 and is thus not subject to the major rule provisions of the Congressional Review Act. The Congressional Review Act (CRA), 5 U.S.C. Chapter 8, defines a major rule as one that has resulted in or is likely to result in: (1) An annual effect on the economy of \$100 million or more; (2) a major increase in costs or prices for consumers, individual industries, federal, state, or local government agencies, or geographic regions; or (3) significant adverse effects on competition, employment, investment, productivity, or innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets. 5 U.S.C. 804(2).

#### Assessment of Federal Regulations and Policies on Families

Section 654 of the Treasury and General Government Appropriations Act, 2000 (Pub. L. 106–58) requires federal agencies to determine whether a proposed policy or regulation may affect family well-being. If the agency's determination is affirmative, then the agency must prepare an impact assessment addressing seven criteria specified in the law. These proposed regulations will not have an impact on family well-being as defined in the law.

#### Executive Order 13132

Executive Order (E.O.) 13132 prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial direct compliance costs on state and local governments and is not required by statute, or the rule preempts state law, unless the agency meets the consultation and funding requirements of section 6 of the Executive Order. We do not believe the regulation has federalism impact as defined in the Executive Order. Consistent with E.O. 13132, the Department specifically solicits comments from state and local government officials on this proposed rule.

#### Tribal Consultation Statement

ACF published a notice of tribal consultation in the **Federal Register** on

January 5, 2012 (77 FR 467). The notice advised the public of meetings regarding how the current SACWIS regulations affect tribes administering a title IV–E program. Notices of the consultation were mailed to tribal leaders of federally recognized tribes and the consultation was publicized through electronic mailing lists maintained by CB and the National Resource Center for Tribes.

The consultation with tribal leaders and their representatives was held via 2 teleconferences on February 15 and 16, 2012. Each consultation session was preceded by an introductory session that provided an overview of current federal policy and regulations regarding S/TACWIS. Tribes and tribal organizations used a total of 33 phone lines during the two teleconferences; multiple individuals were on shared lines at some of the participating sites.

The tribal consultation addressed three questions:

- (1) What are the obstacles for your tribe in building a child welfare information system in general and a SACWIS-type system specifically?
- (2) What information do you consider critical to managing your child welfare program?
- (3) Is there any special information that tribes need or will need in order to operate child welfare programs funded with title IV–E dollars?

Commonly-cited barriers to the development of child welfare automation were fiscal concerns and staffing resources. Participants in the tribal consultation told CB that the scale of available S/TACWIS applications exceed their operational needs and the cost is more than a tribe could afford. In addition, smaller-scale systems that could quickly and economically be adapted for tribal needs were cited as a preferred alternative to custom system development.

One written comment was submitted, citing financial issues associated with system development. A full summary of the tribal consultation on child welfare automation can be found at <https://www.acf.hhs.gov/programs/cb/resource/tribal-consultation-on-title-iv-e-information-systems-regulations>.

Generally, there was support from the tribal commenters to issue a regulation that will provide them with the flexibility in implementing a child welfare information system. These proposed rules provide sufficient latitude to allow a tribe to implement a system scaled to the size of their child welfare program, tailored to the tribe's program needs, and capable of collecting those data the tribe requires and required under this proposed rule.

**List of Subjects**

*45 CFR Part 95*

Automatic data processing equipment and services—conditions for federal financial participation (FFP).

*45 CFR Part 1355*

Adoption and foster care, Child welfare, Data collection, Definitions grant programs—social programs.

*45 CFR Part 1356*

Administrative costs, Adoption and foster care, Child welfare, Fiscal requirements (title IV–E), Grant programs—social programs, Statewide information systems.

Dated: March 9, 2015.

**Mark H. Greenberg,**

*Acting Assistant Secretary for Children and Families.*

Approved: April 23, 2015.

**Sylvia M. Burwell,**

*Secretary, Department of Health and Human Services.*

For the reasons set out in the preamble, HHS and the Administration for Children and Families propose to amend parts 95, 1355, and 1356 of 45 CFR as follows:

**PART 95—GENERAL ADMINISTRATION—GRANT PROGRAMS (PUBLIC ASSISTANCE, MEDICAL ASSISTANCE AND STATE CHILDREN'S HEALTH INSURANCE PROGRAMS)**

- 1. The authority citation for part 95 continues to read as follows:

**Authority:** 5 U.S.C. 301, 42 U.S.C. 622(b), 629b(a), 652(d), 654A, 671(a), 1302, and 1396a(a).

- 2. Revise paragraph (b)(12) of § 95.610 to read as follows:

**§ 95.610 Submission of advance planning documents.**

\* \* \* \* \*

(b) \* \* \*

(12) Additional requirements, for acquisitions for which the State is requesting enhanced funding, as contained at § 307.15 and 42 CFR subchapter C, part 433 or funding for title IV–E agencies as contained at § 1355.52(i) of this title.

\* \* \* \* \*

- 3. Revise paragraph (a)(2) of § 95.611 to read as follows:

**§ 95.611 Prior approval conditions.**

(a) \* \* \*

(2) A State shall obtain prior approval from the Department which is reflected in a record, as specified in paragraph (b) of this section, when the State plans to

acquire ADP equipment or services with proposed FFP at the enhanced matching rate authorized by § 205.35 of this title, part 307 of this title, or 42 CFR part 433, subpart C, regardless of the acquisition cost.

\* \* \* \* \*

- 4. Revise the last sentence of § 95.612 to read as follows:

**§ 95.612 Disallowance of Federal Financial Participation (FFP).**

\* \* \* In the case of a suspension of the approval of an APD for a Comprehensive Child Welfare Information System (CCWIS) project and, if applicable the transitional project that preceded it, see § 1355.58 of this title.

- 5. Revise paragraph (a) and the last sentence of paragraph (b) of § 95.625 to read as follows:

**§ 95.625 Increased FFP for certain ADP systems.**

(a) *General.* FFP is available at enhanced matching rates for the development of individual or integrated systems and the associated computer equipment that support the administration of state plans for titles IV–D and/or XIX provided the systems meet the specifically applicable provisions referenced in paragraph (b) of the section.

(b) \* \* \* The applicable regulations for the title IV–D program are contained in 45 CFR part 307. The applicable regulations for the title XIX program are contained in 42 CFR part 433, subpart C.

**PART 1355—GENERAL**

- 6. The authority citation for part 1355 continues to read as follows:

**Authority:** 42 U.S.C. 620 *et seq.*, 42 U.S.C. 670 *et seq.*; 42 U.S.C. 1301 and 1302.

- 7. Revise § 1355.50 to read as follows:

**§ 1355.50 Purpose of this part.**

Sections 1355.50 through 1355.59 contain the requirements a title IV–E agency must meet to receive federal financial participation authorized under sections 474(a)(3)(C) and (D), and 474(c) of the Act for the planning, design, development, installation, operation, and maintenance of a comprehensive child welfare information system.

- 8. Add § 1355.51 to read as follows:

**§ 1355.51 Definitions applicable to Comprehensive Child Welfare Information Systems (CCWIS).**

(a) The following terms as they appear in §§ 1355.50 through 1355.59 are defined as follows—

*Approved activity* means a project task that supports planning, designing,

developing, installing, operating, or maintaining a CCWIS.

*Automated function* means a computerized process or collection of related processes to achieve a purpose or goal.

*Child welfare contributing agency* means a public or private entity that, by contract or agreement with the title IV–E agency, provides child abuse and neglect investigations, placement, or child welfare case management (or any combination of these) to children and families.

*Data exchange* means the automated, electronic submission or receipt of information, or both, between two automated data processing systems.

*Data exchange standard* means the common data definitions, data formats, data values, and other guidelines that the state's or tribe's automated data processing systems follow when exchanging data.

*New CCWIS project* means a project to build an automated data processing system meeting all requirements in § 1355.52 and all automated functions meet the requirements in § 1355.53(a).

*Non-S/TACWIS project* means an active automated data processing system or project that, prior to the effective date of these regulations, ACF had not classified as a S/TACWIS and for which:

(i) ACF approved a development procurement; or

(ii) The applicable state or tribal agency approved a development procurement below the thresholds of 45 CFR 95.611(a); or

(iii) The operational automated data processing system provided the data for at least one AFCARS or NYTD file for submission to the federal system or systems designated by ACF to receive the report.

*Notice of intent* means a record from the title IV–E agency, signed by the governor, tribal leader, or designated state or tribal official and provided to ACF declaring that the title IV–E agency plans to build a CCWIS project that is below the APD approval thresholds of 45 CFR 95.611(a).

*S/TACWIS project* means an active automated data processing system or project that, prior to the effective date of these regulations, ACF classified as a S/TACWIS and for which:

(i) ACF approved a procurement to develop a S/TACWIS; or

(ii) The applicable state or tribal agency approved a development procurement for a S/TACWIS below the thresholds of 45 CFR 95.611(a).

*Transition period* means the 24 months after the effective date of these regulations.

(b) Other terms as they appear in §§ 1355.50 through 1355.59 are defined in 45 CFR 95.605.

■ 9. Revise § 1355.52 to read as follows:

**§ 1355.52 CCWIS project requirements.**

(a) *Efficient, economical, and effective requirement.* The title IV–E agency's CCWIS must support the efficient, economical, and effective administration of the title IV–B and IV–E plans pursuant to section 474(a)(3)(C)(iv) of the Act by:

(1) Improving program management and administration by maintaining all program data required by federal, state or tribal law or policy;

(2) Appropriately applying computer technology;

(3) Not requiring duplicative application system development or software maintenance; and

(4) Ensuring costs are reasonable, appropriate, and beneficial.

(b) *CCWIS data requirements.* The title IV–E agency's CCWIS must maintain:

(1) Title IV–B and title IV–E data that supports the efficient, effective, and economical administration of the programs including:

(i) Data required for ongoing federal child welfare reports;

(ii) Data required for title IV–E eligibility determinations, authorizations of services, and expenditures under IV–B and IV–E;

(iii) Data to support federal child welfare laws, regulations, and policies; and

(iv) Case management data to support federal audits, reviews, and other monitoring activities;

(2) Data to support state or tribal child welfare laws, regulations, policies, practices, reporting requirements, audits, program evaluations, and reviews;

(3) For states, data to support specific measures taken to comply with the requirements in section 422(b)(9) of the Act regarding the state's compliance with the Indian Child Welfare Act; and

(4) For each state, data for the National Child Abuse and Neglect Data System.

(c) *Reporting requirements.* The title IV–E agency's CCWIS must use the data described in paragraph (b) of this section to:

(1) Generate, or contribute to, required title IV–B or IV–E federal reports according to applicable formatting and submission requirements; and

(2) Generate, or contribute to, reports needed by state or tribal child welfare laws, regulations, policies, practices, reporting requirements, audits, and reviews that support programs and

services described in title IV–B and title IV–E.

(d) *Data quality requirements.* (1) The CCWIS data described in paragraph (b) of this section must:

(i) Meet the applicable federal, and state or tribal standards for completeness, timeliness, and accuracy;

(ii) Be consistently and uniformly collected by CCWIS and, if applicable, child welfare contributing agency systems;

(iii) Be exchanged and maintained in accordance with confidentiality requirements in section 471(a)(8) of the Act, and 45 CFR 205.50, and 42 U.S.C. 5106a(b)(2)(B)(viii)–(x) of the Child Abuse Prevention and Treatment Act, if applicable, and other applicable federal and state or tribal laws;

(iv) Support child welfare policies, goals, and practices; and

(v) Not be created by default or inappropriately assigned.

(2) The title IV–E agency must implement and maintain automated functions in CCWIS to:

(i) Regularly monitor CCWIS data quality;

(ii) Alert staff to collect, update, correct, and enter CCWIS data;

(iii) Send electronic requests to child welfare contributing agency systems to submit current and historical data to the CCWIS;

(iv) Prevent, to the extent practicable, the need to re-enter data already captured or exchanged with the CCWIS; and

(v) Generate reports of continuing or unresolved CCWIS data quality problems.

(3) The title IV–E agency must conduct annual data quality reviews to:

(i) Determine if the title IV–E agency and, if applicable, child welfare contributing agencies, meet the requirements of paragraphs (b), (d)(1), and (d)(2) of this section; and

(ii) Confirm that the bi-directional data exchanges meet the requirements of paragraphs (e) and (f) of this section, and other applicable ACF regulations and policies.

(4) The title IV–E agency must enhance CCWIS or the electronic bi-directional data exchanges or both to correct any findings from reviews described at paragraph (d)(3) of this section.

(5) The title IV–E agency must develop, implement, and maintain a CCWIS data quality plan in a manner prescribed by ACF and include it as part of Annual or Operational APDs submitted to ACF as required in 45 CFR 95.610. The CCWIS data quality plan must:

(i) Describe the comprehensive strategy to promote data quality

including the steps to meet the requirements at paragraphs (d)(1) through (3) of this section; and

(ii) Report the status of compliance with paragraph (d)(1) of this section.

(e) *Bi-directional data exchanges.* (1) The CCWIS must support one bi-directional data exchange to exchange relevant data with:

(i) Systems generating the financial payments and claims for titles IV–B and IV–E per paragraph (b)(1)(ii) of this section, if applicable;

(ii) Systems operated by child welfare contributing agencies that are collecting or using data described in paragraph (b) of this section, if applicable;

(iii) Each system used to calculate one or more components of title IV–E eligibility determinations per paragraph (b)(1)(ii) of this section, if applicable; and

(iv) Each system external to CCWIS used by title IV–E agency staff to collect CCWIS data, if applicable.

(2) To the extent practicable, the title IV–E agency's CCWIS must support one bi-directional data exchange to exchange relevant data, including data that may benefit IV–E agencies and data exchange partners in serving clients and improving outcomes, with each of the following state or tribal systems:

(i) Child abuse and neglect system(s);

(ii) System(s) operated under title IV–A of the Act;

(iii) Systems operated under title XIX of the Act including:

(A) Systems to determine Medicaid eligibility; and

(B) Mechanized claims processing and information retrieval systems as defined at 42 CFR 433.111(b);

(iv) Systems operated under title IV–D of the Act;

(v) Systems operated by the court(s) of competent jurisdiction over title IV–E foster care, adoption, and guardianship programs;

(vi) Systems operated by the state or tribal education agency, or school districts, or both.

(f) *Data exchange standard requirements.* The title IV–E agency must use a single data exchange standard that describes data, definitions, formats, and other specifications upon implementing a CCWIS:

(1) For bi-directional data exchanges between CCWIS and each child welfare contributing agency;

(2) For internal data exchanges between CCWIS automated functions where at least one of the automated functions meets the requirements of § 1355.53(a); and

(3) For data exchanges with systems described under paragraph (e)(1)(iv) of this section.

(g) *Automated eligibility determination requirements.* (1) A state title IV–E agency must use the same automated function or the same group of automated functions for all title IV–E eligibility determinations.

(2) A tribal title IV–E agency must, to the extent practicable, use the same automated function or the same group of automated functions for all title IV–E eligibility determinations.

(h) *Software provision requirement.* The title IV–E agency must provide a copy of the agency-owned software that is designed, developed, or installed with FFP and associated documentation to the designated federal repository within the Department upon request.

(i) *Submission requirements.* (1) Before claiming funding in accordance with a CCWIS cost allocation, a title IV–E agency must submit an APD or, if below the APD submission thresholds defined at 45 CFR 95.611, a Notice of Intent that includes:

(i) A project plan describing how the CCWIS will meet the requirements in paragraphs (a) through (h) of this section and, if applicable § 1355.54;

(ii) A list of all automated functions included in the CCWIS; and

(iii) A notation of whether each automated function listed in paragraph (i)(1)(ii) of this section meets, or when implemented will meet, the following requirements:

(A) The automated function supports at least one requirement of this section or, if applicable § 1355.54;

(B) The automated function is not duplicated within the CCWIS or systems supporting child welfare contributing agencies and is consistently used by all child welfare users responsible for the area supported by the automated function; and

(C) The automated function complies with the CCWIS design requirements described under § 1355.53(a), unless exempted in accordance with § 1355.53(b).

(2) Annual APD Updates and Operational APDs for CCWIS projects must include:

(i) An updated list of all automated functions included in the CCWIS;

(ii) A notation of whether each automated function listed in paragraph (i)(2)(i) of this section meets the requirements of paragraph (i)(1)(iii)(B) of this section; and

(iii) A description of changes to the scope or the design criteria described at § 1355.53(a) for any automated function listed in paragraph (i)(2)(i) of this section.

(j) *Other applicable requirements.* Regulations at 45 CFR 95.613 through 95.621 and 95.626 through 95.641 are

applicable to all CCWIS projects below the APD submission thresholds at 45 CFR 95.611.

■ 10. Revise § 1355.53 to read as follows:

**§ 1355.53 CCWIS design requirements.**

(a) Except as exempted in paragraph (b) of this section, automated functions contained in a CCWIS must:

(1) Follow a modular design that includes the separation of business rules from core programming;

(2) Be documented using plain language;

(3) Adhere to a state, tribal, or industry defined standard that promotes efficient, economical, and effective development of automated functions and produces reliable systems; and

(4) Be capable of being shared, leveraged, and reused as a separate component within and among states and tribes.

(b) CCWIS automated functions may be exempt from one or more of the requirements in paragraph (a) of this section if:

(1) The CCWIS project meets the requirements of § 1355.56(b) or § 1355.56(f)(1); or

(2) ACF approves, on a case-by-case basis, an alternative design proposed by a title IV–E agency that is determined by ACF to be more efficient, economical, and effective than what is found in paragraph (a) of this section.

■ 11. Revise § 1355.54 to read as follows:

**§ 1355.54 CCWIS options.**

If a project meets, or when completed will meet, the requirements of § 1355.52, then ACF may approve CCWIS funding described at § 1355.57 for other ACF-approved data exchanges or automated functions that are necessary to achieve title IV–E or IV–B programs goals.

■ 12. Revise § 1355.55 to read as follows:

**§ 1355.55 Review and assessment of CCWIS projects.**

ACF will review, assess, and inspect the planning, design, development, installation, operation, and maintenance of each CCWIS project on a continuing basis, in accordance with APD requirements in 45 CFR part 95, subpart F, to determine the extent to which the project meets the requirements in §§ 1355.52, 1355.53, 1355.56, and, if applicable, § 1355.54.

■ 13. Revise § 1355.56 to read as follows:

**§ 1355.56 Requirements for S/TACWIS and non-S/TACWIS projects during and after the transition period.**

(a) During the transition period a title IV–E agency with a S/TACWIS project may continue to claim title IV–E funding according to the cost allocation methodology approved by ACF for development or the operational cost allocation plan approved by the Department, or both.

(b) A S/TACWIS project must meet the submission requirements of § 1355.52(i)(1) during the transition period to qualify for the CCWIS cost allocation methodology described in § 1355.57(a) after the transition period.

(c) A title IV–E agency with a S/TACWIS may request approval to initiate a new CCWIS and qualify for the CCWIS cost allocation methodology described in § 1355.57(b) by meeting the submission requirements of § 1355.52(i)(1).

(d) A title IV–E agency that elects not to transition a S/TACWIS project to a CCWIS project must:

(1) Notify ACF in an APD or Notice of Intent submitted during the transition period of this election; and

(2) Continue to use the S/TACWIS through its life expectancy in accordance with 45 CFR 95.619.

(e) A title IV–E agency that elects not to transition its S/TACWIS project to a CCWIS and fails to meet the requirements of paragraph (d) of this section is subject to funding recoupment described under § 1355.58(d).

(f) A title IV–E agency with a non-S/TACWIS (as defined in § 1355.51) that elects to build a CCWIS or transition to a CCWIS must meet the submission requirements of § 1355.52(i)(1):

(1) During the transition period to qualify for a CCWIS cost allocation as described at § 1355.57(a); or

(2) At any time to request approval to initiate a new CCWIS and qualify for a CCWIS cost allocation as described at § 1355.57(b).

■ 14. Revise § 1355.57 to read as follows:

**§ 1355.57 Cost allocation for CCWIS projects.**

(a) *CCWIS cost allocation for projects transitioning to CCWIS.* (1) All automated functions developed after the transition period for projects meeting the requirements of § 1355.56(b) or § 1355.56(f)(1) must meet the CCWIS design requirements described under § 1355.53(a), unless exempted by § 1355.53(b)(2).

(2) The Department may approve the applicable CCWIS cost allocation for an automated function of a project transitioning to a CCWIS if the automated function:

(i) Supports programs authorized under titles IV–B or IV–E, and at least one requirement of § 1355.52 or, if applicable § 1355.54; and

(ii) Is not duplicated within either the CCWIS or systems supporting child welfare contributing agencies and is consistently used by all child welfare users responsible for the area supported by the automated function.

(b) *CCWIS cost allocation for new CCWIS projects.* (1) Unless exempted in accordance with § 1355.53(b)(2), all automated functions of a new CCWIS project must meet the CCWIS design requirements described under § 1355.53(a).

(2) An automated function of a CCWIS project described in paragraph (b)(1) of this section may qualify for a CCWIS cost allocation if the automated function:

(i) Supports programs authorized under titles IV–B or IV–E, and at least one requirement of § 1355.52 or, if applicable § 1355.54; and

(ii) Is not duplicated within the CCWIS or other systems supporting child welfare contributing agencies and is consistently used by all child welfare users responsible for the area supported by the automated function.

(c) *CCWIS cost allocation for approved activities.* The Department may approve a CCWIS cost allocation for an approved activity for a CCWIS project meeting the requirements of paragraph (a) or (b) of this section.

(d) *Project cost allocation.* A title IV–E agency must allocate project costs in accordance with applicable HHS regulations and other guidance.

(e) *CCWIS cost allocation.* (1) A title IV–E agency may allocate CCWIS development and operational costs to title IV–E for the share of approved activities and automated functions that:

(i) Are approved by the Department;

(ii) Meet the requirements of paragraphs (a), (b), or (c) of this section; and

(iii) Benefit federal, state or tribal funded participants in programs and allowable activities described in title IV–E of the Act to the title IV–E program.

(2) A title IV–E agency may also allocate CCWIS development costs to title IV–E for the share of system approved activities and automated functions that meet requirements (e)(1)(i) and (ii) of this section and:

(i) Benefit title IV–B programs; or

(ii) Benefit both title IV–E and child welfare related programs.

(f) *Non-CCWIS cost allocation.* Title IV–E costs not previously described in this section may be charged to title IV–E in accordance with § 1356.60(d).

■ 15. Add § 1355.58 to read as follows:

**§ 1355.58 Failure to meet the conditions of the approved APD.**

(a) In accordance with 45 CFR 75.371 through 75.375 and 45 CFR 95.635, ACF may suspend title IV–B and title IV–E funding approved in the APD if ACF determines that the title IV–E agency fails to comply with APD requirements in 45 CFR part 95, subpart F, or meet the requirements at § 1355.52 or, if applicable, § 1355.53, 1355.54, or 1355.56.

(b) Suspension of CCWIS funding begins on the date that ACF determines the title IV–E agency failed to:

(1) Comply with APD requirements in 45 CFR part 95, subpart F; or

(2) Meet the requirements at § 1355.52 or, if applicable, § 1355.53, 1355.54, or 1355.56 and has not corrected the failed requirements according to the time frame in the approved APD.

(c) The suspension will remain in effect until the date that ACF:

(1) Determines that the title IV–E agency complies with 45 CFR part 95, subpart F; or

(2) Approves a plan to change the application to meet the requirements at § 1355.52 and, if applicable, § 1355.53, 1355.54, or 1355.56.

(d) If ACF suspends an APD, or the title IV–E agency voluntarily ceases the design, development, installation, operation, or maintenance of an approved CCWIS, ACF may recoup all title IV–E funds claimed for the CCWIS project.

**§ 1355.59 [Reserved]**

■ 16. Add and reserve § 1355.59.

**PART 1356—REQUIREMENTS APPLICABLE TO TITLE IV–E**

■ 17. The authority citation for part 1356 continues to read as follows:

**Authority:** 42 U.S.C. 620 *et seq.*, 42 U.S.C. 670 *et seq.*; 42 U.S.C. 1302.

■ 18. Revise paragraph (e) of § 1356.60 to read as follows:

**§ 1356.60 Fiscal requirements (title IV–E).**

\* \* \* \* \*

(e) *Federal matching funds for CCWIS and Non-CCWIS.* Federal matching funds are available at the rate of fifty percent (50%). Requirements for the cost allocation of CCWIS and non-CCWIS project costs are at § 1355.57 of this chapter.

**Editorial Note:** This document was received for publication by the Office of the Federal Register on July 30, 2015.

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