



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Probation



Date: May 9, 2016
Board Meeting Date: June 21, 2016
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: John T. Keene, Chief Probation Officer

Subject: Agreement with Justice Benefits, Inc., (JBI) as the general partner of JBI, LTD, a Texas limited partnership to provide professional assistance to explore opportunities for new Federal Financial Participation (FFP) and to review prospects for expansion of existing FFP and to secure additional FFP as appropriate for the County

RECOMMENDATION:

Adopt a resolution waiving the Request for Proposal process and authorizing the President of the Board to execute an agreement with Justice Benefits, Inc., (JBI) as the general partner of JBI, LTD, a Texas limited partnership to provide professional assistance to explore opportunities for new Federal Financial Participation (FFP), to review prospects for expansion of existing FFP, and to secure additional FFP as appropriate for the County upon approval for the term April 1, 2016 through March 31, 2019 in an amount not to exceed \$315,000.

BACKGROUND:

Title IV-E of the Federal Social Security Act provides funding for administrative activities as they relate to children who are in imminent or serious need for foster care. In September 2013, the Administration for Children and Families (ACF) Regional Office IX conducted a Title IV-E candidacy review for the claiming policies and procedures and also a review of two (2) California Probation Departments. This review resulted in identifying deficiencies in the State's Title IV-E claiming policies. In November, the California Department of Social Services (CDSS) was notified by ACF Region IX that all California Probation Departments must cease claiming retroactive to October 1, 2013 until the identified deficiencies were addressed.

Since that time, as a response to the ACF notification, CDSS, in collaboration with the Chief Probation Officers of California (CPOC), had proposed an alternative resolution to ACF that contained an expedited implementation of a corrective action plan (CAP), which included a strong statewide training component and modifications to Title IV-E

pre-placement programming and claiming procedures. CDSS also recommended that California counties be allowed to continue to claim eligible administrative pre-placement Title IV-E candidacy costs while the CAP is implemented.

On January 24, 2014, CDSS accepted the CAP that will assist Probation Departments across the state to recover the lost quarter's claim and to continue to submit future claims. The CAP requires Probation Departments to submit supporting documentation using a methodology that is very different than previously used. It is anticipated that Title IV-E Administrative claims will be reduced statewide based upon the new claiming procedures developed by CDSS.

In October 2014, the Department entered into an agreement with Justice Benefits, Inc. (JBI) to compile Title IV-E Foster Care Administrative claims for federal reimbursement for an amount not to exceed \$120,000 for the term of July 1, 2014 to March 31, 2015.

In November 2014, the contract was amended to authorize JBI to administer the retroactive claiming for FFY 2nd quarter Oct - Dec 2013 and FFY 3rd quarter Jan - March 2014.

JBI was founded in 1997, as the general partner of JBI, LTD, a Texas limited partnership and has over nineteen (19) years of experience specializing in federal revenue maximization, specifically Title IV-E Foster Care claiming for state and local entities. JBI has developed a versatile web-based Random Moment Sampling (RMS) time study that has been approved by the CDSS. JBI has remained the only professional services firm that has the capacity to assist local Juvenile Justice Departments with Title IV-E claims.

DISCUSSION:

The San Mateo County Juvenile Services Division is requesting to continue partnership with Justice Benefits, Inc. (JBI), a vendor with nineteen (19) years specializing in IV-E claiming for Juvenile Justice Departments that will continue to analyze and compile the departments Title IV-E Foster Care Administrative claims for federal reimbursement. To the best of our knowledge, no other professional services firm nationwide is currently assisting local Juvenile Justice Departments with Title IV-E Administrative Claiming. JBI has partnerships in seven (7) states and with thirty (30) California Juvenile Probation Departments. JBI has a long established working relationship with the California Department of Social Services (DSS) Audit Training and is a valued partner of the Chief Probation Officers of California (CPOC).

The Probation Department is seeking a waiver of the Request for Proposals process as in order to execute this contract. JBI's financial operations team has extensive experience with Administration for Children and Families (ACF) Audits. They attend Federal OMB A-87 (Federal Office of Management and Budget) trainings yearly in order to maximize each IV-E claim and to ensure claims are completed accurately. It is in the County's and the Department's best interest to execute this agreement and continue

with JBI's financial experts as their experience ensures that the departments claims are supported with any state or federal audit.

There is no compliant contractor capable of providing the administration of Title IV-E claims services to probation departments in California resulting in JBI's vast experience with California Juvenile Probation Departments throughout the country,

This agreement is necessary in order to continue the accuracy of Title IV-E claiming on behalf of the department.

Prior to contracting with JBI, the department had administered the Title IV-E claims in-house with minimum oversight. JBI uses a methodology that is accepted by CDSS as statistically accurate and federally approved and has provided a comprehensive review of current policies and procedures used by the County to identify additional Federal and other revenue sources, if any, as may be available to the County through participation in new programs or by expansion of existing ones. These efforts included any of the following activities; advising the County of the reimbursement opportunity, preparing or enhancing the claim, preparing or assisting with submittal packages, preparing audit files, assisting the County with submittals, assisting the County should it be audited for claims on which the Company assisted, and/or other related federal revenue enhancement activities.

As expected, the department Title IV-E claim amount has significantly decreased resulting in less funding. However, the department is in compliance and is more accurately meeting the Federal Financial Preparation guidelines by claiming and identifying reasonable youth candidates for foster care placement.

This agreement will continue to set forth a mechanism that would authorize JBI to continue to administer the RMS time study, which is recognized by the California Department of Social Services as an approved method for documentation of time and submission of claims for Title IV-E Foster Care. JBI will continue to monitor for new opportunities of funding. Whenever a new federal reimbursement opportunity arises, JBI will notify the County of that opportunity. JBI will strive to identify and optimize all federal reimbursement opportunities for the County; but is not obligated to make the County aware of all possible opportunities and shall have no liability for any omission to identify the same.

California Probation Departments have been advised that the ACF will conduct future audits of the Title IV-E Administrative program. By utilizing the services of JBI, the Probation Department will increase the likelihood of successfully passing any future audits or reviews conducted by the ACF.

The Probation Department requests that the Chief Probation Officer or his designee is authorized to execute contract amendments that modify the County's maximum fiscal obligation by no more than \$25,000.00 (in aggregate), and/or modify the contract term

and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

The agreement and resolution have been reviewed and approved by County Counsel as to form.

Approval of this agreement contributes to the Shared Vision 2025 outcome of Safe Neighborhoods by allowing the receipt of Federal Title IV-E Administrative funding to support the department in providing services to the youth in the system and help youth reduce destructive and criminal behavior.

PERFORMANCE MEASURE(S):

Measure	FY 2014-15 Actual	FY 2016-18 Projected	FY 2018-20 Projected
Percent of quarterly claims submitted on-time	100%	100%	100%
Number of audit findings	0	0	0

FISCAL IMPACT:

The term of the contract is April 1, 2016 through March 31, 2019. The payment term is \$20,000 per quarter plus incentive fee of three percent (3%) of all Title IV-E revenue that the Department has received from the claim. Total contract amount is not to exceed \$315,000, of which, \$120,000 is funded by Federal Title IV-E administrative funds, and \$195,000 net county cost. This has been included in the Adopted Budget for FY 2016-18, and also will be included in the Recommended Budget for FY 2018-20.