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Comprehensive Child Welfare Information System; Final Rule

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Office of the Secretary

45 CFR Part 95

Administration for Children and Families

45 CFR Chapter XIII and 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: Final rule.

SUMMARY: This final rule replaces the Statewide and Tribal Automated Child Welfare Information Systems (S/TACWIS) rule with the Comprehensive Child Welfare Information System (CCWIS) rule. The rule also makes conforming amendments in rules in related requirements. This rule will assist title IV–E agencies in developing information management systems that leverage new innovations and technology in order to better serve children and families. More specifically, this final rule supports the use of cost-effective, innovative technologies to automate the collection of high-quality case management data and to promote its analysis, distribution, and use by workers, supervisors, administrators, researchers, and policy makers.

DATES: This final rule is effective: August 1, 2016.

FOR FURTHER INFORMATION CONTACT: Terry Watt, Director, Division of State Systems, Children's Bureau, Administration on Children, Youth, and Families, (202) 690–8177 (not a toll-free call) or by email at *Terry.Watt@acf.hhs.gov.* Deaf and hearing-impaired individuals may call the Federal Dual Party Relay Service at 1–800–877–8339 between 8:00 a.m. and 7:00 p.m. Eastern Time.

SUPPLEMENTARY INFORMATION:

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I. Background

Statutory Authority

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

Regulatory History

ACF published the existing rule at 45 CFR 1355.50 through 1355.57 in December 1993. In January 2012, ACF amended the SACWIS rule in response to passage of the *Fostering Connections to Success and Increasing Adoptions Act of 2008* (Pub. L. 110–351) (Fostering Connections). Among many other provisions, Fostering Connections amended title IV–E of the Social Security Act (the Act) to include federally-recognized Indian tribes, tribal organizations and tribal consortia 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.

In the years since the SACWIS rule was published in 1993, child welfare practice changed considerably. It is challenging for state and tribal 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 state and tribal 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, this rule no longer requires agencies to use a single comprehensive system and instead, supports the use of improved technology to better support current child welfare practice. With this flexibility, state and tribal title IV–E agencies, as defined in § 1355.20, 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.

II. Notice of Proposed Rulemaking

In developing the rule we engaged in an extensive consultation process. Starting in 2009, the Children's Bureau (CB) initiated a detailed analysis of the S/TACWIS rule to assess if there was a need to change it to better utilize newer technology and support the changing child welfare program. We examined approaches to encourage the implementation of information systems consistent with ACF's technology strategy of promoting program interoperability through data sharing; rapid, modular system development at lower costs; and greater efficiency through the adoption of industry standards. 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 state and tribal title IV–E agencies in implementing child welfare systems. We solicited ideas from the public through a **Federal Register** notice on July 23, 2010 (75 FR 43188) and conducted a series of conference calls with interested stakeholder groups. We again solicited feedback through a **Federal Register** notice on April 5, 2011 and held a series of conference calls with interested stakeholder groups. Public comments in response to the 2010 and 2011 FR Notices are available for review at: *http://www.regulations.gov.* We issued a **Federal Register** notice on January 5, 2012 to announce that two tribal consultations concerning the S/TACWIS rule would be held on February 15 and 16, 2012. 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.*

After gathering the information from consultation and conducting further internal deliberations, we published a notice of proposed rulemaking (NPRM) on August 11, 2015 (80 FR 48200–748229) outlining our CCWIS proposal. We publicized the NPRM through CB's Web site and announcements distributed to tribes, states, vendors, advocacy groups, and other associations. We conducted three

conference calls to provide these interested parties with an overview of the NPRM and encouraged them to submit comments. We received 40 substantive and unduplicated submissions containing approximately 309 comments and questions on the proposal. The commenters included representatives from 20 state child welfare agencies and 9 national child welfare organizations, other organizations, associations and advocacy groups, among others. We did not receive any comments from federally recognized Indian tribes, tribal consortia or tribal organizations.

The public comments conveyed support for many of the general CCWIS concepts, particularly increased flexibility in the design and configuration of systems to support different child welfare practices, the emphasis on data and data quality instead of specific functions, and support for modular, standardized designs. The most prevalent comments we received were requests for more specific guidance on what data elements must be maintained in CCWIS and exchanged with other agencies; additional details regarding the data quality standards and the scope, burden, and cost of data quality reviews; and requests for increased flexibility for required data exchanges. We address all substantive comments in the section IV, Section-by-Section Discussion of Comments and Regulatory Provisions.

III. Overview of Final Rule

We did not significantly change the rule from the proposal in most areas. Although many of the thoughtful comments led us to reconsider aspects of the proposed CCWIS rule, we found compelling reasons to retain key elements of the proposed CCWIS rule. An overview of this final CCWIS rule, the changes made in response to comments and implementation timeframes follows. A more detailed discussion of the public comments and resulting changes is in section IV of the preamble.

A. Overview of the Rule and Changes Made in Response to Comments

This rule sets forth the requirements for an optional CCWIS. The major provisions of this rule include: (1) Providing title IV–E agencies with flexibility to determine the size, scope, and functionality of their information system; (2) allowing the agency to build a 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. This rule also includes other provisions that provide title IV–E agencies with flexibility. Compliance with the provisions in this rule are 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.

First, this rule provides 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. 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. As discussed in section IV, these provisions of the rule remain unchanged from the NPRM.

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 rule requires CCWIS to maintain (store and manage) the required data, it allows CCWIS to obtain required data that is captured in external information systems. The rule also requires that CCWIS be the source of data for federally required and other agency reports. The most prevalent comments we received regarding these provisions were requests for more specific guidance on what data elements must be maintained in CCWIS and exchanged with other agencies. However, as discussed in section VI, these provisions of the rule remain unchanged from the NPRM.

Third, this rule requires 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 agency (CWCA) 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. This rule 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. As a result of comments we received, we clarified the regulatory language in § 1355.52(d)(1)(i) of this rule that if two or more data quality standards apply to the same data (such as a federal standard and a state or tribal standard), ACF will expect the system to measure the more rigorous standard. In addition, to further clarify what data the title IV–E agency requests from CWCAs, in § 1355.52(d)(2)(iii), we specify in the regulatory language that the title IV–E agency request ''current and historical CCWIS data'' rather than ''current and historical data.'' A number of commenters expressed concern about the burden associated with annual data quality reviews. Although we do not agree that requiring annual data quality reviews imposes any substantial burden, we changed § 1355.52(d)(3) to instead require biennial title IV–E agency data quality reviews to provide title IV–E agencies with flexibility to maintain their current processes for such reviews, to the extent possible. We discuss these changes in detail in section IV.

Fourth, this rule requires a CCWIS to include new bi-directional data exchanges and use of electronic data exchange standards that strengthen program integrity. This rule also requires title IV–E agencies to use an electronic data exchange standard to improve efficiency, reduce duplicate data collection, and promote a common understanding of data elements. The most frequent comments we received requested increased flexibility for required data exchanges. As a result of comments we received, we changed the regulatory language in § 1355.52(e)(1) permitting only a single data exchange with each of the systems specified, to instead allow multiple data exchanges. In addition, to provide increased flexibility, we removed the requirement in § 1355.52(f)(2), which proposed 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). Finally, to correct an inconsistency between two paragraphs we made clarifying changes to § 1355.57(a)(2)(ii) and (b)(2)(ii). We discuss these changes in detail in section IV.

Fifth, the rule prioritizes more efficient and less expensive development of reliable systems that follow industry design standards. This rule 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. As discussed in section IV, these provisions of the rule remain unchanged from the NPRM.

This rule also includes other provisions that provide title IV–E agencies with flexibility, such as a waiver process for title IV–E agencies to propose new approaches to designing IT systems and a transition period of 24 months. As discussed in section IV, these provisions of the rule remains unchanged from the NPRM.

Finally, compliance with provisions in this rule are determined through ACF review and approval of a state's or tribe's APD or a Notice of Intent, where applicable, and through the use of federal monitoring. As a result of comments we received, § 1355.58(a) further clarifies our intent that for development of a CCWIS only, ACF may suspend title 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. Some commenters were also concerned that the Notice of Intent required for projects under the $5 million threshold was excessively burdensome. To clarify that we don't intend the Notice of Intent as requiring extensive planning, we revised § 1355.52(i)(1)(i) to clarify that an agency only needs to provide a narrative outlining the agency's approach instead of a detailed project plan including tasks, schedules, and resources. We discuss these changes in detail in section IV.

This rule will 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.

B. Implementation Timeframe

This rule provides a transition period of 24 months from the effective date of the rule, which ends on August 1, 2018. During the transition period, the title IV–E agency with a S/TACWIS or non-S/TACWIS project must indicate whether it will: (1) Transition the S/TACWIS or non-S/TACWIS to a CCWIS; (2) become a non-CCWIS; or (3) build a new CCWIS. The title IV–E agency does not need to finish the transition within the 24 months to be a CCWIS. A new CCWIS may be built at any time. The requirements that title IV–E agencies must comply with during the transition period are set forth in § 1355.56. As discussed in section IV, the transition period set forth in the rule remains unchanged from the NPRM.

IV. Section-by-Section Discussion of Comments and Regulatory Provisions

We did not significantly change the CCWIS final rule from the NPRM. Although many of the thoughtful comments led us to reconsider aspects of our proposal and make several technical revisions, we found compelling reasons to retain our proposal's provisions of the CCWIS proposed rule. Public comments and our responses are discussed below, with general comments first followed by comments organized by the section of the rule that they address.

General Comments

Comment: One commenter asked that we specify the scope of flexibility provided title IV–E agencies to tailor CCWIS to meet their administrative, programmatic, and technical environments.

Response: We would like to clarify that we cannot specify the scope of flexibility as each title IV–E agency's decisions and requirements determine the flexibility provided to a specific project. We provide more detail in our responses in the following sections concerning the flexibility provided by this rule. We note that we will review and respond to agency plans submitted with the documentation required per § 1355.52(i)(1) on a case-by-case basis.

Comment: One commenter noted that it may be difficult in states where different counties have different capabilities to implement a CCWIS all at once. The commenter recommended the rule permit states to build CCWIS in stages.

Response: We would like to clarify that the APD rules permit title IV–E agencies to build CCWIS in stages.

Comment: One commenter noted that they were unable to identify a reduction in system development effort between SACWIS and CCWIS.

Response: We would like to clarify that S/TACWIS required title IV–E agencies to build a system with automated functions to support all child welfare business practices. This rule permits title IV–E agencies to use automated functions in other existing systems to provide CCWIS data rather than building automated functions to collect the data.

Purpose. (§ 1355.50)

We specify in § 1355.50 that the purpose of §§ 1355.50 through 1355.59 is to set forth the requirements for receiving 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 CCWIS.

Comment: One commenter requested that we require all title IV–E agencies to implement a CCWIS.

Response: We did not make changes to this provision in response to this comment because the enabling statute at section 474(a)(3)(C) and (D) and 474(c) of the Act does not provide authority to require title IV–E agencies to implement a data collection and information retrieval system.

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

We specify in § 1355.51 definitions applicable to §§ 1355.50 through 1355.59.

Case Management

Comment: A number of commenters requested we define the term ''case management'' because CCWIS requires case management data and information on case management activities. One commenter recommended we limit the definition to the development and oversight of case plans for children and families. Another commenter noted that that state's law mandated that only state or county employees could provide case management services.

Response: We did not make any changes to address these comments. ACF has not defined the term ''case management'' because states and tribes define ''case management'' differently due to varying laws, policies, and practices. The rule continues this flexibility.

Although title IV–E agencies have their own definitions and describe case management activities in a cost allocation plan (CAP) or cost allocation methodology (CAM), in the NPRM we identified activities considered ''case management'' to include information such as child and family histories, assessments, contact notes, calendars, services recommended and delivered, eligibility for programs and services, and client outcomes. In addition, commenters may look to other examples of case management activities provided in ACF guidance, including:

- The S/TACWIS rule published in 1993 described case management to include: Determining eligibility and supporting the caseworker's determination of whether continued service is warranted, the authorization and issuance of appropriate payments, the preparation of service plans, determining whether the agency can

provide services, authorizing services and managing the delivery of services. (80 FR 26832)

- Section 106 of CAPTA provides examples of ''case management'' including ''ongoing case monitoring, and the delivery of services and treatment provided to children and their families.''
- The title IV–E quarterly financial reporting form (the CB–496), provides examples of case management activities including referral to services, preparation for and participation in judicial proceedings and placement of the child, and accessing the Federal Parent Locator Service to search for relatives.

Child Welfare Contributing Agency

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

Comment: A few commenters requested changes in the definition of child welfare contributing agency (CWCA). Some suggested narrower definitions, such as a definition to exclude foster family agencies that provide for the daily care and supervision of foster children as well as provide supportive services because some of these foster family agencies may not have the capacity to collect child welfare service data and this may result in greater costs to agencies.

Response: We did not make any changes to the definition of CWCA to exclude foster family agencies from the definition to the extent they provide child abuse and neglect investigations, placements, and child welfare case management. This is because the data related to these activities conducted by a foster family agency is CCWIS data (as required by § 1355.52(b)) needed for the efficient, economical, and effective administration of the title IV–B and title IV–E programs.

We understand that, in addition to child welfare services, some CWCAs may provide other supportive services such as substance abuse treatment and parent training. Title IV–E agencies are not required to maintain in a CCWIS supportive service data from CWCAs. We also note that title IV–E agencies may support CWCA data collection capacity with CCWIS rather than requiring CWCAs to develop a separate system at additional cost.

Comment: Some commenters want an expanded definition of CWCA to include agencies providing services other than child abuse and neglect investigations, placements, or child welfare case management. One commenter suggested we expand the definition of CWCA to include agencies providing services such as substance abuse treatment and parenting classes. Other commenters suggested the definition accommodate adding, at the title IV–E agency's discretion, other programs and systems.

Response: We did not expand the definition in response to these comments. While many title IV–E agencies work with agencies providing other services such as substance abuse treatment and parenting classes, expanding the definition to include agencies providing services other than child abuse and neglect investigations, placements, or child welfare case management would increase the burden on title IV–E agencies by requiring them to collect this data electronically from an expanded array of service providers. However, title IV–E agencies may, at their discretion, collect other data electronically from CWCAs or other entities and include it in CCWIS per our rule authorizing title IV–E agencies to implement optional data exchanges (§ 1355.54).

Comment: One commenter requested that the rule clarify how the definition of child welfare contributing agency applies to county administered states in which county public entities (County Children and Youth Agencies) provide child abuse and neglect investigations, placements, or child welfare case management services or may contract with private agencies for these services.

Response: We would like to clarify that counties are political subdivisions of the state and that the single state title IV–E agency designated in the state's title IV–B and IV–E plan supervises the administration of county administered IV–B and IV–E programs. Therefore, counties in county administered states are not considered CWCAs. Section 471(a)(2) of the Act and 45 CFR 205.100 provides the authority and parameters by which a single state title IV–E agency may delegate the administration of the title IV–E program to the state's political subdivisions and local agencies or offices. We recognize that political subdivisions and organizational structures within states and tribes vary, and we will provide further technical assistance on a case-by-case basis.

We received no comments on other definitions in § 1355.51and do not make any changes to the definitions in the final rule.

CCWIS Project Requirements (§ 1355.52)

In paragraph (a), we specify that the system must support the efficient, economical, and effective administration of the title IV–B and IV–E plans.

Comment: Several commenters recommended supplementing this requirement with language indicating that CCWIS should support outcomes for families and children, improved practice, and meeting agency needs.

Response: We did not make a change to this paragraph because this requirement reiterates statutory language. However, we agree with the commenter that CCWIS should support outcomes for families and children, improved practice and meeting agency needs, and thus the rule supports this requirement. For example, see the requirements under § 1355.52(b), (c) and (e) which require that data, reporting, and data exchanges support these goals by collecting, reporting, and exchanging data to support child safety, permanency, and well-being.

Comment: One commenter noted we used the terms ''efficient,'' ''reasonable'' and ''appropriate'' in the NPRM and asked how we will measure these qualities.

Response: We would like to clarify that we determine ''efficient,'' ''reasonable'' and ''appropriate'' as described in each title IV–E agency's APD.

In paragraph (a)(1), we specify that the system must improve program management and administration by maintaining all program data required by federal, state, or tribal law or policy.

Comment: We received one comment requesting clarification on the phrase ''maintaining all program data required by federal, state or tribal law or policy.''

Response: We consolidated this clarification with related questions about CCWIS data. Please see our responses in paragraph (b).

In paragraph (a)(2), we proposed that the system must appropriately apply computer technology.

Comment: One commenter recommended revising our proposed language in the NPRM to remove the term ''computer'' from this paragraph and elsewhere in the rule, as the term does not accurately reflect the technologies available or anticipated for the future.

Response: We agree that the preferable terminology to the term ''computer'' is ''information'' and have made the change in this paragraph. This is the only revision we find necessary as the term does not appear elsewhere in §§ 1355.50 through 1355.59. It appears

once in 45 CFR 95.625, however, we are not changing the term here to preserve consistency with the other references to ''computer'' in Part 95.

In paragraph (a)(3), we specify that the project must not require duplicative application system development or software maintenance.

We received no comments on this paragraph and are not making changes in the rule.

In paragraph (a)(4), we specify that project costs must be reasonable, appropriate, and beneficial.

We received no comments on this paragraph and are not making changes in the rule.

In paragraph (b), we specify the data the title IV–E agency's CCWIS must maintain.

Comment: Several commenters recommended modifying the requirement to permit the use of a centralized data warehouse (in addition to a CCWIS production database) that is part of the overall CCWIS design.

Response: We would like to clarify that the title IV–E agency may maintain CCWIS data in a CCWIS production database (which is a database processing CCWIS transactions) and a data warehouse (which is a database used for reporting and data analysis) provided all CCWIS automated functions seamlessly access data from both the database and data warehouse. For example, when generating a report or completing a task that requires data from both the database and data warehouse, CCWIS must be able to immediately access needed data.

Comment: Some commenters noted it was burdensome to store all CCWIS data in the CCWIS and recommended allowing CCWIS data to be stored in other systems, such as CWCA systems.

Response: Storing data within CCWIS ensures the title IV–E agency controls and safeguards the data. We are not making a change in response to this comment because CCWIS data that only resides in CWCA systems could be lost under a variety of circumstances, such as if the CWCA goes out of business, or the contract with the title IV–E agency ends abruptly. Data maintained in other systems could also be lost if the system is upgraded or replaced. Also, storing data in the CCWIS instead of in other systems facilitates continuity of care because CCWIS can share the CCWIS data collected by one CWCA with others as children and families move between jurisdictions and providers. This requirement is less burdensome than the S/TACWIS rules, which required all CWCAs to use the S/TACWIS, because it provides title IV–E agencies the option to allow CWCAs to use systems other than CCWIS.

Comment: Commenters expressed concerns about the increased data collection burden due to the amount of data the title IV–E agency's CCWIS must maintain. For example, some commenters cited the challenges in collecting required consistent and uniform data from CWCAs.

Response: We are not making a change in response to this comment. The requirement for a CCWIS to maintain the specific data described in the paragraph is unchanged from the data captured by the S/TACWIS required functions. We believe burden is reduced because, unlike S/TACWIS, CCWIS is not required to directly capture all CCWIS data. Title IV–E agencies may either include the data capturing functions in CCWIS or permit other systems to capture the data and provide it to CCWIS via data exchanges per § 1355.52(e). We will provide technical guidance to assist agencies with implementing the new flexibility to capture required consistent and uniform data from CWCAs.

We would like to clarify that the paragraphs (b)(1)(i) through (iv) and paragraphs (b)(2) through (4) define categories of data that may overlap, and are not mutually exclusive lists of data. For example, some of the federally required Adoption and Foster Care Analysis and Reporting System (AFCARS) and National Youth in Transition Database (NYTD) data (such as client demographic data) may be required by states and tribes to meet agency-specific needs. This reuse of data across multiple requirements reduces burden.

Comment: A number of commenters requested clarification on how a CCWIS is required to ''maintain'' data.

Response: In the NPRM preamble, we explained that maintaining CCWIS data (which is data needed for federal or agency purposes, as defined in this paragraph) includes storing and sharing data while monitoring data quality. Storing data within CCWIS ensures the title IV–E agency controls and safeguards the data. CCWIS storage may include a data warehouse. CCWIS must share the stored data, if permissible, with other systems as needed. Sharing CCWIS data helps other programs and providers coordinate services to children and families. CCWIS must monitor the quality of stored data as described in paragraph (d)(2). High quality data supports the delivery of effective, economical, and effective services, which support improved outcomes for clients.

In paragraph (b)(1) we specify that the CCWIS maintain all federal data required to support the efficient, effective, and economical administration of the programs under titles IV–B and IV–E of the Act. In paragraphs (b)(1)(i) through (iv), we specify that CCWIS must maintain data required for: Ongoing federal child welfare reports, title IV–E eligibility determinations, authorizations of services and other expenditures that may be claimed for reimbursement under titles IV–B and IV–E; supporting federal child welfare laws, regulations, and policies; supporting federal audits, reviews, and other monitoring activities.

Comment: A few commenters were concerned that CCWIS data and the rules associated with the data may not be consistent with federal reporting requirements.

Response: We would like to clarify that CCWIS data needed for federal reporting must comply with, and thereby be consistent with, federal reporting requirements.

Comment: Many commenters requested we specify the federal data that CCWIS must maintain in paragraphs (b)(1)(i) through (iv). Some commenters suggested we work with agencies to establish a set of required data and provide agencies with the flexibility to determine what additional data to collect.

Response: We are not making any changes in response to these comments because the federal data that title IV–E agencies must maintain in CCWIS is already defined in federal child welfare laws, regulations, and policies. The data requirements list categories of data rather than specifying a comprehensive set of federal data because we determined that such specificity would require CCWIS regulatory amendments each time there is a change in federal law and policy. This paragraph already provides title IV–E agencies with the flexibility to design CCWIS to meet specific state and tribal needs by collecting data, in addition to the required federal data, the agency requires to fulfill its mission and efficiently, economically, and effectively administer its child welfare programs.

Although we are not making any changes in response to these comments, we would like to clarify the types of data included in paragraphs (b)(1)(i) through (iv).

In paragraph (b)(1)(i), we specify that CCWIS maintain data required for ongoing federal child welfare reports. However, the federal report data CCWIS must maintain varies depending on the requirements for the federal report as

shown in the following three examples: (1) All AFCARS data must be maintained in CCWIS per section 474(a)(3)(C)(i) of the Act; (2) NYTD outcomes information may be maintained in external systems as described in Program Instruction ACYF–CB–PI–10–04, although CCWIS must maintain NYTD case management data; (3) Financial information for the CB–496, such as training costs, demonstration project costs, and administrative costs, may be maintained in a separate financial system that exchanges data with CCWIS per paragraph (e)(1)(i). Other data, such as the average monthly number of children receiving title IV–E Foster Care maintenance assistance payments, may be derived from CCWIS case management and placement records.

In paragraph (b)(1)(ii), we specify that CCWIS maintain data for title IV–E eligibility determinations, authorizations of services, and expenditures under title IV–B and IV–E. We would like to clarify that data necessary for title IV–E eligibility determinations includes data such as the factors used to demonstrate the child would qualify for AFDC under the 1996 plan, 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 such as documentation of 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 payment amount allocated. As noted in our response to paragraph (b)(1)(i), financial information may be maintained in a financial system exchanging data with CCWIS.

In paragraph (b)(1)(iii), which requires CCWIS to maintain data documenting interactions with and on behalf of clients that the title IV–E agency determines is needed to support federal child welfare laws, regulations, and policies, we would like to clarify that this includes data such as case management information, recommended services, placement data, and licensing information on foster care providers. We are not requiring CCWIS to maintain policy documents, program assessments, and program-wide reports such as title IV–E plans. However, we encourage title IV–E agencies to supplement such reports with CCWIS data as needed. For example, agencies may incorporate demographic profiles of the child welfare population into the Child and Family Service Plan or use data on delivered services in the Annual Progress and Services Report.

In paragraph (b)(1)(iv), which specifies case management data, we would like to clarify that this includes data such as case management data collected in the course of case work with clients (such as abuse and neglect reports, case plans, and placement histories) that may be needed for a Child and Family Services Review (CFSR). However, CCWIS is not required to maintain the supplemental information reviewers use such as client surveys, focus group results, pilot data manually collected, and interview narratives.

Finally, we would like to clarify that a federal review may lead to requirements to collect new data elements. For example, if a CFSR review finds that the title IV–E agency must collect certain child welfare data to effectively monitor cases, this would become required data for that agency's CCWIS.

We will use the federal laws, regulations, and polices effective at the time of a CCWIS review to determine compliance with paragraph (b) and paragraphs (b)(1)(i) through (iv). We will provide technical assistance as federal data requirements change.

In paragraph (b)(2), we specify that the CCWIS maintain the data to support state or tribal laws, regulations, policies, practices, reporting requirements, audits, program evaluations, and reviews.

Comment: Commenters expressed concern with the burden associated with the requirements for the CCWIS to maintain specific state and tribal data identified in the paragraph.

Response: We do not agree that the burden will necessarily increase under this rule. Although this rule permits title IV–E agencies to maintain additional data in the CCWIS that the state or tribe feels is needed to administer its child welfare programs, the requirements under this rule do not exceed the burden currently required in a S/TACWIS. We encourage title IV–E agencies to reduce the data burden by verifying that all data maintained in the CCWIS is required to support a clearly defined federal, state, or tribal purpose.

Comment: Several comments asked how we would determine compliance with this requirement.

Response: We will determine compliance with this requirement by reviewing state and tribal laws, regulations, policies, and practices in consultation with title IV–E agency representatives. For example, to determine if CCWIS maintains the data necessary to support state or tribal practices, we will consider the information needs of CWCAs and other title IV–E systems external to CCWIS, as described in paragraph (e)(1)(iv). If we document a pattern of CWCAs re-entering information clients provided to other CWCAs, that may suggest that the data should be in CCWIS and shared with CWCAs to prevent the duplicate entry of needed data. In such circumstances, we will work with the title IV–E agency to determine if the data should be classified as CCWIS data and exchanged with the IV–E agency's CCWIS.

Comment: Some commenters recommended specific data that we should require title IV–E agencies to maintain in the CCWIS, including data concerning treatment for substance abuse, mental health, other forms of treatment, and treatment outcomes.

Response: We are not making changes as a result of these comments. We would like to clarify that title IV–E agencies may maintain treatment data in its CCWIS as long as it supports a state or tribal agency need. However, we are not requiring all title IV–E agencies to maintain this data to preserve agency flexibility to implement a CCWIS tailored to their needs.

Comment: Some commenters requested that the CCWIS rule state that we support the continuous improvement and evolution of child welfare practice with flexible child welfare systems.

Response: We agree that this paragraph's requirement that CCWIS support state and tribal laws, regulations, polices, and practices promotes the continuous improvement and evolution of child welfare practice.

In paragraph (b)(3), we specify that, for states, the CCWIS maintain 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.

Comment: One commenter recommended that states use electronic data exchanges with tribes to improve Indian Child Welfare Act (ICWA) compliance.

Response: ACF is committed to offering technical assistance to states regarding the implementation of ICWA. We agree that electronic data exchanges between states and tribes are beneficial. However, we are not making a change to this paragraph because we want to maintain flexibility to permit states and tribes to determine the data sharing approach appropriate for different circumstances. However, we note that optional electronic data exchanges between CCWIS and tribal systems are permitted per § 1355.54.

Comment: One commenter recommended we define specific data elements to address ICWA protections for children served by tribal child welfare systems and strengthen data related to ICWA eligibility.

Response: On April 7, 2016, ACF published a supplemental notice of proposed rulemaking (SNPRM) focused on the collection and reporting of additional ICWA-related data elements in AFCARS (81 FR 20283). Based on this separate rulemaking process that has yet to be finalized, we are not making changes to this paragraph. However, it is important to emphasize that CCWIS must maintain 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 and AFCARS regulations. As AFCARS regulations are updated to include ICWA-related data elements or other changes, the CCWIS regulations require title IV–E agencies to update their data collection systems to meet new standards, per section 474(a)(3)(C)(i) of the Act.

In paragraph (b)(4), we specify that the CCWIS maintain, for each state, data for the National Child Abuse and Neglect Data System (NCANDS).

We received no comments on this paragraph and made no changes in the rule.

In paragraph (c), we specify requirements for using the CCWIS data in paragraph (b) for required reports.

Comment: Several commenters asked if the reporting requirements limited CCWIS to a single production database. They recommended that we modify the requirement to permit the use of a data warehouse to support data analysis and reporting functions.

Response: We did not change this requirement because this rule does not prohibit maintaining CCWIS data in a data warehouse.

In paragraph (c)(1), we specify that the system generate, or contribute to, title IV–B and IV–E federal reports according to applicable formatting and submission requirements using data maintained in the CCWIS.

Comment: One commenter requested we incorporate key elements from AFCARS into this rule because it would help match up AFCARS requirements with CCWIS requirements.

Response: We did not make a change in response to this comment because paragraph (c) already requires CCWIS to support federal reports that support programs and services described in title IV–B and title IV–E of the Act, including AFCARS. This approach allows for AFCARS rules to change, without also requiring the CCWIS rules to change. On February 9, 2015, ACF published a Notice of Proposed Rulemaking to amend the Adoption and Foster Care Analysis and Reporting System (AFCARS) regulations to modify the requirements for title IV–E agencies to collect and report data to ACF on children in out-of-home care and who were adopted or in a legal guardianship with a title IV–E subsidized adoption or guardianship agreement. On April 7, 2016, ACF published a Supplemental Notice of Proposed Rulemaking that proposed to require that state title IV–E agencies collect and report additional data elements related to the Indian Child Welfare Act of 1978 (ICWA) in the AFCARS.

In paragraph (c)(2), we specify 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 using data maintained in CCWIS.

Comment: Some commenters interpreted this paragraph as requiring CCWIS to produce reports that are not needed for child welfare case management, such as title IV–B reports and title IV–E quarterly financial reporting and expenditures. Commenters expressed concern that the reporting requirements were too expansive.

Response: We did not change the reporting requirements to address this comment. We would like to clarify that while we require CCWIS to provide CCWIS data as needed for reports specified in paragraphs (c)(1) and (2), CCWIS is not required to produce every agency report. If CCWIS maintains a subset of a required report's data, CCWIS is not required to generate the complete report, but must provide the data maintained in the CCWIS for incorporation into the report. Agencies may decide how to provide the data. For example:

- CCWIS may transmit available NYTD data to a system that collects NYTD survey data and generates the federal report.
- CCWIS may support financial audits by providing data on authorized placements and services to a data warehouse where it is merged with data on related expenditures to create audit trails.
- CCWIS may provide a hardcopy summary of demographic and placement statistics that staff add to a narrative report demonstrating progress on CFSR goals.
- Data analysts may use a spreadsheet of CCWIS data to develop reports on trends in child welfare.

If CCWIS maintains all the data required for a report, the report must be generated entirely from that data. For example, even if CWCAs collect AFCARS data, the AFCARS report must be generated from the data provided by CWCAs and maintained in CCWIS.

In paragraph (d), we describe the data quality requirements for CCWIS.

In paragraph (d)(1) we specify the CCWIS data quality and confidentiality requirements applicable to CCWIS data described in § 1355.52(b).

Comment: We received a general comment requesting that we specify the data quality standards so that title IV–E agencies can estimate the effort to meet the data quality standards.

Response: We did not make any changes as a result of this comment. We discuss data quality standards in our responses below. However, we agree that title IV–E agencies should evaluate the effort needed to develop a fully complaint CCWIS. To provide sufficient time for this evaluation, we allow a 2-year transition period as described in § 1355.56. We also intend to provide technical assistance and guidance regarding data quality to assist title IV–E agencies.

Comment: A few commenters asked that we clarify the expectations for managing the quality of data received via a bi-directional data exchange.

Response: We did not make any changes as a result of this comment. Title IV–E agencies may take into account data sources when establishing data quality standards and how data should be verified and used. Different standards may be appropriate for different sources. For example, title IV–E agencies can establish data quality standards applicable to CWCAs in contracts or agreements and require CWCAs to conform to the standard. IV–E agencies should follow their state or tribal governance procedures for defining expectations for data quality standards between CCWIS and other agencies such as title IV–D, title IV–A, education, and the courts. While we encourage programs to collaborate to improve data quality, we do not have the authority to require other programs to comply with title IV–E agency data quality standards and defer to the state or tribe's governance structures to address issues with the quality of data received via a bi-directional data exchange. We intend to offer technical assistance related to bi-directional data exchanges to assist program interoperability.

Comment: One commenter recommended that the rule specify data security requirements. A few commenters asked if CCWIS, like S/TACWIS, established archiving and purging requirements.

Response: We did not make any changes to paragraph (d) because the data security, archiving, and purging requirements are addressed in the APD rule at 45 CFR 95.621(f) and the program rule at 45 CFR 92.42. The rule at § 1355.30 applies the requirements at 45 CFR 92.42 amd 95.621(f) to programs funded under titles IV–B and IV–E of the Act.

In paragraph (d)(1)(i), we proposed that CCWIS data meet the applicable federal, and state or tribal standards for completeness, timeliness and accuracy.

Comment: A number of commenters requested that ACF define the data quality standards for CCWIS data elements. Some recommended that ACF partner with title IV–E agencies and other stakeholders to define the standards.

Response: We did not make changes to the rule as a result of these comments. We would like to clarify that the federal data quality standards are defined in federal laws, regulations, and policies including, but not limited to, the AFCARS rule at § 1355.40 and the NYTD rule at § 1356.80. These national standards apply to all title IV–E agencies. We will not define the data quality standards for state or tribal data as those standards are determined by each state's or tribe's laws, regulations, policies, and practices. Imposing national data quality standards for state and tribal data would prevent a title IV–E agency from implementing a CCWIS tailored to its needs.

Comment: A number of commenters requested additional information on how ACF will evaluate and measure data quality. One commenter noted that without this information it would be difficult to define expectations for the program staff.

Response: We made a change to the rule to address this comment by inserting the phrase ''the most rigorous of'' after ''meet'' so the paragraph reads that the CCWIS data described in paragraph (b) of this section must: ''Meet the most rigorous of the applicable federal, and state or tribal standards for completeness, timeliness, and accuracy.''

This means if two or more standards apply to the same data (such as a federal standard and a state or tribal standard), ACF will expect the system to measure the more rigorous standard. For example, if one timeliness standard required updating certain CCWIS data in seven days and a second standard sets a two-day limit, ACF will expect that the system apply the two-day standard when evaluating the quality of the required data. Designing the CCWIS to measure or support a more rigorous standard will allow the IV–E agency to build systems to support their need without affecting federal reviews that focus on a less rigorous standard.

Concerning the standards we will apply, we would like to clarify that we will use the more rigorous standards upon which the system was designed. We will provide technical assistance as needed to clarify these data quality standards.

Title IV–E agencies must submit their proposed data quality standards in the data quality plan required in paragraph (d)(5). ACF will approve the standards or note needed changes.

Comment: A commenter asked if we were continuing the SACWIS requirements concerning auditability and data freezing.

Response: We would like to clarify that freezing data to preserve data at a specific point in time for later audits (such as freezing child abuse and neglect reports that may be subject to internal or judicial review) is an example of maintaining complete and accurate data that is covered by this requirement.

Comment: One commenter asked for clarification on how data quality standards would apply in circumstances where data is missing or unknown, such as when a reporter of a child abuse or neglect incident does not know certain information.

Response: We would like to clarify that the title IV–E agency may specify conditions where data is not required or to indicate data is unknown in the data quality standard.

In paragraph (d)(1)(ii), we specify that data be consistently and uniformly collected by CCWIS and, if applicable, child welfare contributing agency systems.

In paragraph (d)(1)(iii), we specify 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.

In paragraph (d)(1)(iv), we specify that the CCWIS data described in revised § 1355.52(b) must support child welfare policies, goals, and practices.

We did not make any changes to paragraphs (d)(1)(ii) through (iv) in the rule. We received no comments other than comments requesting we specify the data supporting child welfare policies and practice, which we responded to in our responses to paragraph (b).

In paragraph (d)(1)(v), we specify that the CCWIS data described in revised § 1355.52(b) must not be created by default or inappropriately assigned.

Comment: One commenter requested we modify this requirement to permit default data that is accurate in all cases. The commenter gave examples of pre-filling: (1) The state name with the state in which the case worker resides; (2) pre-populating a worker's supervisor's name; and (3) pre-filling other fields based on previously entered data.

Response: We are not making a change based on this comment because all examples demonstrate the automatic calculation of data based on information previously known to the system, which is allowable, rather than an automatic creation of the same default data in all circumstances, which is prohibited.

In paragraph (d)(2), we specify that the title IV–E agency implement and maintain automated functions in CCWIS to maintain data quality.

Comment: One commenter noted that the required automation support for data quality contradicted the rule's goals of requiring outcomes but not requiring functionality.

Response: We would like to clarify that while the rule emphasizes outcomes, paragraph (d) and the following sub-paragraphs require certain automated functionality, including automated functions to support data quality. Supporting data quality is critical to improved outcomes for children and families.

Comment: A few commenters noted that the rule should not mandate specific automated functions but permit title IV–E agencies to implement automated functions that most efficiently and effectively meet data quality goals.

Response: We are not making changes in response to this comment because the requirements in paragraphs (d)(2)(i) through (v) do not mandate specific automated functions but provide flexibility by allowing agencies to determine the most efficient and effective methods to support data quality.

In paragraph (d)(2)(i), we specify that CCWIS regularly monitor CCWIS data quality through automated functions.

Comment: Several commenters requested we specify the metrics and standards we will use when auditing title IV–E agency compliance with this requirement and if those metrics and standards go beyond what is included in the agency's state plan. Commenters recommended audits focus on the most critical data elements.

Response: We would like to clarify that we will use the title IV–E agency's data quality plan as the basis for the metrics and standards when determining agency compliance with the data quality requirements, including this requirement. We encourage agencies to propose efficient, economical, effective strategies in their plans, such as targeting critical data elements for greater data quality efforts.

ACF will assess the effectiveness of the agency's data quality plan in a variety of ways including review of the data quality status reports described in paragraph (d)(5)(ii) and on-site reviews described in § 1355.55.

Comment: One commenter asked us to clarify the anticipated impact of the requirement to actively monitor data.

Response: We anticipate that active automated data quality monitoring will increase the efficiency of the data quality reviews and reduce the need for manual monitoring by staff. Information technology efficiently supports data quality by performing routine tasks quicker and more consistently than staff. CCWIS can proactively review all data and flag potential data quality problems requiring further investigation. This increases worker effectiveness by enabling workers to focus on solving data quality problems rather than sifting through data to identify errors.

The improved data quality will support more accurate reporting and help agencies better assess and serve children and families.

In paragraph (d)(2)(ii), we specify that the CCWIS supports data quality with automated functions to alert staff to collect, update, correct, and enter CCWIS data.

Comment: Several commenters recommended we delete the specific requirements for title IV–E agencies to develop ''alerts, reports, and other appropriate tools'' and replace it with language that supports state discretion and flexibility.

Response: We did not make any changes as a result of these comments because paragraph (d)(2)(ii) requires only that the agency use automated functions to alert staff for certain actions.

The NPRM preamble language commenters quoted serves merely as examples of how agencies may choose to implement the requirement. Title IV–E agencies may use other methods to alert staff.

In paragraph (d)(2)(iii), we require that the IV–E agency's CCWIS includes automated functions to send electronic requests to child welfare contributing agency systems to submit current and historical CCWIS data to the CCWIS.

Comment: Commenters requested we specify the data the title IV–E agency requests from CWCAs. Some commenters suggested this data focus on NCANDS, AFCARS, and NYTD data related to safety, permanency, and well-being.

Response: We made a change to the rule to address this comment and specify that the title IV–E agency request ''current and historical CCWIS data'' rather than ''current and historical data.'' We define CCWIS data in paragraph (b).

Comment: One commenter noted that some CWCA systems may not have the capacity to receive an automated notification of missing data.

Response: We recognize that some CWCA systems may not have the capacity to receive automated notifications from CCWIS as required by this paragraph. As such, we would like to clarify that the title IV–E agency may require CWCAs to use CCWIS if a CWCA system does not have the capacity to receive automated notifications from CCWIS as required by this paragraph.

In paragraph (d)(2)(iv), we specify 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.

Comment: One commenter requested a definition of duplicate data entry.

Response: We would like to clarify that duplicate data entry is the manual reentry of data already captured by either the CCWIS or another system required to provide the data to CCWIS. We note that this is the same definition used during S/TACWIS reviews.

In paragraph (d)(2)(v), we specify that CCWIS must generate reports of continuing or unresolved CCWIS data quality problems.

Comment: One commenter recommended removing this paragraph and replacing it with language supporting agency discretion and flexibility to support data quality.

Response: We are not making any changes to this requirement in response to the comment because automated CCWIS reports are an efficient method to monitor and improve data quality. We also note that this requirement already provides sufficient latitude for title IV–E agencies to decide how best to identify continuing or unresolved CCWIS data quality problems. As an example, the agency may determine report formats, frequency, distribution or other specifications that support reporting mechanisms tailored to their needs.

In paragraph (d)(3), we proposed annual title IV–E agency data quality reviews and what the reviews would entail.

Comment: In the context of the CCWIS data quality reviews, a commenter asked if there would be other reviews and if so, what would be the frequency of those reviews.

Response: This is the only required CCWIS data quality review.

Comment: A number of commenters asked if the data quality reviews are conducted by ACF, the title IV–E agency, or another party.

Response: We would like to clarify that the title IV–E agency conducts the data quality review.

Comment: A number of commenters asked for clarification on what activities and processes are required to be part of the data quality review.

Response: We would like to clarify that the title IV–E agency defines the review scope, activities, and processes in the data quality plan submitted to ACF for approval per paragraph (d)(5).

The activities and processes for the data quality review established by the title IV–E agency and approved by ACF must meet the requirements of paragraph (d)(3). The data quality review may include activities such as reviewing a sample of case records, interviews with select state and child welfare contributing agency staff, an evaluation of automated edit checks, and a review of data quality reports. Some data quality activities, such as automated processes, may be continuous while other activities may occur one time during the biennial review period.

Comment: Some commenters asked if ACF assumptions about child welfare practices, such as the scope of child welfare case management, determine the data quality and data quality review requirements.

Response: We would like to clarify that we avoid making general assumptions about child welfare practices because those practices vary among title IV–E agencies. We agree that child welfare practices determine the data requirements, which is why the rule requires that the title IV–E agency define CCWIS data and data quality standards and activities to support child welfare practices within the title IV–E agency's jurisdiction.

Comment: Many commenters asked how the data quality reviews are related to other federal child welfare reviews.

Response: We would like to clarify that the reviews complement and support one another. The CCWIS data

quality reviews examine the systems and processes that collect, process, and report the data and manage data quality. The system focused data quality reviews complement other federal child welfare program reviews that evaluate program practice and outcomes. For example, while a CFSR review may examine the effectiveness of family team meetings, a data quality review determines if a CCWIS maintains complete, timely, and accurate data about the family team meetings. Another example is that we encourage agencies to develop an efficient review process by incorporating their existing AFCARS and NYTD data quality activities into their CCWIS data quality plan.

Comment: One commenter recommended requiring data conversion and migration (DCM) activities to improve data quality.

Response: While we agree with the commenter that DCM activities improve data quality, we are not adding this specific requirement to this rule. A data quality review will identify factors contributing to poor data quality including, if applicable, DCM. However, as noted above, we are providing title IV–E agencies with the flexibility to select the review processes most suitable for their circumstances. We intend to provide technical assistance to title IV–E agencies on this topic, as needed.

Comment: A number of commenters asked for clarification on funding available for the data quality reviews, including staff time.

Response: We would like to clarify that the data quality review is an approved activity as defined at § 1355.51 and may qualify for CCWIS cost allocation per § 1355.57(c).

Comment: Some commenters requested we provide a higher FFP rate to support data quality review activities.

Response: We are not making a change to the rule because ACF does not have statutory authority to provide a higher FFP rate.

Comment: Some commenters were concerned that there may not be adequate federal resources to support title IV–E agency needs for technical support for the data quality reviews.

Response: We would like to clarify that title IV–E agencies submit their approach for data quality reviews with the data quality plan in an annual or operational APD per paragraph (d)(5). ACF will respond to APDs (and the associated data quality plan) within 60 days.

Comment: Several commenters were concerned with the burden associated with an annual data quality review. One commenter requested we conduct a cost/benefit analysis to evaluate the burden of the data quality review on the state agency. Some commenters, while agreeing the rule should include a data quality component, expressed concern that a prescriptive and extensive data quality review was burdensome. One commenter suggested reducing burden by classifying state and tribal data quality standards as optional. A number of commenters expressed concern that conducting data quality reviews as frequently as annually would be burdensome.

Response: We are making one change to the data quality reviews as a result of public comments and have revised the rule to require agencies to conduct biennial rather than annual reviews. In general, we believe that the requirements for data quality reviews in this rule are consistent with current title IV–E agency practices that reflect the importance of high quality data. All title IV–E agencies, recognizing that high quality data is essential for the administration of child welfare programs, have integrated data quality review processes into on-going system operations. Agencies also use data quality reviews to determine if systems are producing the expected data, identify weaknesses, and to guide the continuous quality improvement of their systems. We have observed that all title IV–E agencies with operational S/TACWIS projects (34 states) have data quality reviews that will likely meet the rule's data quality requirements. We note that title IV–E agencies without a S/TACWIS must minimally meet the required federal data quality standards for reports such as AFCARS and NYTD. In addition, we understand that agencies with non-S/TACWIS systems do institute processes to monitor non-federal data required by the agency. We have observed that even title IV–E agencies with limited resources have established procedures for extensive monitoring of data quality. Successful strategies of these agencies include using automated data quality reports and audits of sample cases to review all data and then targeting identified problematic data for improvement. We did not prescribe specific review activities, as we expect agencies to largely continue or improve upon their current data quality activities. We therefore determined that the burden to title IV–E agencies will be minimal.

However, because existing data quality review practices vary, we changed the proposed requirement in paragraph (d)(3) for annual data quality reviews to instead require biennial title IV–E agency data quality reviews to provide title IV–E agencies with flexibility to maintain their current processes for such reviews, to the extent possible. However, we encourage title IV–E agencies that currently conduct annual data quality reviews to continue this practice.

Comment: Some commenters are concerned that the data quality reviews and the correction of findings as required by paragraph (d)(4) will divert staff resources away from other program activities. One commenter suggested the costs will increase exponentially as agencies try to achieve increasingly higher data quality goals.

Response: We did not make any changes in response to these comments because we believe that complete, timely, and accurate data supports the goals of child safety, wellbeing, and permanency. High quality 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. Data quality reviews support the collection, management, and dissemination of high quality data. The requirement in paragraph (d)(4) to address review findings with corrective action establishes a 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 and enhance CCWIS's ability to support the efficient, economical, and effective administration of the child welfare program.

Title IV–E agencies with S/TACWIS projects have established data quality review processes and staff assigned to these tasks. We encourage title IV–E agencies to manage data quality staffing needs with automation supporting data quality per paragraph (d)(2).

We disagree that data quality review costs will increase exponentially. We would like to clarify that data quality reviews will require fewer resources in successive years. The rule provides title IV–E agencies with the flexibility to incrementally improve data quality over time. We expect many agencies to continue their practice of prioritizing data quality efforts by focusing first on correcting the most critical data elements and build on their progress so that with each review fewer problems remain.

We would also like to clarify that data quality enhancements are an established

and necessary system maintenance practice. Without regular data quality monitoring, systems decline in reliability and usefulness and may require replacement at costs significantly higher than ongoing maintenance activities.

We have also observed that as systems age they accumulate data that is no longer needed to support improved practices. By aligning data needs to current program practice, as required by this rule, agencies will identify and purge systems of irrelevant screens and fields thereby simplifying the system and increasing worker efficiency.

In paragraph (d)(3)(i), we specify that the 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 (2).

In paragraph (d)(3)(ii), we specify that the title IV–E agency's data quality reviews determine whether bi-directional data exchanges meet applicable requirements.

Comment: A number of commenters expressed concern that requiring the review of child welfare contributing agency systems and data collection activities was burdensome.

Response: We did not make changes based on these comments because these requirements for data quality reviews do not prescribe the procedures title IV–E agencies must follow when reviewing CWCAs. We encourage agencies to consider approaches to review CWCAs and their data efficiently, economically, and effectively. Approaches may include a mix of review techniques, including:

- Randomly sampling CWCA data to review.
- Automatically evaluating CWCA data quality, alerting CWCAs to data quality failures, and establishing timeframes for corrective action.
- Contractually obligating CWCAs to regularly review their data quality and correct errors.
- Establishing a schedule of on-site reviews for a subset of CWCAs during each biennial review.
- Tailoring review procedures for specific CWCAs. Experienced CWCAs with a history of submitting high quality data may be reviewed through an examination of data quality reports. Reviews of new CWCAs with uneven data quality may be more intensive and include interviews with staff, observation of data collection training, and analysis of the CWCA's automated system.

We also note that data quality reviews will vary depending on the flexibility title IV–E agencies grant CWCAs. For example, if a title IV–E agency requires CWCAs to use CCWIS, no CWCA systems are reviewed. In any case, the reviews must consider the CWCA data collection processes and training that affect data quality.

In paragraph (d)(4), we specify that the title IV–E agency must enhance CCWIS or the electronic bi-directional data exchanges, or both, to correct findings from the data quality reviews described at paragraph (d)(3).

Comment: A few commenters asked what the title IV–E agency must do with the results of the data quality reviews and whether title IV–E agencies were required to correct the system, the data or both.

Response: We would like to clarify that title IV–E agencies must correct the factors contributing to poor quality data, such as data collection procedures and training, CCWIS errors, or problems with bi-directional data exchanges. Agencies may propose how they will address findings in their data quality plans. In the case of numerous findings, we encourage title IV–E agencies to prioritize the issues and address critical findings first. We do not require that agencies address all findings within a specified timeframe. For example, an agency may decide to focus on enhancements to automated edit checks as a first step, and then if necessary make improvements to staff training as a second step if data quality does not improve.

ACF expects successive reviews to demonstrate the effectiveness of actions taken per this paragraph to improve data quality. We do not expect that all data meet all standards all the time, but instead that the status reports submitted per paragraph (d)(5)(ii) demonstrate continuous improvement in data quality.

This rule permits, but does not require, agencies to correct previously collected data, thereby minimizing any burden on title IV–E agencies.

Comment: Several commenters asked if there were established timeframes for correcting findings.

Response: We would like to clarify that the title IV–E agency will propose timeframes for ACF approval as part of the data quality plan or APD. As is the practice with S/TACWIS compliance issues, complex enhancements may require a longer timeframe to correct.

Comment: One commenter recommended that the rule provide title IV–E agencies the ability to obtain waivers for failing to meet data quality standards due to extraordinary circumstances.

Response: We are not making changes to this paragraph in response to this comment because the flexibility we provide makes a formal waiver process unnecessary. We will continue the practice we have refined over 20 years of S/TACWIS implementations to encourage title IV–E agencies to report extraordinary circumstances to us so that we can address the issue on a case-by-case basis for resolution. We also note title IV–E agencies may report schedule changes in an APD Update per 45 CFR 95.610(c).

In paragraph (d)(5), we specify 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.

Comment: A few commenters asked how title IV–E agencies will know that their data quality plans are adequate.

Response: We would like to clarify that ACF will review the data quality plan provided with the APD and either approve it or continue to work with the title IV–E agency to address concerns so that ACF can approve the plan.

Comment: One commenter recommended that we integrate the data quality plan into the title IV–E agency's continuous quality improvement protocols.

Response: We are not making a change to require title IV–E agencies integrate their data quality plans into integrated continuous quality improvement plans because requiring this integration would limit agency flexibility to develop and implement both plans to best meet their needs. However, we agree that reliable data provided by data quality efforts is necessary to measure program quality improvements and encourage this integration, at the agency's option.

Comment: Some commenters recommended we provide more guidance on the required components of a data quality plan. A few requested we provide a data quality plan template for agencies to complete.

Response: We would like to clarify that we will provide additional guidance on data quality plan components after publication of this rule.

Comment: One commenter asked how the data quality plan would affect an existing AFCARS program improvement plan.

Response: We would like to clarify that the AFCARS rule governs the AFCARS program improvement plan. However, as noted in our previous response, we encourage agencies to incorporate existing data quality activities into the CCWIS data quality plan.

Comment: Several commenters asked if states that do not implement a CCWIS are required to develop a data quality plan.

Response: We would like to clarify that, except for the rule at § 1355.56(d) and (e), this rule does not apply to non-CCWIS systems.

In paragraph (d)(5)(i), we specify that the data quality plan describes the comprehensive strategy to promote quality data including the steps to meet the requirements at § 1355.52(d)(1) through (3).

In paragraph (d)(5)(ii), we specify that the data quality plan must report the status of compliance with paragraph (d)(1).

We received no comments concerning these paragraphs and made no changes.

In paragraph (e), we specify requirements for mandatory bi-directional data exchanges.

Comment: Several commenters requested that ACF provide an enhanced FFP rate (such as the 90 percent rate provided by the Centers for Medicare & Medicaid Services (CMS) for systems supporting title XIX eligibility determinations) for title IV–E agencies and partner agencies to develop and maintain the required bi-directional data exchanges.

Response: We are not making a change to this paragraph because ACF does not have statutory authority to provide an enhanced FFP rate. We note that CMS corrected an obsolete reference to an enhanced FFP rate in a rule issued on December 4, 2015 (80 FR 75843). Therefore, we did not make a technical revision to § 95.611(a)(2) in this rule.

Comment: A commenter noted that CCWIS planning should be part of enterprise-wide systems planning to achieve the interoperability envisioned in the NPRM.

Response: We are not making a change to this paragraph because requiring title IV–E agencies to include CCWIS planning as part of an enterprise-wide system would limit agencies' flexibility to develop systems meeting their needs. However, we agree that programs should coordinate system development efforts for greater interoperability and encourage health and human service programs to work together to develop data exchanges meeting the needs of all partners.

Comment: A few commenters asked if there are limits to the number of bi-directional data exchanges. One commenter expressed concern that the mandatory bi-directional data exchanges precluded the development of uni-directional data exchanges.

Response: We would like to clarify that there are no limits on the number of bi-directional data exchanges. While paragraph (e) defines eleven mandatory bi-directional data exchanges, title IV–E agencies may propose additional optional data exchanges, including uni-directional data exchanges, per § 1355.54. Optional data exchanges are discussed in greater detail in § 1355.54.

Comment: One commenter recommended we require title IV–E agencies to track the source of data provided by data exchanges as this would help improve data quality and resolve instances of different systems reporting conflicting data.

Response: We are not making a change to this paragraph because we want to retain state and tribal flexibility to define relevant data for the data exchanges. However, we agree with the commenter that tracking data sources is a best practice for improving data quality and resolving data conflicts.

Comment: One commenter asked if we would designate a CCWIS as noncompliant with the data exchange requirements if other priorities prevented the timely creation of a data exchange.

Response: We would like to clarify that we will follow the process used under current APD rules. The APD process allows title IV–E agencies to identify the reasons for schedule slippages in the APD and propose revised schedules in an APD Update. We will review the APD and either approve the revised schedule or work with the agency to correct barriers to timely completion.

Comment: One commenter asked if current data exchanges between existing systems can be retained if they conform to CCWIS requirements.

Response: We would like to clarify that title IV–E agencies may need to enhance exchanges between CCWIS and both CWCA and external title IV–E systems as described in paragraphs (e)(1)(ii) and (iv) of this section. However, the title IV–E agencies may continue to use existing data exchange methods established between a transitioning title IV–E system and its other current exchange partners. As is the case with all data exchanges, title IV–E agencies may need to change what data is exchanged to meet changing needs.

Comment: One commenter recommended that it would be helpful to states if we provided guidance on data exchange mechanisms, include preferred security standards and transmission protocols.

Response: We are not making a change to this paragraph to specify data exchange mechanisms because we want to preserve title IV–E agency flexibility to implement approaches best suited to their circumstances. Requiring certain technologies may also preclude agencies from using newer, better, and unanticipated technologies. However, we intend to provide technical assistance on all data exchanges.

Comment: One commenter requested that, to support the data exchanges and interoperability, ACF add models of CCWIS data exchanges to the National Information Exchange Model (NIEM).

Response: We agree with the commenter that NIEM promotes data exchanges and interoperability. We would like to clarify that ACF is actively working to expand NIEM resources for human service agencies with our involvement in the NIEM Human Service Domain.

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

Comment: A number of commenters requested we change the requirement to permit multiple data exchanges. Some commenters noted that technological advances may eliminate the value of a single data exchange. Other commenters noted it would be difficult to accommodate a wide range of agencies with one bi-directional data exchange.

Response: We made a change to the rule to address this comment and specify that the CCWIS must support efficient, economical, and effective bi-directional data exchanges rather than one bi-directional data exchange. This change offers title IV–E agencies greater flexibility to build data exchanges to accommodate different circumstances and systems, provided the agency's approach is efficient, economical, and effective.

In reference to data exchanges, ''efficient, economical, and effective'' means that title IV–E agencies should consider meeting data exchange requirements with (preferably) one or a limited number of data exchanges that address common business needs. Such an approach results in well-defined data exchanges. For example, if a title IV–E agency exchanges data with twenty CWCAs conducting child abuse and neglect investigations and thirty CWCAs providing placement and case management services, the agency may build two data exchanges—one supporting investigations and the other supporting placement and case management services. These two exchanges would be less expensive for

the title IV–E agency to maintain and quicker to update than separate data exchanges with all fifty CWCAs. The two exchanges also provide the specific data to support different business needs whereas combining the two into one data exchange means each of the CWCA groups would have to build larger and more costly data exchanges to process data irrelevant to their business needs.

This rule also supports agency requirements to exchange different data with the same CWCA at different times to support business needs. For example, the title IV–E agency and CWCAs may need to first establish new cases, then request client services, follow-up with data corrections, and finally, request and provide AFCARS data. We consider these four separate communications to be part of a single data exchange supporting a common business need, provided the two agencies exchange all data using the same communication protocols.

Comment: One commenter asked if data obtained from a data warehouse could satisfy one or more of the data exchange requirements.

Response: We would like to clarify that data obtained from a data warehouse may satisfy a data exchange requirement provided that the data warehouse provides the relevant data to CCWIS and the program defined in the requirement.

Comment: Some commenters requested we explain the rationale for changing the S/TACWIS term ''interface'' to ''exchange.'' They noted that some agencies have used ''look-up'' capabilities via an interface to view data in other systems rather than exchange data and asked if this capability would meet data exchange requirements.

Response: We would like to clarify that we replaced ''interface'' with ''data exchange'' for three reasons:

1. To clarify that we do not require CCWIS to have real-time direct access to other systems to collect data, although that is permitted. CCWIS (and the partner system in a data exchange) may create and transmit data files. The processing of, and response to a data file is not required to be done in real time.

2. To be consistent with the increased use of the phrase ''data exchange'' in recent federal statutes applicable to programs such as foster care and adoption assistance under title IV–E, Temporary Assistance to Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP) and programs operated by the Department of Labor.

3. To convey that CWCAs must provide copies of relevant data to CCWIS. CCWIS must have data copies in case there is a need to share the data with other systems as well as to preserve historical records if data sharing between CCWIS and the other agency ends. A look-up capability is not sufficient because the data would be lost if the provider went out of business. Please see our response below clarifying the phrase ''to the extent practicable'' for more information on whether a look-up capability meets the data exchange requirements described in paragraph (e)(2).

Comment: Some commenters proposed we conduct a cost/benefit analysis on the burden to states and data exchange partners for paragraphs (e)(1)(i) through (iv). Commenters cited the need to make significant changes to data exchange partner systems without significant financial assistance from ACF and the title IV–E agency.

Response: We are not conducting a cost/benefit analysis because the requirements in paragraphs (e)(1)(i) through (iv) do not create additional burden on title IV–E agencies. First, exchange partners are not required to change their existing systems to accommodate the data exchange. As we noted in the proposal, it was a common misunderstanding that title IV–E agencies were required to modify S/TACWIS to accommodate data provided to or received from other systems. We agree it would be inefficient to modify, and difficult to maintain CCWIS (and other systems) to accommodate the data definitions, formats, values, and other specifications of every data exchange. Instead, we strongly encourage partners to map, wherever possible, their existing data to the data exchange specifications rather than modifying their systems to match the specifications.

Second, paragraphs (e)(1)(i) and (iii) do not impose additional burden because they are not new. In paragraph (e)(1)(i), we specify that CCWIS exchange data with systems generating financial payments and claims for title IV–B and IV–E, per paragraph (b)(1)(ii). This requirement incorporates the S/TACWIS rule at § 1355.53(b)(7) and policy in Action Transmittal ACF–OISM–001. In paragraph (e)(1)(iii), we specify that CCWIS must have a bi-directional data exchange with each system used to calculate one or more components of title IV–E eligibility determinations per paragraph (b)(1)(ii), if applicable. This requirement is consistent with the S/TACWIS rule at § 1355.53(b)(5) and policy in Action Transmittal ACF–OSS–005.

Finally, we note that data exchanges with CWCAs (paragraph (e)(1)(ii)) and with external systems used by agency staff to collect CCWIS data (paragraph (e)(1)(iv)) are only required ''if applicable.'' Similar to the requirements under the S/TACWIS rule, if the title IV–E agency continues to require all CWCAs to use CCWIS and does not permit external systems to supplement CCWIS, data exchanges are not needed. CCWIS provides the option to use data exchanges to provide title IV–E agencies with the flexibility to determine the most efficient, economical, and effective approaches for collecting CCWIS data.

Comment: One commenter asked if systems that currently exchange data with S/TACWIS must be modernized to accommodate enhancements made to transition a S/TACWIS to CCWIS.

Response: We would like to clarify that we are not requiring other agencies to modernize their systems.

Comment: One commenter asked if the purpose of the bi-directional data exchanges was to send data to and receive data from multiple systems so that CCWIS can manage reporting.

Response: We would like to clarify that sending and receiving data from multiple systems so that CCWIS can manage reporting is one of the purposes of the bi-directional data exchanges.

Comment: Some commenters requested that we define the ''relevant data'' for each data exchange.

Response: We would like to clarify that by ''relevant data,'' we mean data collected in an information system that, in compliance with applicable confidentiality requirements, may be shared with a program that considers the data useful for meeting goals or objectives. Relevant data may be different for different data exchanges or for different title IV–E agencies. We did not require specific data in order to provide title IV–E agencies with flexibility to determine, in consultation with their data exchange partners, the data each partner has that is useful and can be shared.

The NPRM provided examples of relevant data for several of the data exchanges on pages 48213 and 48214. Action Transmittal ACF–OSS–05 provides additional examples. We plan to issue additional guidance on the bi-directional data exchanges.

Comment: A number of commenters cited the cost of making changes as an impediment to meeting this requirement.

Response: We would like to clarify that CCWIS is an option and we encourage title IV–E agencies to evaluate if CCWIS is appropriate for their circumstances. We encourage title IV–E agencies to implement a CCWIS only if it is a cost-effective approach to meeting agency business needs.

Comment: One commenter recommended incentives to make it compelling for exchange partners, such as the CWCA and non-child welfare agencies to participate in data exchanges.

Response: We would like to clarify that we do not have statutory authority to provide incentives beyond the CCWIS cost allocation described in § 1355.57. However, we have observed that title IV–E agencies will often fund CWCA's costs through contracts or agreements. Additionally, as is the case under S/TACWIS, states or tribes may require providers to use the CCWIS.

Comment: One commenter asked how the mandatory bi-directional data exchanges affect developmental and operational funding.

Response: We would like to clarify that the bi-directional data exchange requirements do not affect the CCWIS funding requirements at § 1355.57. We note that the funding for CCWIS data exchanges is unchanged from the funding for S/TACWIS interfaces.

Comment: A commenter recommended ACF encourage title IV–E agencies use master-person indexes to assist with matching individuals across programs and systems linked by bi-directional data exchanges to support improved data quality and client outcomes.

Response: We are not making a change to address this comment. Although we agree master-person indexes may support improved data quality and client outcomes, we are not requiring master-person indexes so that title IV–E agencies may develop solutions appropriate for their child welfare business practices and information technology environment.

In paragraph (e)(1)(i), we specify 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.

We received no comments on this paragraph and made no changes.

In paragraph (e)(1)(ii), we specify 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.

Comment: One commenter asked if this requirement and any related funding applies equally to private vs. public CWCAs.

Response: We would like to clarify that the bi-directional data exchange requirement applies equally to private and public CWCAs. However, funding under this rule applies to the title IV–E agency for the CCWIS and its costs. Costs related to the CWCA's side of an exchange may be eligible as an administrative cost to the IV–E agency.

Comment: One commenter recommended we permit bi-directional data feeds between existing SACWIS and CWCA systems.

Response: We note that as of the effective date of this rule the S/TACWIS rule is no longer in effect. Bi-directional data exchanges between CCWIS and CWCAs are required, if applicable. Bi-directional data exchanges between non-CCWIS and CWCAs are allowed.

Comment: A number of commenters noted it would be burdensome for all CWCAs to have an electronic data exchange with CCWIS and asked for additional flexibility, such as a waiver of this requirement.

Response: A CWCA must have a bi-directional data exchange with CCWIS only if, as noted in the NPRM, a CWCA is using a system or module other than CCWIS to collect or generate CCWIS data. However, a data exchange is not required if the agency uses CCWIS to collect or generate CCWIS data. Under S/TACWIS rules, child welfare contributing agencies were required to use S/TACWIS. This provision is different from S/TACWIS in that it permits CWCAs to use CCWIS as an option, but provides the data exchange as an alternative if a title IV–E agency permits CWCAs to use a system other than CCWIS.

Comment: One commenter suggested that the rule's prohibition on duplicate application development and software maintenance prevents county administered states relying on CWCAs using other systems from complying with this rule.

Response: We would like to clarify that while the rule does not prohibit duplicate application development and software maintenance, it does not allow CCWIS funding for it. Components of the CCWIS that are duplicated in other CWCA or title IV–E agency systems may qualify for non-CCWIS cost allocation.

Comment: A few commenters were concerned that it may be difficult for some CWCAs to develop data exchanges with the title IV–E agency if they are not eligible for funding to enhance their systems and participate in the data exchange.

Response: We did not make any changes to this paragraph in response to the comments. We would like to clarify that we have observed that title IV–E agencies address CWCA administrative costs, including system costs, through their contracts with CWCAs. Additionally, the title IV–E agency may require a CWCA that is unable to exchange data to use the CCWIS.

Comment: One commenter asked if CWCA databases must be viewable by the title IV–E agency in real-time.

Response: We would like to clarify that via a bi-directional data exchange CWCAs must provide a copy of the CCWIS data for the title IV–E agency to maintain in the CCWIS. This rule does not require that CCWIS have the capability to view CWCA databases in real-time.

Comment: One commenter asked how ACF would govern the quality of CWCA data.

Response: We would like to clarify that the title IV–E agency is responsible for governing data quality in compliance with the requirements described in paragraph (d).

Comment: A few commenters requested we clarify if the ''to the extent practicable'' language applies to this paragraph and paragraph (e)(1)(iv), which are the external systems used by title IV–E agency staff to collect CCWIS data.

Response: We would like to clarify that the ''to the extent practicable'' language does not apply to these two paragraphs. Both requirements are ''if applicable.'' This means, for paragraph (e)(1)(ii), that CCWIS must have a data exchange with a CWCA if that CWCA uses a system other than CCWIS for child abuse and neglect investigations, placements, or child welfare case management. It is not applicable if a CWCA is using CCWIS. For paragraph (e)(1)(iv), ''if applicable'' means that CCWIS must have a data exchange with any external system used by agency staff to collect CCWIS data, however, it is not applicable if there are no such external systems. We emphasize that it is a state or tribal decision to build external systems or permit CWCAs to use systems other than CCWIS.

Comment: One commenter proposed that ACF provide a clearinghouse of information on CCWIS interoperability for CWCAs.

Response: We would like to clarify that we will continue to provide technical assistance to promote interoperability, although we have not determined if we will use clearinghouses as a means of distributing technical assistance.

In paragraph (e)(1)(iii), we specify 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.

We received no comments on this paragraph and made no changes.

In paragraph (e)(1)(iv), we specify that CCWIS must have a bi-directional data exchange with each system external to

CCWIS used by title IV–E agency staff to collect CCWIS data, if applicable.

Comment: A commenter asked for guidance on identifying these other systems and determining if a data exchange with CWCAs meets this requirement.

Response: We would like to clarify that title IV–E agencies identify, per the requirement, systems other than CCWIS used by title IV–E agency staff to collect CCWIS data. Examples include county child welfare systems and specialized applications such as databases used to track case management tasks, conduct assessments, or perform home studies. As with all data exchanges described in paragraph (e), the data exchange must exchange relevant data to meet the requirement.

In paragraph (e)(2), we specify 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 the systems used by titles IV–D and IV–A programs, title XIX mechanized claims processing and information retrieval systems (including the eligibility determination components of such systems), and systems used by courts, education, and the child abuse and neglect programs.

Comment: Some commenters requested we encourage other federal agencies to allow other entities, such as educational agencies and courts, to use FFP to build their portion of the bi-directional data exchanges. Commenters noted the since data exchanges provide benefits to all partners those partners should receive FFP. One commenter specifically mentioned that it would be challenging for the Medicaid program, courts, and education programs to obtain funding for the data exchanges.

Response: We would like to clarify that we will continue to encourage other federal agencies to provide FFP, however, we only have statutory authority to provide FFP for systems supporting the administration of the title IV–B, title IV–E and CAPTA programs. We agree the data exchanges provide benefits to all partners and that increasing awareness of these benefits may encourage other partners to participate. For example, because child welfare program eligibility information is necessary for proper determination of some types of Medicaid eligibility, and can facilitate rapid enrollment into Medicaid, we anticipate working with CMS to provide technical assistance on data exchanges.

Comment: A number of commenters asked for clarification on the meaning of ''to the extent practicable.'' Commenters wanted to know the reasons ACF would accept for a data exchange being impracticable and if ACF requires a cost/benefit analysis to demonstrate a data exchange is impracticable. Several commenters wanted an estimate of conducting such a cost/benefit analysis. One commenter wanted to know if we used the terms ''practicable'' and ''practical'' interchangeably in the NPRM.

Response: We would like to clarify that the terminology ''to the extent practicable'' was specified in the original legislation authorizing these types of systems and is not new.

We are continuing the requirement that these data exchanges be implemented ''to the extent practicable'' from the S/TACWIS rules that have been in effect since 1993. Consistent with the S/TACWIS rule, this rule allows title IV–E agencies to present a business case in an APD describing the circumstances rendering a data exchange impracticable. These circumstances are not limited to the examples given in the NPRM, which are: (1) The other system is not capable of conducting an exchange; and (2) the exchange is not feasible due to cost constraints. Title IV–E agencies may cite any circumstances they deem relevant for ACF's consideration. The APD rule includes burden estimates for providing a business case for any purpose, including explaining why a data exchange is impracticable.

ACF does not require a cost/benefit analysis to demonstrate a data exchange is impracticable.

We also would like to clarify that title IV–E agencies may explain that a partial data exchange is ''to the extent practicable.'' For example, if some courts participated in the data exchange while others did not, ACF would consider a business case explaining that the partial exchange met the ''to the extent practicable'' requirement. If a state or tribal agency's rules forbid transferring data to CCWIS but permitted CCWIS users to view the data, ACF would consider a business case that a data view was the only practicable solution.

Finally, we would like to clarify that we reviewed the NPRM and made changes to eliminate inconsistencies in the use of the terms ''practicable'' and ''practical.''

Comment: One commenter asked if the data exchange must be bi-directional if the other program, such as the MMIS, does not need any CCWIS data.

Response: We would like to clarify that this is another example where the bi-directional data exchange may not be practicable. The title IV–E agency would describe such situations in the applicable APD.

However, we believe all bi-directional data exchanges benefit both partners and intend to provide guidance on the mutual benefits.

Comment: One commenter recommended we execute memoranda of understanding or interagency agreements with other entities, including courts, the Department of Education and the Office of Child Support Enforcement establishing the data exchange expectations for state or tribal counterparts.

Response: We would like to clarify that we have issued joint guidance with other federal partners. One example is our joint issuance to states with the Office of Child Support Enforcement, Information Memorandum ACYF–CB–IM–12–06, providing guidelines on data sharing. We intend to continue this practice of working with federal entities to promote collaboration between state, tribal, and local agencies. If title IV–E agencies have any challenges, we encourage states and tribes to reach out to ACF.

In paragraph (e)(2)(i), we specify that CCWIS must have one bi-directional data exchange with the child abuse and neglect system(s), to the extent practicable.

In paragraph (e)(2)(ii), we specify that CCWIS must have one bi-directional data exchange with the system(s) operating under title IV–A of the Act, to the extent practicable.

We received no comments on these paragraphs and made no changes.

In paragraph (e)(2)(iii), we specify that CCWIS must have bi-directional data exchanges with Medicaid systems operated under title XIX of the Act, to the extent practicable.

Comment: One commenter asked if we consulted with CMS on these requirements. The commenter noted that guidance from CMS to state agencies encouraging data exchanges with title IV–E agencies would be helpful.

Response: We would like to clarify that we worked collaboratively with CMS to develop this CCWIS final rule, as well as on the final rule for Mechanized Claims Processing and Information Retrieval Systems published by CMS in the **Federal Register** on December 4, 2015 (80 FR 75817). According to CMS, the Mechanized Claims Processing and Information Retrieval Systems final rule at 42 CFR 433.112(b)(16) requires that any state Medicaid system funded with an enhanced federal match must allow for interoperability with various entities, including human service

agencies. With our history of working with CMS on regulations and other tasks such as zONE (an initiative to facilitate the sharing of state project documents), providing technical assistance to states on the OMB Circular A–87 cost allocation waiver, encouraging enterprise development projects, and development of statewide health passports for children in foster care, we will work with CMS to develop joint guidance, as needed.

In paragraph (e)(2)(iii)(A), we specify that CCWIS must have one bi-directional data exchange with systems used to determine Medicaid eligibility, to the extent practicable.

Comment: One commenter recommended we encourage states to avail themselves of the 90 percent FFP match under what is commonly called the ''A–87 exception'' to pay for the building of this bi-directional data exchange.

Response: We would like to clarify that the OMB Circular A–87 cost allocation waiver was extended through December 2018 and allows states to access the 90 percent Medicaid FFP match to the extent appropriate for developing shared eligibility services and making systems integration investments. We are available to provide technical assistance to states as needed.

In paragraph (e)(2)(iii)(B), we specify that CCWIS must have a bi-directional data exchange with the MMIS as defined at 42 CFR 433.111(b), to the extent practicable.

Comment: Several commenters requested clarification on the data expected from the data exchange with the MMIS. Several commenters noted that MMIS typically does not contain a client's complete Medicaid history. One commenter asked if CCWIS is required to maintain a foster child's entire medical record.

Response: We would like to clarify that this paragraph requires title IV–E agencies to maintain in CCWIS the available medical record information received from the MMIS (which would include the Medicaid claims history or, for those enrolled in managed care, provider encounter data), however we do not require CCWIS to maintain a foster child's entire medical history. We do encourage title IV–E agencies to collect health information as needed from other sources, including an available Health Information Exchange. We note that title IV–E agencies may propose optional data exchanges to other health systems that may qualify for CCWIS funding per § 1355.54.

Comment: Some commenters requested that we assure title IV–E agencies that, where applicable, Health Insurance Portability and Accountability Act (HIPAA) rules do not preclude state agencies from sharing data. One commenter was concerned that the costs to bring CCWIS into compliance with HIPAA rules might prevent their state from implementing this required data exchange and hence complying with CCWIS requirements.

Response: We would like to clarify that in § 1355.52(d)(1)(iii), we require that the title IV–E agency exchange and maintain CCWIS data in accordance with the confidentiality requirements of applicable federal and state or tribal laws. This is not an entirely new requirement as data maintained under a SACWIS are subject to federal, state, and tribal confidentiality requirements, and current S/TACWIS are required to interface with systems used by the Medicaid program to determine eligibility. The requirement that the title IV–E agency support one bi-directional data exchange with the eligibility and enrollment system used to determine Medicaid eligibility, and one bi-directional data exchange with the MMIS used to process Medicaid claims and perform other management functions (as those systems are described in 42 CFR 433.111(b)(2)(ii)), to the extent practicable, does not mean that any and all information is exchanged—only information that each agency is permitted to exchange in accordance with applicable confidentiality rules. Finally, we note that a number of states have already implemented such exchanges to the benefit of the children in foster care.

ACF will consider, as noted above, cost constraints as a reason that a data exchange in paragraph (e)(2) is not practicable.

Comment: One commenter noted that much of the health data may be new and unfamiliar to workers and recommended we provide guidance on the data's most effective uses.

Response: We would like to clarify that the effective use of the data is determined by each agency, but we intend to provide technical assistance on all the required data exchanges.

Comment: One commenter recommended that the rule include and encourage Affordable Care Act related provisions that impact foster care.

Response: We are not making a change in response to this comment because this paragraph already supports the Affordable Care Act related provisions that affect foster care. We also note that ACF issued guidance on the provisions of the Affordable Care Act that affect foster care in Program Instruction ACYF–CB–PI–10–10.

Comment: One commenter noted that states should not be held accountable for the quality of MMIS claims data since the agencies have no control over its collection.

Response: We would like to clarify that, as noted in our response to paragraph (d)(1) that title IV–E agencies may take into account data sources when establishing data quality standards.

Comment: One commenter recommended we establish a Technical Advisory Group of experienced states to assist other agencies in implementing data exchanges as required by this paragraph.

Response: We would like to clarify that we currently support a Technical Working Group, monthly webinars, and national conference calls on various topics and will continue this technical assistance. We have supported peer-to-peer networks to promote sharing of best practices and intend to continue promoting state-to-state networking. We also intend to work with the Capacity Building Center for Tribes to identify tribal concerns.

In paragraph (e)(2)(iv), we specify that CCWIS must have one bi-directional data exchange with systems operated under title IV–D of the Act, to the extent practicable.

In paragraph (e)(2)(v), we specify that CCWIS must have one bi-directional data exchange with systems operated by the court(s) of competent jurisdiction of the title IV–E foster care, adoption, and guardianship programs, to the extent practicable.

We received no comments on these paragraphs and made no changes.

In paragraph (e)(2)(vi), we specify that CCWIS must have 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.

Comment: One commenter asked if we consulted with the Department of Education on this requirement. The commenter noted that guidance from the Department of Education to state agencies encouraging data exchanges with title IV–E agencies would be helpful.

Response: We would like to clarify that we consulted with the Department of Education and have developed technical assistance materials in collaboration with the Department of Education. For example, we jointly issued a letter to Chief State School Officers and Child Welfare Directors on Implementing the Fostering Connections Act, which is available here: *https://www.acf.hhs.gov/programs/cb/resource/fostering-*

connections-letter. We also provide materials related to data sharing with education here: *http://www.nrcpfc.org/is/education-and-child-welfare.html#data.* We intend to continue developing technical assistance materials with the Department of Education.

In paragraph (f), we specify that title IV–E agencies use a single data exchange standard for CCWIS data exchanges described in § 1355.52(f)(1) and (2) upon implementing a CCWIS.

Comment: Some commenters noted that the variety of systems, partners, and technological platforms makes it difficult to have a single data exchange standard applicable in all cases. One noted that requiring a single data exchange standard for CWCAs, internal data exchanges within CCWIS, and all the electronic systems external to CCWIS used by title IV–E staff to collect data limited title IV–E agency flexibility, imposed undue burdens on agencies, and impeded agencies from developing economical and workable child welfare systems.

Response: We made a change in response to this comment by removing proposed paragraph (f)(2), in which we proposed 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). We agree that a data exchange standard applicable to the data exchanges described in the rest of paragraph (f) may not be appropriate for CCWIS modules.

However, we disagree that the requirement to use a single data exchange standard for CCWIS electronic bi-directional data exchanges limits agency flexibility and imposes undue burdens on agencies. We note that the S/TACWIS rule required CWCAs to use S/TACWIS and did not allow external systems. Although the CCWIS rule permits CWCAs to use their systems and exchange data with CCWIS, title IV–E agencies may still require CWCAs to use CCWIS. Likewise, CCWIS rules permit workers to use external systems that exchange data with CCWIS, but the agency may require workers to use CCWIS. If the title IV–E agency requires these entities to use CCWIS, then data exchanges (and the supporting data exchange standard) are not needed.

We also disagree that a data exchange standard prevents the development of workable, economical child welfare systems. We agree that it may be challenging to implement a single data exchange standard. However, once implemented, a single standard is easier to maintain than multiple standards, facilitates a common understanding of the data among all partners, simplifies data exchanges, and supports consistent and improved service delivery to children and families. We also note that the rule does not require system modifications to support the standard. Instead, we encourage developers to reduce costs by mapping their system's data to the agreed-upon standard so that data is transformed when using the data exchange.

We intend to provide additional guidance on data exchange standards.

Comment: One commenter noted that other state agencies may be unwilling to conform to the data exchange standard.

Response: We would like to clarify that the data exchange standard requirement only applies to the data exchanges described in paragraphs (f)(1) and (2), which are respectively CWCA systems described in paragraph (e)(1)(ii) and external systems described in paragraph (e)(1)(iv). Although we encourage the use of a standard in data exchanges with other agencies, this rule does not require it.

Comment: Several commenters asked if the data exchange standard applies to data exchanges implemented before the rule's effective date, such as data exchanges already in place due to state statutory requirements.

Response: Yes, upon implementation of a CCWIS, the title IV–E agency must use a single data exchange standard with CWCAs and external systems as described in this paragraph, including exchanges that were implemented before the rule's effective date.

Comment: One commenter suggested that software module reuse, as encouraged by the CCWIS design requirements at § 1355.54, may be hampered by the flexibility this paragraph provides title IV–E agencies to select the data exchange standard applicable to their CCWIS project. The commenter noted that modules designed to one data exchange standard's specifications may not be reusable by a project with a different data exchange standard. This problem may be resolved by establishing a national data exchange standard for all title IV–E agencies.

Response: We are not making a change in response to this comment. We agree that a national data exchange standard would facilitate software reuse by different title IV–E agencies. However, we have observed that a number of title IV–E agencies must follow standards established by the state or tribe. Specifying a national data exchange standard for CCWIS may prevent agencies with a different standard from implementing a CCWIS. At the same time, ACF intends to provide guidance and technical assistance on data standards that may help promote reuse.

Comment: Several comments asked for clarity on the definition of ''one data exchange standard.'' One commenter asked if the data exchange standard must specify a single communication protocol or multiple protocols. Another commenter asked us to confirm that this definition did not include the technology to transfer the data.

Response: We are not making a change in response to this comment because, although paragraph (f) specifies that the standard describe the data, definitions and formats, we are providing flexibility for title IV–E agencies to define the ''other specifications'' of their data exchange standard.

We would like to clarify that data exchange standards that permit multiple communication protocols are acceptable. We note that some standards, such as the NIEM, permit the use of any electronic communication protocol for data exchanges. We do not recommend that the standard specify the data transfer technology so that the standard is usable in different technical environments.

Comment: One commenter asked if the rule would provide further details of the phrase ''support interoperability through standard exchange protocols.''

Response: We would like to clarify that we will provide further guidance in subsequent policy issuances.

Comment: One commenter asked whether it is the state or tribe that selects the data exchange standard.

Response: We would like to clarify that it is the state or tribe that is implementing the CCWIS that selects the data exchange standard for its CCWIS project.

Comment: One commenter recommended we encourage the use of existing data exchange standards such as those mandated by the Office of the National Coordinator for Health Information Technology because these standards can provide immediate interoperability.

Response: While we agree that there are advantages to existing standards, we would like to clarify that our rule preserves flexibility for title IV–E agencies to select or develop a data exchange standard most suitable for their circumstances.

Comment: One commenter asked if the title IV–E agency's data exchange standard could change over time.

Response: We would like to clarify that the data exchange standard can change over time. For example,

standards often add nuanced and precise conditions to accommodate new and varied circumstances or expand to standardize new areas to address changing policies or practices.

The title IV–E agency may change standards consistent with APD rules at 45 CFR 95.610(c)(2). For example, the title IV–E agency may select one data exchange standard but state or tribal authorities may later impose a different standard.

In paragraph (f)(1), we specify that a single data exchange standard be used for electronic bi-directional data exchanges between CCWIS and each child welfare contributing agency.

Comment: One commenter noted that CWCAs may have established data exchange standards that are different from the title IV–E agency selected data exchange standard.

Response: We are not making a change in response to this comment. We encourage title IV–E agencies to promote uniform standards in contracts and agreements with CWCAs. We also remind title IV–E agencies that they may require CWCAs to use CCWIS, which makes a bi-directional data exchange and the use of a data exchange standard in this situation unnecessary.

In paragraph (f)(2), we specify that the data exchange standard must apply to data exchanges with external systems described under paragraph (e)(1)(iv)). We received no comments on paragraph (f)(2).

In paragraph (g), we specify requirements for automated support for title IV–E eligibility determinations.

Comment: One commenter recommended we mandate that the title IV–E agency only conduct the title IV–E eligibility process within CCWIS and that CCWIS be the system of record for eligibility determinations.

Response: We are not making a change in response to this comment. This requirement has been in place for the past 20 years and has provided title IV–E agencies with the flexibility to design title IV–E eligibility determination processes that fit their business model. This requirement also allows agencies to take advantage of shared eligibility services developed by other health and human service programs.

We would also like to clarify that the data requirements in paragraph (b)(1)(ii) require CCWIS to be the system of record for the calculated outcome of the title IV–E eligibility determination process.

In paragraph (g)(1), we specify 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.

Comment: A commenter recommended we provide an exemption to paragraph (g)(1) to permit states to align CCWIS design with their practice models, existing systems, and geography. Other commenters thought that this requirement was inconsistent with the ACF's encouragement to use independent and reusable modules.

Response: We are not making a change in response to these comments. We are not providing an exemption because over the past twenty years, states have been able to automate varied title IV–E eligibility determination processes with the flexibility provided by this requirement.

We would like to clarify that the requirement that the same automated function or group of automated functions process all title IV–E eligibility determinations permits agencies to build independent modules responsible for defined steps of the title IV–E eligibility determination process. Agencies can reuse these well-defined modules in other similar processes.

In paragraph (g)(2), we specify 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.

We received no comments on this paragraph and made no changes.

In paragraph (h), we specify 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.

Comment: Some commenters requested we clarify that this requirement only applies to new software developed once an agency implements a CCWIS or transitions another system to CCWIS.

Response: We would like to clarify that we may request software from legacy systems developed with FFP per 45 CFR 95.617(b). However, we intend to place modules that are candidates for reuse by title IV–E agencies in the federal repository, rather than entire legacy S/TACWIS or non-S/TACWIS systems.

Comment: One commenter asked if counties and consortiums serving children eligible for title IV–E would be able to access the federal repository.

Response: We would like to clarify that with federal approval, title IV–E agencies may provide software and associated documentation from the federal repository to counties and consortiums serving children receiving title IV–E.

Comment: Some commenters asked if title IV–E agencies would be required to submit commercial off-the-shelf (COTS) products, third party utilities, and automated functions that support multiple operations within an agency.

Response: We would like to clarify that since ACF is not granted a license to COTS products or third party utilities that are not owned by the title IV–E agency per 45 CFR 95.617, these products are excluded from the federal repository. However, ACF is granted a license to automated functions designed, developed, or installed with any FFP, so we may place the modules that are candidates for reuse by title IV–E agencies in the federal repository.

Comment: One commenter recommended we permit states to seek exceptions to this requirement due to the cost effectiveness of providing the software.

Response: We are not making a change to this requirement in response to the comment because our authority for requesting software is provided by the APD rule at 45 CFR 95.617. We also note that the authority to request state or tribal owned software is not new and the cost savings available to IV–E agencies for the re-use of software will outweigh the cost of sharing a copy of the software.

In paragraph (i)(1), we specify 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.

In paragraph (i)(1)(i), we specify that the title IV–E agency 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.

Comment: Some commenters noted that the APD process discouraged rapid incremental CCWIS enhancements. They recommended we specifically encourage agile and iterative practices as outlined in the U.S. Digital Services Playbook.

Response: We disagree that the APD process discourages rapid incremental enhancements and note that we have worked with states that have used an agile development process. Furthermore, changes to the APD process and rule are outside the scope of this rule. We support the principles outlined in the U.S. Digital Services Playbook to help agencies build effective digital systems.

Comment: Some commenters were concerned that the Notice of Intent required for projects under the $5 million threshold was excessively burdensome. They noted that there did not appear to be a substantive distinction between the submission requirements for these below-threshold projects and projects in excess of $5 million. The commenters recommended we reduce the burden to under threshold projects and recalculate the impact analysis for title IV–E agencies submitting a Notice of Intent.

Response: We are making a change to these requirements in response to these comments to reduce burden on title IV–E agencies. We acknowledge that, as required by paragraph (i)(1)(i), developing ''A project plan describing how the CCWIS will meet the requirements in paragraphs (a) through (h) of this section and, if applicable, § 1355.54'' could be interpreted as requiring extensive planning. Therefore, we revised paragraph (i)(1)(i) to require ''A description of how the CCWIS will meet the requirements in paragraphs (a) through (h) of this section and, if applicable § 1355.54;''. This revision permits an agency to provide a narrative outlining the agency's approach instead of a detailed project plan including tasks, schedules, and resources.

We intend to provide a Notice of Intent template that title IV–E agencies may complete to meet the requirements of paragraph (i)(1). Use of this template will not be required, however, it will simplify the completion of the Notice of Intent, thereby significantly reducing burden.

We are not making changes to the burden estimate as requested. We considered the reduced burden (from the revised requirement and Notice of Intent template) when we reviewed our impact analysis. We believe that the impact analysis accurately estimates the agency's burden for completing a Notice of Intent.

Finally, we would also like to clarify that the submission requirements for projects under the $5 million threshold are substantially less than the requirements for projects over $5 million. While all projects must meet the submission requirements of paragraph (i) and submit Operational APDs, projects over $5 million must also meet all the requirements of 45 CFR part 95, subpart F, including the requirements for Planning, Implementation, and As-Needed APDs as well as APD Updates.

In paragraph (i)(1)(ii), we specify that the APD or Notice of Intent include a list of all automated functions that will be included in the CCWIS.

We received no comments on these paragraphs and made no changes.

In paragraph (i)(1)(iii), we specify that the APD or Notice of Intent provide a notation whether each automated function listed in paragraph (i)(1)(ii) meets, or when implemented will meet, the requirements of § 1355.52(i)(1)(iii)(A) through (C).

In paragraph (i)(1)(iii)(A), we specify 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.

We did not receive any comments on paragraph (i)(1)(iii)(A) and made no changes.

In paragraph (i)(1)(iii)(B), we specify 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.

Comment: One commenter asked if the requirement would apply to a ''contract service provider.'' The commenter noted the title IV–E agency may be unaware of duplicate functionality in a contract service provider's system since federal funds were not used for that system and therefore the title IV–E agency does not monitor them.

Response: We would like to clarify that if a ''contract service provider'' is a CWCA and its system has automated functions that are duplicated by CCWIS, CCWIS funding is not available for those automated functions. We believe that title IV–E agencies would be able to discover duplicate functionality in a CWCA system. As CWCAs are established by agreement or contract with the title IV–E agency to provide specific services, the title IV–E agency will know what activities that agency supports. Furthermore, if the CWCA is providing the CCWIS data related to those activities that are also performed in the CCWIS, the function is duplicated.

We remind title IV–E agencies they have options to address the issue of CWCA systems duplicating CCWIS automated functions. For example, the title IV–E agency may:

- Require some or all CWCAs to use CCWIS.
- Monitor agency systems for duplicate automated functions. Agencies have tools other than system audits to detect duplicated functionality. For example, duplicate functionality may be indicated if a CWCA submits CCWIS data that is also generated by a CCWIS automated function.
- Claim non-CCWIS cost allocation for CCWIS automated functions duplicated by a CWCA system.

Finally, we remind title IV–E agencies that the existence of duplicated functionality will not cause ACF to classify a system as non-CCWIS. The agency may claim non-CCWIS cost allocation for the duplicated function. The system may remain a CCWIS.

In paragraph (i)(1)(iii)(C), we specify 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 received no comments on this paragraph and made no changes.

In paragraph (i)(2), we require title IV–E agencies to submit new information in their annual Operational APDs and Annual APD Updates for all CCWIS projects. The new information required by this paragraph includes an updated list of automated functions incorporated in CCWIS, a notation of 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), and 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).

We received no comments on these paragraphs and made no changes.

In paragraph (j), we specify that a title IV–E agency claiming title IV–E FFP for a CCWIS project 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.

We received no comments on this paragraph and made no changes.

CCWIS Design Requirements (§ 1355.53)

In paragraph (a), we specify the design requirements for a CCWIS.

Comment: Several commenters expressed concern that currently approved and non-approved S/TACWIS systems would have to be completely rebuilt because they do not comply with the CCWIS design requirements.

Response: As noted in our proposal, we encourage title IV–E agencies to consider using an existing S/TACWIS or non-S/TACWIS as the foundation of a CCWIS. This allows the agency to

preserve information technology investments in a S/TACWIS or non-S/TACWIS system because large portions of such a system probably meet some CCWIS requirements, and the title IV–E agency may enhance the system to meet the remaining CCWIS requirements. In paragraph § 1355.53(b)(1), we 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) (submission requirements during the transition period) or § 1355.56(f)(1) (submission of APD or Notice of Intent during the transition period). We allow 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 will reduce the costs of transitioning these systems to CCWIS.

Comment: One commenter noted that it may be difficult to transition a S/TACWIS to a CCWIS meeting the CCWIS design requirements. The commenter noted that designs that separated business rules from core programming could not be built on a S/TACWIS that had not met this requirement.

Response: We would like to clarify that a title IV–E agency is not required to follow the CCWIS design requirements for enhancements to their existing system per § 1355.57(a)(1).

Comment: Several commenters noted that if title IV–E agencies are responsible for the quality of data provided from other programs and if the data exchange requirements of § 1355.52(e) are not clarified, it will be difficult to comply with the CCWIS design requirements.

Response: We would like to clarify that the CCWIS data quality review process will identify problems with ''relevant'' data exchanged with other systems and prioritize changes to improve the data. We disagree that data quality problems in the system exchanges make it difficult to comply with the CCWIS design requirements. Our responses to comments under § 1355.52(e) provide relevant clarifications to the data exchange requirements. We encourage title IV–E agencies to contact us if additional clarifications are needed.

Comment: One commenter asked if we have established minimum standards title IV–E agencies must follow when selecting vendors or proprietary products.

Response: We would like to clarify that all products, like other modules, must be able to communicate reliably with other CCWIS modules. This includes vendor or proprietary products. Products must also meet the specific requirements of the state, tribal, or industry standard selected by the title IV–E agency per paragraph (a)(3).

In paragraph (a)(1), we specify that CCWIS automated functions must follow a modular design that includes the separation of business rules from core programming.

Comment: Several commenters recommended that, to promote reusability, we specify each module's functions, inputs and outputs as well as diagramming the relationships between modules. One commenter recommended adding a definition of ''reusable module'' to describe the components. Another commenter recommended we set national standards for the most common data exchanges as this would eliminate potential incompatibilities and assist states in developing reusable modules.

Response: We are not making changes in response to these comments. While we agree that requiring all title IV–E agencies to build modules to the same set of specifications would promote reusability, such specifications would reduce agency flexibility to design systems tailored to their policies and business processes. We are not adding a definition of ''reusable module'' in order to provide title IV–E agencies, in collaboration with the industry, the flexibility to design modules best suited to agency business needs.

We continue to work with the NIEM Human Service Domain to develop common data exchanges. Although we will not establish these data exchanges as a required national standard, we encourage their use as agencies develop CCWIS systems, if it is suitable for the agency.

Comment: A number of commenters recommended we not require the separation of business rules from core programming where a state's best judgment is that such a separation does not make sense. While acknowledging that states could seek a waiver per paragraph (b), commenters thought it was not efficient and economical to require waivers for this requirement. Several commenters also requested we evaluate the burden of separating business rules from core processing in existing SACWIS systems.

Response: We are not making a change in response to this comment because the separation of business rules from core programming promotes reusability by simplifying re-work needed to modify modules for use by title IV–E agencies with different business rules.

We are not evaluating the burden of separating business rules from core processing in existing S/TACWIS systems because an existing SACWIS system that is used as the basis of a CCWIS system is not required to meet the design requirements at § 1355.53(a)(1). Even then, automated functions developed after the transition period may be exempted if the agency submits an alternative design that is approved by ACF per § 1355.53(b). We also note that the waiver process for an existing system transitioning to a CCWIS is categorically defined in these rules and therefore is not onerous to establish.

Comment: A commenter noted that modularity provides benefits, but depending upon how it is designed and implemented, can increase costs and complexity. The commenter recommended that states select modular approaches that are cost effective.

Response: We agree that the design approach affects CCWIS costs and the complexity of the software. However, the savings realized by decreased operational costs of well-designed systems and the reusability of these modules should offset the initial modular development costs. We note that this paragraph does not require a specific design approach so that a title IV–E agency can select an efficient, economical, and effective approach suitable to the agency's business processes and technological environment.

Comment: One commenter asked that we define ''core programming'' and provide our vision of separating business rules from core programming.

Response: We are not adding a definition of ''core programming'' beyond distinguishing it from business rules per the requirement, to provide title IV–E agencies with the flexibility to design modules in a cost effective manner that may be shared and reused.

Comment: One commenter asked if this requirement applies only to new development. The commenter also asked what the benefit of this requirement is to states that are already modular and SACWIS compliant.

Response: We would like to clarify that the CCWIS design requirements only apply to new development on a S/TACWIS transitioning to CCWIS regardless of whether the existing S/TACWIS is modular or not. The requirement provides the benefits of modularity to all systems.

Comment: Several commenters, while indicating support for the rule's definition of modularity, expressed

concern that industry may not be able to support this definition.

Response: We would like to clarify that information technology commenters on the NPRM did not express concern with the definition. We note that the information technology industry has long promoted modular design and developed many successful products based on these principles. Some federal government agencies encourage modular design in policy issuances and established rules, such as in the CMS rule at 42 CFR 433.112(b)(10).

Comment: One commenter asked if this requirement applied to Software as a Service systems owned or maintained by vendors.

Response: We would like to clarify that this requirement does not apply to Software as a Service systems owned or maintained by vendors.

In paragraph (a)(2), we specify that title IV–E agencies must document CCWIS automated functions with plain language.

Comment: Several commenters recommended we incorporate the time and cost of training staff to document automated functions in plain language and the cost of this translation into the impact analysis. They recommended that to save time, staffing, and resources the requirement should be for ''concise and effective'' documentation. Commenters also asked if this requirement would apply retroactively.

Response: We are not increasing impact analysis costs in response to this comment because this requirement is an industry standard best practice proven to reduce overall system development and maintenance costs.

We are not changing the requirement because ''concise and effective documentation'' is consistent with this paragraph.

Finally, we would like to clarify that this is not a retroactive requirement applicable to automated functions in existing systems. It applies to documentation associated with new automated functions developed for a CCWIS.

In paragraph (a)(3), we specify that automated functions contained in CCWIS must adhere to a state, tribal, or industry defined standards that promotes efficient, economical, and effective development of automated functions and produce reliable systems.

Comment: Several commenters asked if the state must use one standard for all functions or if it is permissible to use different standards for different functions. The commenters were concerned that it would limit state flexibility if only one standard is permitted.

Response: We would like to clarify that the requirement is for a single standard. However, we encourage title IV–E agencies to select or design a standard that accommodates variations in their development approach. It is acceptable for the documented standard to apply certain requirements for one set of conditions and other requirements for other conditions.

Comment: Several commenters recommended we include the cost of drafting a waiver request per paragraph (b) for this requirement in the impact analysis.

Response: We would like to clarify that the APD rule included the burden estimate of providing a business case for any purpose, including requesting rule waivers. We also note that the waiver process for an existing system transitioning to a CCWIS is categorically defined in paragraph (b)(1) and is not onerous to establish.

In paragraph (a)(4), we specify that CCWIS automated functions must be capable of being shared, leveraged, and reused as a separate component within and among states and tribes.

Comment: Several commenters requested we clarify the process by which states would be able to share components, including all relevant scenarios.

Response: We would like to clarify the two general processes by which title IV–E agencies may share components. First, ACF may request software and associated documents for the federal repository per requirements at § 1355.52(h). ACF may then share these products with title IV–E agencies at the agency's request. Second, title IV–E agencies may directly share products with other agencies.

We acknowledge there may be variations on these processes and encourage title IV–E agencies to contact us for guidance. The requirement for sharing federally funded software between states has been required in the APD rule prior to 1993.

Comment: One commenter asked if this paragraph implied that the automated functions must be ''plug and play''.

Response: We would like to clarify that the automated functions are not required to adapt to different hardware configurations without manual configuration (plug and play).

Comment: One commenter noted that the variation between state and tribal child welfare programs might limit the reuse of CCWIS automated functions designed for a specific title IV–E agency's requirements.

Response: We would like to clarify that this paragraph requires automated functions to be reusable. We expect that title IV–E agencies will reuse modules when it is efficient, economical, and effective to do. We do not require modules be reused when it is not appropriate, such as when a module does not support an agency's business processes.

In paragraph (b), we specify that CCWIS automated functions may be exempted from one or more of the CCWIS design requirements in § 1355.53(a) under certain conditions.

In paragraph (b)(1), we specify that CCWIS automated functions may be exempted 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 (f)(1).

Comment: One commenter asked if existing data exchanges are included in the exemption provided by paragraph (b)(1).

Response: We would like to clarify that automated functions, including data exchanges, that have been implemented in a system meeting the requirements of § 1355.56(b) or (f)(1) may be exempted from one or more of the CCWIS design requirements under certain conditions.

In paragraph (b)(2), we specify that CCWIS automated functions may be exempted 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).

Comment: Several commenters asked us to clarify our process for reviewing exemption requests received in accordance with paragraph (b)(2).

Response: We would like to clarify that the review process for exemption requests will be clarified in later technical assistance and will include the submission of a business case explaining the rationale for the alternative design.

Comment: Several commenters recommended we clarify the criteria or the sufficient evidence and the burden of proof necessary to grant an exemption in accordance with these requirements.

Response: We would like to clarify that we cannot anticipate how technology might change and so cannot provide specific criteria that unknown innovations must satisfy to quality for an exemption. However, we would like to reiterate that the review process for exemption requests is governed by the

existing APD rules at 45 CFR part 95, subpart F.

CCWIS Options (§ 1355.54)

We specify in § 1355.54 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 program goals.

Comment: A number of commenters were concerned that the CWCA definition precluded agencies from implementing exchanges with entities that did not conform to the definition. Another commenter emphasized the importance of service data, particularly substance abuse, mental health, and other treatment data in order to increase child safety and well-being.

Response: We would like to clarify that § 1355.54 permits title IV–E agencies to implement optional data exchanges in addition to the mandatory data exchanges specified in § 1355.52(e). These optional data exchanges may include entities that are not CWCAs. For example, title IV–E agencies may implement data exchanges with service providers, such as providers of substance abuse, mental health, and other treatment services. Another example of optional data exchanges includes an exchange between tribes and states to support state efforts to comply with ICWA and share case-level information. Yet another example is an exchange between title IV–E agencies and Social Security Administration to support timely automated verification of Social Security Numbers and identification of client benefit information.

Comment: One commenter asked if all data exchanges must be bi-directional. The commenter noted there may be circumstances where either the title IV–E agency or another agency, but not both, would benefit from a data exchange.

Response: We would like to clarify that while § 1355.52(e) uses the express term ''bi-directional data exchange'' when referring to required data exchanges, § 1355.54 does not, and the term ''data exchange'' here includes both uni-directional and bi-directional data exchanges. Therefore, CCWIS may include uni-directional optional data exchanges.

However, § 1355.54 requires that the data exchange benefit title IV–B or title IV–E programs to receive CCWIS funding. Therefore, exchanges benefiting the title IV–E agency may be eligible for CCWIS funding, but exchanges not benefiting the title IV–E agency must be cost allocated to the benefiting program or programs.

Comment: One commenter noted that the rule should not provide a ''wish list'' but provide states with the option (but not the mandate) to go beyond minimum requirements.

Response: We would like to clarify that this rule establishes the minimum requirements. This section provides title IV–E agencies with the option to implement data exchanges and automated functions that are not covered by the minimum requirements.

Review and Assessment of CCWIS Projects (§ 1355.55)

In § 1355.55, we specify 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.

Comment: Several commenters asked us to clarify how ACF will conduct reviews on a ''continuing basis'' and requested we update the impact analysis to reflect the additional work required of state staff.

Response: We would like to clarify this is not a new requirement. We have conducted continuing reviews of S/TACWIS in collaboration with title IV–E agencies for the past 20 years in accordance with § 1355.55(a). While some reviews are comprehensive and determine compliance with all requirements, most reviews target a subset of requirements or specific implementation topics or project issues.

Comment: Some commenters asked for clarification on ACF's approach for reviewing CCWIS projects and recommended we clarify the criteria for reviews, such as in a published checklist. They note that such guidance may reduce delays and costs. One commenter asked if the reviews would be similar to SACWIS reviews.

Response: We would like to clarify that our reviews will evaluate aspects of CCWIS 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. The reviews will measure compliance with requirements in §§ 1355.52, 1355.53, 1355.56, and, if applicable, § 1355.54. If a title IV–E agency builds a CCWIS similar to a full-functioned S/TACWIS, the CCWIS review may be similar to a S/TACWIS review. However, if the CCWIS has a different configuration, we will tailor the review to evaluate the configuration.

We agree that guidance may reduce delays and costs. Just as we published a review guide for comprehensive S/TACWIS reviews, we will also publish a CCWIS review guide and provide additional technical assistance. Similar to S/TACWIS reviews, we will work collaboratively with the title IV–E agency prior to a review to clarify expectations, answer questions, and provide technical assistance.

Comment: Several commenters asked that the rule clarify any differences between the scope of reviews for:

(a) projects over the $5 million threshold requiring an APD; and

(b) projects under the $5 million threshold requiring the submission of a Notice of Intent.

Response: We would like to clarify that the review requirements are the same for all CCWIS projects. The extent and scope may vary depending upon the factors such as the size of the CCWIS, the child welfare policies supported by the CCWIS, and whether CWCAs use CCWIS.

Comment: One commenter asked if the CCWIS reviews would be like SACWIS reviews or solely based on the state's data quality plan.

Response: We would like to clarify that we intend to continue the practice established under the S/TACWIS rule of conducting monitoring as well as comprehensive reviews. CCWIS reviews may include, but not be limited to, the title IV–E agency's data quality plan.

Comment: A number of commenters asked what data quality metrics ACF would use during the reviews.

Response: As we noted in our response under § 1355.52(d)(1), we will use the standards in federal laws, regulations, and policies for evaluating data quality for federally required data described in § 1355.52(b)(1). We will apply the standards established by the state or tribe when evaluating the quality of required state or tribal data described in § 1355.52(b)(2). If these two standards apply to the same data, ACF will apply the more rigorous standard. For example, if one standard required updating certain CCWIS data in seven days and a second standard set a two-day limit, the two-day limit applies.

Comment: One commenter asked if we required an independent verification and validation (IV&V) for CCWIS design, implementation, and data quality reviews.

Response: We would like to clarify that ACF may require an IV&V per 45 CFR 95.626. This rule does not specify additional IV&V requirements.

Requirements for S/TACWIS and Non-S/TACWIS Projects During and After the Transition Period (§ 1355.56)

In this section, we outline the requirements during and after the transition period for S/TACWIS and non-S/TACWIS projects. We received several general comments on this section as follows:

Comment: Several commenters asked that we clarify the requirements that must be met by: (1) States building a new system; (2) states transitioning their S/TACWIS to a CCWIS; and (3) states wanting to enhance their S/TACWIS, but not develop a CCWIS.

Response: We would like to provide the following clarifications: (1) A title IV–E agency building a new CCWIS must meet the requirements at paragraph (c) or paragraph (f)(2), as applicable. In addition, an agency building a new CCWIS must also meet the requirements of §§ 1355.52, 1355.53, and, if applicable 1355.54.

(2) A title IV–E agency transitioning their S/TACWIS to a CCWIS must meet the requirements at paragraph (b). In addition, an agency with a S/TACWIS transitioning to CCWIS must also meet the requirements of § 1355.52, and, if applicable § 1355.53 for new development and § 1355.54.

(3) A title IV–E agency that wants to enhance their S/TACWIS, but not develop a CCWIS must meet the requirements at paragraph (d). ACF will classify these systems as non-CCWIS. No other requirements of this rule apply to non-CCWIS systems. However, title IV–E agencies with a S/TACWIS that do not meet the requirements of paragraph (d) may be subject to funding recoupment as described under paragraph (e).

We also clarify that none of the requirements of the rule apply to title IV–E agencies without a S/TACWIS that decide not to build a CCWIS. In these circumstances, the title IV–E agency continues to follow the rule at 45 CFR part 95, subpart F for developing, implementing, and operating their non-S/TACWIS as a non-CCWIS.

Comment: One commenter was concerned that their state would be unable to meet the CCWIS requirements with available funding in the timeframe specified. Another commenter asked if there is a deadline for completing a S/TACWIS to CCWIS transition.

Response: We would like to clarify that the timeframe specified in this section is the 24-month ''transition period'' for a title IV–E agency with a S/TACWIS or non-S/TACWIS to determine whether the agency will transition that system to CCWIS. This rule does not establish the timeframe for meeting CCWIS requirements with a new CCWIS or a system transitioning to CCWIS. The title IV–E agency must propose a timeframe in the applicable APD.

In paragraph (a), we specify 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.

Comment: One commenter asked if title IV–E agencies must use the existing cost allocation methodology or if a new methodology is required.

Response: We would like to clarify that S/TACWIS projects may use their existing S/TACWIS cost allocation methodology during the 24-month transition period, per this paragraph. After the transition period, CCWIS and non-CCWIS projects follow the cost allocation rules in § 1355.57. A S/TACWIS project may also elect to immediately move to a non-CCWIS cost allocation methodology. Finally, all title IV–E agencies may elect to immediately start a new CCWIS project and use a new cost allocation methodology approved by ACF for that project.

Comment: One commenter noted their state is continually enhancing their mature SACWIS and asked if the state is expected to get ACF approval before implementation of enhancements.

Response: We would like to clarify that the APD rule continues to apply to all child welfare systems. We will continue to respond to APDs within 60 days.

In paragraph (b), we specify 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.

Comment: Several commenters asked for additional guidance on the implications of transitioning a S/TACWIS to CCWIS.

Response: We would like to clarify that a S/TACWIS that is compliant with the S/TACWIS requirements may be able to achieve CCWIS compliance by developing the new bi-directional data exchanges required by § 1355.52(e) and documenting their data quality procedures in the data quality plan required by § 1355.52(d)(5). However, we caution readers that this is general guidance and is not applicable in every situation. We encourage title IV–E agencies to review their information system and consult with us during the 24-month transition period to assess the effort to comply with CCWIS requirements.

Comment: A commenter requested that the rule provide title IV–E agencies with the flexibility to develop or revise existing systems to collect required data. Another commenter noted that states and jurisdictions may not have the resources to build a new system.

Response: We would like to clarify that this paragraph permits title IV–E agencies to develop or revise (*i.e.,* transition) their existing S/TACWIS to CCWIS. It may be less costly to develop new bi-directional data exchanges required by § 1355.52(e) and documenting data quality procedures in the data quality plan required by § 1355.52(d)(5) than it would be to implement this same activities along with developing a new system.

Comment: One commenter recommended that the 24-month transition period should not begin until ACF issues sub-regulatory guidance with further clarifications because this additional guidance is needed for states to decide if they want to transition a S/TACWIS or non-S/TACWIS to CCWIS.

Response: We are not making a change in response to this comment as the rule adequately defines the scope of CCWIS. Although, as noted in other responses, we do intend to issue additional guidance, this guidance is not necessary during the transition stage when agencies review their policies, practices, and IT capabilities to assess whether CCWIS is appropriate to support their business practices. We encourage title IV–E agencies to contact us to review issues specific to their agency.

We also note that title IV–E agencies may start a new CCWIS project at any time. The 24-month transition period (including a decision and the submission of certain documentation) only applies to: (1) a S/TACWIS transitioning to a CCWIS; (2) a S/TACWIS not transitioning to a CCWIS; or (3) a non-S/TACWIS transitioning to CCWIS.

Comment: A few commenters recommended we change the 24-month transition period to provide states with more time. One commenter requested we extend the transition period while another commenter recommended we permit states to transition to CCWIS at any time.

Response: We are not making a change to this paragraph because we do not require agencies to complete the

transition during the 24-month period. This paragraph requires title IV–E agencies transitioning a S/TACWIS to CCWIS to submit the required documentation notifying ACF of this plan during the 24-month transition period. We believe that 24 months is sufficient time for this decision. We note that agencies may build a new CCWIS, or modify an existing S/TACWIS to meet CCWIS requirements at any time, although the agency will be subject to the funding requirements of § 1355.57(b) instead of § 1355.57(a).

Comment: A few commenters asked what happens to SACWIS action plans and SACWIS Assessment Review Guide updates if a state decides to transition a SACWIS to CCWIS.

Response: Title IV–E agencies that notify ACF pursuant to the requirements at paragraph (b) that they are transitioning a S/TACWIS to CCWIS are not required to complete S/TACWIS action plans or provide S/TACWIS Assessment Review Guide updates. While S/TACWIS action plans will be closed, it is possible that the S/TACWIS issue identified during a S/TACWIS Assessment Review will also be a CCWIS compliance issue that will be identified during a subsequent CCWIS Assessment Review.

In paragraph (c), we specify 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).

Comment: One commenter recommended that the rule provide states and jurisdictions with the option to build a new CCWIS within an extended timeframe to provide them with sufficient time to plan strategically.

Response: We are not making a change in response to this comment because there is no deadline for title IV–E agencies to elect to build a new CCWIS.

Comment: One commenter asked if title IV–E agencies that transition a S/TACWIS to CCWIS retain the option to build a new CCWIS later.

Response: We would like to clarify that a title IV–E agency may initiate a new CCWIS project at any time. If a title IV–E agency transitions a S/TACWIS to CCWIS and then decides to develop a new CCWIS, the agency would inform ACF via the APD process described in 45 CFR 95.610(c)(2) or the Notice of Intent described in this rule.

In paragraph (d), we specify requirements for a title IV–E agency that elects not to transition a S/TACWIS project to a CCWIS project. In paragraph (d)(1), we specify 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 paragraph (d)(2), we specify 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.

Comment: Several commenters asked us to clarify the requirements of paragraph (d)(1) by providing specific language for notifying ACF that a state does not intend to transition a S/TACWIS to CCWIS.

Response: We would like to clarify that APD rules include reporting changes in an APD Update per 45 CFR 95.610(c)(2), but do not specify the specific language title IV–E agencies must use. In this case, an APD Update, or a Notice of Intent for a project under the $5 million threshold, notifying ACF that the title IV–E agency is not transitioning a S/TACWIS to CCWIS is sufficient.

Comment: A few commenters asked us to clarify the funding implications for states deciding to remain a SACWIS. One asked if SACWIS would be ''decommissioned'' and, if so, what would be the impact upon funding.

Response: We would like to clarify that 24 months after the effective date of the rule (transition period) title IV–E agency child welfare information systems are classified as CCWIS or non-CCWIS. If a title IV–E agency decides not to transition their S/TACWIS to CCWIS, the system will be classified as a non-CCWIS and receive non-CCWIS funding. ACF will not ''decommission'' a S/TACWIS that is following the requirements of paragraph (d). If the title IV–E agency does not follow the requirements of paragraph (d), the S/TACWIS may be subject to recoupment of FFP per paragraph (e).

Comment: One commenter asked if SACWIS may establish data exchanges with external systems per the waiver provisions of 45 CFR 95.627.

Response: As noted above, after the transition period, ACF will classify all S/TACWIS systems as CCWIS or non-CCWIS. We would like to clarify that non-CCWIS systems may build data exchanges with external systems without a waiver but must follow the applicable APD rule. The non-CCWIS system may receive non-CCWIS funding to build data exchanges.

Comment: One commenter noted that the state does not have the resources at this time to implement a CCWIS.

Response: We would like to clarify that, per this paragraph, title IV–E agencies with a S/TACWIS may decide not to transition to CCWIS. We note that agencies may implement a new CCWIS at any time.

In paragraph (e), we specify that 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).

Comment: One commenter asked if there were financial penalties for using a SACWIS beyond the 24-month transition period.

Response: There is no penalty for using a S/TACWIS beyond the 24 month transition period. However, we would like to clarify that S/TACWIS systems that do not transition to CCWIS do not maintain S/TACWIS level cost allocation after the 24-month transition period. After the transition period, the rule classifies these systems as non-CCWIS and they may qualify for non-CCWIS cost allocation.

In paragraph (f), we specify 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). In paragraph (f)(1), we specify 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 paragraph (f)(2), we specify 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).

We received no comments on these paragraphs and made no changes.

Cost Allocation for CCWIS Projects (§ 1355.57)

Comment: Some commenters noted that the funding may not be sufficient for states to transition to a CCWIS or build a new CCWIS. Several commenters noted that it is more costly for title IV–E agencies to implement systems with the current 50 percent FFP rate as compared to the 75 percent FFP rate offered through Federal Fiscal Year 1997.

Response: We are not making a change in response to this comment because we do not have the statutory authority to provide a 75 percent FFP rate for CCWIS. The rate of FFP is set by section 474(a)(3)(C) and (D) of the Act.

Comment: A few commenters noted that the rule only offers FFP for systems determined to be in development and not for operational costs. Additionally, one commenter also cited the costs of

technology upgrades and changes to meet new federal reporting requirements as operational costs that should qualify for the federal financial participation.

Response: We would like to clarify that FFP is available for both development and operation costs. As noted in the table on page 48220 of the NPRM, the CCWIS development and operational cost allocation methodologies both allocate to title IV–E programs the costs benefiting state or tribal funded participants of programs and activities described in title IV–E. In addition, CCWIS post-implementation costs may qualify for CCWIS developmental or operational cost allocation. While technology upgrade costs may qualify for CCWIS operational cost allocation, new federal reporting requirements may also meet the definition of ''development'' at 45 CFR 95.605 so as to qualify for CCWIS development cost allocation. We encourage title IV–E agencies to contact us for technical assistance regarding whether specific upgrades meet the regulatory definition of ''development.''

Comment: One commenter asked us to clarify the cost allocation methodologies so that states can more accurately estimate the budgetary impact of a decision to build a CCWIS. The commenter also asked why an operational CCWIS or non-CCWIS cannot allocate costs supporting title IV–B to title IV–E.

Response: The cost allocation methodologies for CCWIS and non-CCWIS systems are provided in the table on page 48220 of the NPRM. We would like to clarify that federal statute does not allow CCWIS operational or non-CCWIS costs benefiting title IV–B to be allocated to title IV–E.

Comment: A few commenters noted that building a CCWIS may require states to reallocate staff providing direct services to the CCWIS project. To avoid a reduction in direct services, the commenter recommended we either provide teams of technical experts or provide funds for states to hire or contract for additional experts.

Response: We agree that the participation of child welfare program staff is needed to build any child welfare information system, including CCWIS. We would like to clarify that agencies may request FFP for experts to assist with CCWIS projects. We also note that title IV–E agencies may build a CCWIS in stages, which may reduce the need to reallocate staff.

Comment: One commenter asked what project documentation must be submitted to qualify for CCWIS cost allocation.

Response: We would like to clarify that § 1355.52(i)(1) specifies the required documentation. The required documentation is (1) a project plan and (2) a list of CCWIS automated functions specifying which automated functions meet certain criteria. The title IV–E agency submits the required documentation with an APD or, if the project is below APD thresholds, a Notice of Intent.

Comment: One commenter recommended that CCWIS funding be made available to support other programs developing data exchanges with CCWIS.

Response: We are not making a change based on these comments because sections 474(a)(3)(C) and (D) of the Act only provide 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).

In paragraph (a), we specify cost allocation requirements for projects transitioning to CCWIS.

In paragraph (a)(1), we specify that all automated functions developed after the transition period for projects meeting the submission requirements in § 1355.56(b) or (f)(1) must meet the CCWIS design requirements described under § 1355.53(a), unless exempted by § 1355.53(b)(2). In paragraph (a)(2), we specify 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.

In paragraph (b), we specify cost allocation requirements for new CCWIS projects. In paragraph (b)(1), we specify 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.

In paragraph (b)(2), we specify the requirements an automated function must meet to qualify for CCWIS cost allocation. In paragraph (b)(2)(i), we specify 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.

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

We received several comments that address both paragraphs (a) and (b) simultaneously, and therefore, respond to comments from both paragraphs (a) and (b) below.

Comment: Several commenters recommended we add a new category of ''enhancement'' to the existing categories of ''development'' and ''operation'' defined at 45 CFR 95.605 to provide additional funding to encourage the agile and iterative improvement of CCWIS.

Response: We would like to clarify that ''enhancement'' is defined at 45 CFR 95.605 and that an enhancement to a system may be classified as either development or operations. We are not making a change to 45 CFR 95.605.

Comment: One commenter asked if title IV–E agencies could use CCWIS funds for the development of modules that are not case management related but improve the case management process.

Response: We would like to clarify that CCWIS funds may be used for the development of automated functions in the CCWIS that support the requirements of paragraphs (a)(2)(i) and (ii). These requirements may include automated functions that improve the case management process.

Comment: A commenter asked if states could use CCWIS funding only for the required areas of intake, title IV–E eligibility, case management, financial management, resource management, court processing, reporting, interfaces, administrative support, and security. The commenter also asked if states could purchase modules supporting CCWIS functions.

Response: We would like to clarify that CCWIS data is required but title IV–E agencies have the flexibility to collect the data using automated functions that may or may not qualify for CCWIS funding. We also note that title IV–E agencies may request a waiver to purchase COTS products per Program Instruction ACYF–CB–PI–11–08.

Comment: Several commenters suggested that, per paragraph (b)(2)(ii), precluding federal funding for any ''other systems supporting child welfare agencies'' is overly broad.

Response: We would like to clarify that this rule does not preclude non-CCWIS title IV–E funding for title IV–E external or child welfare contributing agency systems. However, this comment identified an inconsistency between (a)(2)(ii) and (b)(2)(ii) and we are making two changes to align these two sections. First in (a)(2)(ii) we are deleting the term ''either'' in the phrase

''is not duplicated within *either* the CCWIS or systems supporting child welfare agencies . . . .'' Second, in (b)(2)(ii) we are deleting the term ''other'' in the phrase ''is not duplicated within the CCWIS or *other* systems supporting child welfare agencies . . . .'' These changes will align (a)(2)(ii) and (b)(2)(ii).

Comment: A number of commenters noted that this requirement may be difficult to implement in county-administered states where similar functions may be performed at the state and county level. As an example, one commenter noted that their state's statutory requirements led to the development of business processes that required duplicative functionality at the state and county level for supporting child abuse investigations.

Response: We would like to clarify that the CCWIS rule provides greater flexibility than the S/TACWIS rule. The S/TACWIS rule required no duplicate functionality. A single duplicated function, such as for child abuse investigations, could prevent a system from receiving any S/TACWIS funding, even for non-duplicated functions. Under this CCWIS rule, duplicated functionality may qualify for non-CCWIS cost allocation while other automated functions that are not duplicated may qualify for CCWIS cost allocation.

Comment: Several commenters were concerned that the phrase ''is consistently used by all child welfare users responsible'' for the supported area was unclear and so broad as to be unenforceable because states cannot guarantee the actions of all users. Commenters noted that, for example, a bed vacancy control function may be used by large CWCAs but not be needed by small CWCAs.

Response: We are not making a change to this requirement because it is not new. We would like to clarify that this paragraph does not require title IV–E agencies to guarantee the actions of all users, but rather determine the child welfare system or systems that staff must use for their work. For example, if some workers did not need a bed vacancy control function, they would not be required to use it. We also note that title IV–E agencies may permit multiple bed vacancy control functions, which may qualify for non-CCWIS cost allocation.

Comment: One commenter asked us to define when a new CCWIS project ''starts.''

Response: We would like to clarify that ''project'' is defined at 45 CFR 95.605. For the purposes of this rule, a CCWIS project begins when a title IV–E agency submits documentation per § 1355.52(i)(1) indicating that it is beginning the activities consistent with the definition of a project.

In paragraph (c), we specify 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).

We received no comments on this paragraph and made no changes.

In paragraph (d), we specify that the title IV–E agency must allocate project costs in accordance with applicable HHS regulations and guidance.

We received no comments on this paragraph and made no changes.

In paragraph (e), we specify cost allocation requirements for CCWIS development and operational costs.

In paragraph (e)(1), we specify that a title IV–E agency may 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).

Comment: One commenter asked if FFP for the maintenance costs for COTS products is available.

Response: We would like to clarify that FFP for the maintenance costs for COTS products may be available, per Program Instruction ACF–OA–13–01.

In paragraph (e)(1)(i), we specify that the costs are approved by the Department. In paragraph (e)(1)(ii), we specify that the costs must meet the requirements of § 1355.57(a) (transitioning projects), (b) (new CCWIS projects), or (c) (approved activities). In paragraph (e)(1)(iii), we specify 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.

Comment: One commenter provided a list of programs (including alternative response to child protective services interventions, juvenile justice, and adult protective services) and asked us to identify the programs applicable for funding under this paragraph.

Response: We are not identifying programs applicable for funding under this paragraph because we do not want to limit CCWIS cost allocation to a specified list. We would like to clarify that we will continue to determine appropriate system costs per APD rules. This approach provides title IV–E agencies with the flexibility to provide a business case in the APD for allocating costs to support specific programs to CCWIS, including programs unanticipated at this time.

In paragraph (e)(2), we specify that title IV–E agencies may allocate additional CCWIS development costs to title IV–E for the share of system approved activities and automated functions that meet requirements in paragraphs (e)(1)(i) and (ii). These additional costs are described in new paragraphs (e)(2)(i) and (ii). In paragraph (e)(2)(i), we specify that CCWIS development costs benefiting title IV–B programs may be allocated to title IV–E. In paragraph (e)(2)(ii), we specify that CCWIS development costs benefiting both title IV–E and child welfare related programs may be allocated to title IV–E.

We received no comments on these paragraphs and made no changes.

In paragraph (f), we specify 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.

Comment: Several commenters asked if S/TACWIS systems that do not implement CCWIS will be able to maintain their current funding level after the 24-month transition period.

Response: We would like to clarify that S/TACWIS systems that do not transition to CCWIS do not maintain S/TACWIS level cost allocation after the 24-month transition period. After the transition period, the rule classifies these systems as non-CCWIS and they may qualify for non-CCWIS cost allocation. Please see the NPRM for a discussion of CCWIS and non-CCWIS cost allocation methodologies at 80 FR 48220.

Comment: A number of commenters asked us if county, consortia, or private agency systems that collect data and exchange it with CCWIS are eligible for FFP. One commenter asked if we considered these potential costs in the impact analysts.

Response: We would like to clarify that, per this paragraph, costs for county, consortia, or private agency systems that collect and exchange CCWIS data with CCWIS may be eligible as an administrative cost for the title IV–E agency. We will work with title IV–E agencies on a case-by-case basis to determine how to include these costs in an APD.

We also note that we accounted for all CCWIS costs in the impact analysis.

Failure To Meet the Conditions of the Approved APD (§ 1355.58)

In paragraph (a) and in accordance with 45 CFR 75.371 to 75.375 and 45 CFR 95.635, we specify that ACF may

suspend title IV–B and IV–E funding for a CCWIS 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 fail to meet the CCWIS requirements at § 1355.52 or, if applicable, §§ 1355.53, 1355.54, or 1355.56.

Comment: One commenter was concerned that if they planned to modernize their current SACWIS but did not want to transition it to a CCWIS, they may be a risk for ''failure to comply'' and subject to project suspension.

Response: We made a change to paragraph (a) in response to this comment to clarify that § 1355.58 applies only to CCWIS by revising the rule to read: ''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 APD for a CCWIS . . .''

Please see § 1355.56(d) for requirements for S/TACWIS systems that do not transition to CCWIS.

Comment: One commenter asked that we clearly state the specific conditions that could lead to a finding of ''failure to comply.''

Response: We would like to clarify that there are many conditions that could lead to a finding of ''failure to comply'' with APD requirements. Therefore, we are unable to list all possible scenarios. We intend to continue our practice of working with title IV–E agencies at risk of suspension or recoupment so that they may take proactive corrective action to avoid the suspension or recoupment activities.

In paragraph (b), we specify that the suspension of funding for a CCWIS 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).

In paragraph (b)(1), we specify 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 paragraph (b)(2), we specify 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.

We received no comments on this paragraph and made no changes.

In paragraphs (c) introductory text, (c)(1) and (2) we specify 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.

Comment: One commenter asked that we specify the corrective measures required to end a suspension and reinstate funding. The commenter asked if the title IV–E agency must submit a corrective action plan.

Response: We are not making a change to this paragraph as a result of the comment because the specific steps required of an agency will be determined on a case-by-case basis depending on the reasons for the suspension. In some cases it may include a corrective action plan per paragraph (c)(2).

In paragraph (d), we specify 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.

Comment: One commenter recommended that we permit a state to reinvest any proposed financial penalties in enhancing its system when the state makes a strong business case showing the financial and social return of any already received funding and the impact the system has on statewide operations and services to children.

Response: We are not making a change to this paragraph as a result of the comment because we are not proposing to issue financial penalties, rather to recoup IV–E funds approved for a CCWIS as specified. Further, 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. This requirement is not new, rather it incorporates the S/TACWIS requirements at 45 CFR 1355.56(b)(4), with a modification to allow ACF to recoup all FFP approved for the CCWIS consistent with the October 28, 2010 (45 FR 66341) changes in the APD rules at § 95.635.

Reserved (§ 1355.59)

We reserve § 1355.59 for future regulations related to CCWIS.

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

In § 1356.60, we made a conforming change to the title of § 1356.60(e) from ''Federal matching funds for SACWIS/TACWIS'' to ''Federal matching funds for CCWIS and Non-CCWIS.'' We also made a technical revision 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.

We received no comments on this conforming change and made no changes.

Submission of Advance Planning Documents (§ 95.610)

We made a conforming change to § 95.610(b)(12) so that it conforms with our rule at §§ 1355.50 through 1355.58. We also made a technical change to remove the references to §§ 1355.54 through 1355.57, which is a title IV–E rule, since statutory authority for enhanced funding for information systems supporting the title IV–E program expired in 1997. We also made a conforming change to § 95.610(b)(12) by adding the phrase ''or funding, for title IV–E agencies as contained at § 1355.52(i)'' because our rule at § 1355.52(i) adds new requirements for CCWIS APDs.

We received no comments on these conforming changes.

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

We made a conforming change to § 95.612 which provides guidance on conditions that may lead to a disallowance of FFP for APDs for certain information systems. We replaced 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 made a technical change to the identified CCWIS rule from ''§ 1355.56'' to ''§ 1355.58.''

We received no comments on this paragraph and made no changes.

Increased FFP for Certain ADP Systems (§ 95.625)

We made technical revisions to § 95.625(a) and (b) to remove the references to title IV–E enhanced funding since statutory authority for enhanced funding for information systems supporting the title IV–E program expired at the end of Federal Fiscal Year 1997.

We received no comments on these technical revisions and made no changes.

V. Impact Analyses

Executive Order 12866 and 13563

Executive Orders 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts and equity). Executive order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This 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. This rule meets the criteria for a significant regulatory action under EO 12866 and has been reviewed by OMB.

We determined that the costs to states and tribes as a result of this rule will not be significant. First, CCWIS is an optional system that states and tribes may implement; therefore, we have determined that the 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 cost allocation 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) of the Act.

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. As discussed in the NPRM, we estimate the average historical cost to design, develop, and implement a SACWIS as $65 million, and the cost to transition an operational system to a CCWIS will be $34 million.

Costs. Several commenters felt the reasonable cost for the creation and development of a CCWIS was, based on their state's experience, significantly higher than the $65 million estimate provided in the NPRM and requested we revise the estimate. However, no commenters provided estimates to assist in calculating costs, therefore, no changes were made as a result of these comments. ACF maintains the estimate provided in the NPRM that uses the best available information, which is a $65 million estimate representing an average of five recent SACWIS implementations for mid-to-large sized states. As we explained in the NPRM, we expect actual CCWIS costs to be lower than this S/TACWIS-based estimate because CCWIS has fewer functional requirements than SACWIS, and therefore title IV–E agencies may build a new CCWIS at a lower cost. Also, CCWIS requirements permit title IV–E agencies to use less expensive commercial-off-the-shelf software (COTS) as CCWIS modules, and 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.

Another commenter noted that costs would also be higher because states with existing systems will need either to start over or make extensive revisions to their existing systems to qualify for federal funding. However, we disagree that states will need to make extensive revisions to their existing systems to qualify for federal funding. As we noted in our response in section IV under § 1355.56(b), a S/TACWIS that is compliant with the S/TACWIS requirements may be able to achieve CCWIS compliance by developing the new bi-directional data exchanges required by § 1355.52(e) and documenting data quality procedures in the data quality plan required by § 1355.52(d)(5).

Alternatives Considered: We considered alternatives to the approach described in this rule. As discussed in the NPRM, we determined that alternative approaches such as: (1) Leaving the current rules in place; or (2) providing even greater flexibility than what we proposed in the NPRM, would not adequately improve the administration of the programs under titles IV–B and IV–E of the Act and improve overall outcomes for the children and families served by title IV–E agencies. We received no comments on the alternatives we considered, and therefore made no changes in this rule.

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 rule will not result in a significant impact on a substantial number of small entities. The primary impact of this rule is on state and tribal governments, which are not considered small entities under the Act.

Unfunded Mandates Reform Act

The Unfunded Mandates Reform Act (Public Law 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. CCWIS is an option for states and tribes, therefore the Department has determined that this 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 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 rule does not make a substantial change to those APD information collection requirements; however, it contains new information collection activities, including submission of an automated function list, data quality plan and Notice of Intent if applicable, which are subject to review.

Burden Hour Estimate

As a result of the new information collection activities in this rule, we estimated 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

We considered comments by the public regarding the burden hour estimate for providing a list of automated functions, a data quality plan, and an APD or Notice of Intent associated with the requirements we propose in § 1355.52(i)(1)(ii) and (iii) and (i)(2)(i) and (ii). Many of the comments regarding burden hours are discussed in section IV of the preamble. As discussed there, we did not make changes to the burden hour estimate above as a result of public comments.

Total Burden Cost

Based on the estimated burden hours, we developed an estimate of the associated cost for states and tribes to conduct these activities, as applicable. We made one change from the NPRM in this rule to double the mean hourly wage estimate for the job role of Management Analyst (13–111) from $43.26 to $86.52 ($43.26 × 2 = $86.52) in order to ensure we took into account overhead costs associated with labor costs. Therefore, the Data Quality Plan and Notice of Intent represent a one-time cost of $198,649 (2,296 hours × $86.52 hourly cost = $198,649). We estimate that the average annual burden increase of 550 hours for the Automated Function List will cost $47,586 (550 hours × $86.52 hourly cost = $47,586). Dividing these costs by the number of estimated respondents, ACF estimated the average cost per title IV–E agency to be $2,965 one-time and $865 annually. Federal reimbursement under title IV–E will be available for a portion of the costs that title IV–E agencies will incur as a result of this rule, depending on each agency's cost allocation plan, information system, and other factors. The following are estimates:

	Hours	Average hourly labor rate	Total cost nationwide	Number of respondents	Net average cost per respondent
Total One-Time Burden Data Quality Plan and Notice of Intent.	2,296	$86.52	$198,650	67	$2,965 One-Time.
Total Annual Automated Function List	550	$86.52	$47,586	55	$865 Annually.

We considered comments by the public regarding the total burden cost estimate for providing a list of automated functions, a data quality plan, and an APD or Notice of Intent associated with the requirements we propose in § 1355.52(i)(1)(ii) and (iii) and (i)(2)(i) and (ii). Many of the comments regarding the cost of specific provisions are discussed in section IV of the preamble. However, in response to a commenter that estimated that the annual cost would be much higher than the $23,793 figure provided in the impact statement, we would like to clarify that $23,793 is the annual estimate for all of the 55 title IV–E agencies collectively to provide only their automated function list to ACF, per § 1355.52(i)(1)(ii) and (iii) and (i)(2). As discussed both in section IV and below, we did not make changes to the burden hour estimate above as a result of public comments.

Congressional Review

This rule is not a major rule as defined in the Congressional Review Act or CRA (5 U.S.C. Ch. 8). The CRA 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. HHS has determined that this final rule does not meet any of these criteria.

Assessment of the Impact on Family Well-Being

Section 654 of the Treasury and General Government Appropriations Act, 2000 (Public Law 106–58) requires federal agencies to determine whether a proposed policy or rule 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. This rule will not have an impact on family well-being as defined in the law.

Executive Order 13132

Executive Order 13132, Federalism, 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 did not receive any public comments.

Tribal Consultation Statement

A full summary of the tribal consultation on child welfare automation, conducted on February 15 and 16, 2012 can be found at *https://www.acf.hhs.gov/programs/cb/resource/tribal-consultation-on-title-iv-e-information-systems-regulations*.

After publication of the NPRM, ACF held an information conference call for tribal stakeholders on August 27, 2015. We received no written comments from Indian tribes, tribal consortia or tribal organizations in response to the NPRM.

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, 2016.

Mark H. Greenberg,

Acting Assistant Secretary for Children and Families.

Approved: April 27, 2016.

Sylvia M. Burwell, Secretary.

For the reasons set out in the preamble, HHS and the Administration for Children and Families amend 45 CFR chapters I and XIII 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. Amend § 95.610 by revising paragraph (b)(12) 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. Amend § 95.612 by revising the last sentence 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.

■ 4. Amend § 95.625 by revising paragraph (a) and the last sentence of paragraph (b) 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.

CHAPTER XIII—ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES

■ 5. Under the authority of 42 U.S.C. 1302(a), the heading for 45 CFR chapter XIII is revised to read as set forth above.

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.

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 information 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 most rigorous of 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) through (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 CCWIS 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 biennial 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 efficient, economical, and effective bi-directional data exchanges 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 described in 42 CFR 433.111(b)(2)(ii)(A); and

(B) Medicaid Management Information Systems as defined at 42 CFR 433.111(b)(2)(ii)(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; and

(2) 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 description of 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 (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 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 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 for a CCWIS 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.

■ 16. Add reserved § 1355.59.

§ 1355.59 [Reserved]

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. Amend § 1356.60 by revising paragraph (e) 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.

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