

outline the projected costs for the demonstration project and detail:

- The method by which current costs have been derived, and their basis;
- The method for projecting costs of the demonstration, and for projecting the costs which would have been incurred in the absence of a demonstration, and their bases;
- Any factors the State may propose for adjusting cost estimates over the life of the demonstration project, and their bases; and
- The method the State proposes for measuring costs during the demonstration, including actual costs of the demonstration, and the frequency, nature, and specific cost elements of proposed fiscal reports.

The Department recognizes the difficulty of projecting and measuring title IV-E and title IV-B expenditures, and is open to methodology(ies) the State(s) may propose. However, the Department favors random assignment, where appropriate, as the methodology for the evaluation component, and as a method for determining the fiscal effects of a demonstration as well. The Department will work with States in measuring actual fiscal experience against cost projections. Fiscal reports on the demonstration project will be due on a quarterly or at least a semi-annual basis.

States may be required to conform, within a reasonable period of time, relevant aspects of the demonstrations to changes in Federal legislation.

## VI. Technical Assistance

Pre-approval technical assistance will be provided by Children's Bureau staff or Regional Office staff to any State which requests assistance in applying for a waiver demonstration project. Pre-approval consultation with the State can include answering specific questions, providing assistance with cost neutrality and cost allocation issues, reviewing draft proposals and referring States to sources of non-federal assistance for the formulation of evaluation plans.

Federal staff will not participate in determining the basic nature of a State's demonstration project, but will provide assistance related to preparing a proposal. The Department will provide technical assistance to all interested States, upon request, in order to speed approvals and improve the quality of the review process.

After approval, Federally-provided third-party technical assistance will be available, to a limited extent, to support approved demonstration projects. In addition, the Department will consider proposals from interested States for

other partnership roles which the Department might assume (the conduct of a targeted program review, for example) and which would be memorialized in the waiver approval document.

The Department is committed to minimizing the administrative burden on the States, and the processing time for waiver proposals.

## VII. Proposal Review

The proposals will be evaluated by a panel of federal officials, who will also consider any comments received from outside experts and the general public. Regional Office staff will be asked to complete an independent review of proposals submitted by States in their respective Regions; these reviews will be included in the final decision-making process. If the review discloses questions or issues with a proposal, Regional Office staff will be asked to contact the State for more information or to resolve the problem so that the process can continue. The State(s) will be permitted a reasonable period of time to address the issues raised by the review.

### Deadlines

Deadlines are established to provide a fair and orderly process for review and approval. It is anticipated that proposals will be received on a "rolling" basis.

*The deadline for the initial set of proposals, Round One, is July 31, 1995.* Proposals received by that date will be reviewed first and will be given priority for consideration. However, if there are not ten proposals in Round One, or there are not ten proposals approved after completion of the review, then additional proposals will be accepted and considered for approval. *Additional proposals will be received any time after the initial due date until September 30, 1995 (Round Two).* If the Department has not already approved ten child welfare waiver demonstration projects, additional proposals will be reviewed quarterly until ten proposals are approved. Once ten projects have been approved, all States will be notified and all proposals not approved will be returned.

Approvals will be announced as decisions are made. If a State can make a compelling argument for an expedited review, the Department will try to accommodate such a request.

If necessary, an agreement can be negotiated between the State and the Department to start the demonstration project at some date in the future. For example, if some action of the State legislature is required as an integral element of a demonstration, the five

year period for that demonstration would not start until the legislature had acted.

Public comments will be solicited in the course of the review process. (See Section VIII.) The States will be asked to demonstrate that their proposals are based on broad consultation, such as focus groups and public forums, or legislative hearings.

## VIII. State Notice Procedures

The Department recognizes that individuals who may be affected by a demonstration project have a legitimate interest in learning about proposed projects and having input into the decision-making process prior to the time a proposal is approved by the Department. The Department requires that States provide notification to the public that a waiver demonstration effort is being proposed.

A process that facilitates public involvement and input promotes sound decision-making. There are many ways that States can provide for such input. In order to allow for public input into the proposal, the Department will accept any process that:

- ♦ Includes the holding of one or more public hearings, at which the most recent working proposal is described and made available to the public, and time is provided during which comments can be received; or

- ♦ Uses a commission or other similar process, where meetings are open to members of the public, in the development of the proposal; or

- ♦ Results from enactment of a proposal by the State legislature prior to submission of the demonstration proposal, where the legislature holds one or more public hearings and the outline of such proposal is contained in the legislative enactment; or

- ♦ Provides for formal notice and comment in accordance with the State's administrative procedures act; provided that such notice must be given at least 30 days prior to submission; or

- ♦ Includes notice of the intent to submit a demonstration proposal in newspapers of general circulation, and provides a mechanism for receiving a copy of the working proposal and an opportunity, which shall not be less than 30 days, to comment on the proposal; or

- ♦ Includes any other similar process for public input that would afford an interested party the opportunity to learn about the contents of the proposal, and to comment on its contents.

The State shall include in the demonstration proposal it submits to the Department a description of the process that was used in the State to obtain