Child Welfare Policy Manual

Section 3: INDEPENDENT LIVING

3.1. INDEPENDENT LIVING, Certifications and Requirements

Question 2. Who is considered the Chief Executive Officer (CEO) for purposes of signing the certifications?

Answer

Section 477 (b)(3) of the Social Security Act requires the CEO of the State (the term “State” includes an Indian tribe, tribal organization, or tribal consortium that receives an allotment per Sec. 477(d)(5)(C) of the Act) to certify that it will adhere to various provisions of the program. The highest ranking official is considered the Chief Executive Officer. For States that is the governor of each State and Territory and the mayor of the District of Columbia. If the governor has the legal authority under state law to delegate the responsibility to someone else and makes such a legal delegation, that person may sign the certifications for the governor.

Source/Date

Questions and Answers on the Chafee Foster Care Independence Program, revised 9/30/26

Legal and Related References

Social Security Act - section 477(b)(3)

3.1A. Certifications and Requirements, Youth Participation

Question 1. Is there a Federal requirement for the State/Tribe to formulate a life skills assessment or enter into a personal responsibility contract with each youth receiving services under the Chafee Program?

Answer

No. The certification at section 477(b)(3)(H) of the Act requires the State/Tribe to ensure that youth participate directly in designing their own program activities "and accept personal responsibility for living up to their part of the program." There is no specific requirement for States/Tribes to utilize life skills assessments or personal responsibility contracts to comply with this certification. However, various assessment tools and personal responsibility contracts are currently used by some States to assist youth to make the transition to adulthood and we believe that this is a good approach to determining needs and developing appropriate services.

Source/Date

7/25/02; (3/28/2019)

Legal and Related References

Social Security Act - section 477(b)(3)(H) and (j)

3.1C. INDEPENDENT LIVING, Certifications and Requirements, Coordination

Question 1. What is specifically being asked of the State/Tribe regarding the coordination requirement at 477(b)(3)(F) of the Social Security Act?

Answer

The law requires each State/Tribe to coordinate its Independent Living Program and services with other agencies and providers that serve youth. Programs listed in the legislation (transitional living programs, abstinence education programs, local housing programs, programs for disabled youth and school-to-work programs) must be included in the

State's/Tribe's coordination effort; however, we encourage States/Tribes to coordinate with an even broader range of youth-oriented agencies and programs such as health-related programs, local job training and employment programs, community colleges and youth'shelters. Regulations at 45 CFR 1357 offer guidance on how to consult and coordinate with other public/private entities for the title IV-B program that might be useful in implementing the Chafee Program.

Source/Date

Questions and Answers on the Chafee Foster Care Independence Program; (3/28/2019)

Legal and Related References

Social Security Act - section 477(b)(3)(F) and (j); 45 CFR 1357

3.1E. INDEPENDENT LIVING, Certifications and Requirements, Miscellaneous Requirements

Question 2. Do the fair hearings requirements in 45 CFR 205.10 apply when a young person believes they were wrongly denied a service, direct financial assistance or an educational and training voucher (ETV) under the Chafee Foster Care Program for Successful Transition to Adulthood and/or the ETV program?

Answer

Yes. The regulations at 45 CFR 1355.30(p)(2) provide that the procedures for hearings found in 45 CFR 205.10 apply to all programs funded under titles IV-B and IV-E of the Social Security Act. The Chafee Foster Care Program for Successful Transition to Adulthood Program (including the ETV program) is authorized in title IV-E of the Social Security Act and is therefore subject to the regulations in 45 CFR 205.10. In addition, the requirements in 45 CFR 205.10 apply to fair hearings in relation to services as well as for financial claims (see CWPM 8.4G, Q/A #1).

Source/Date

4/26/2022

Legal and Related References

45 CFR 205.10 and 1355.30(p)(2); CWPM 8.4G #1

3.1F. INDEPENDENT LIVING, Certifications and Requirements, Objective Eligibility Criteria

Question 1. What are the program eligibility requirements for programs and services provided by the State/Tribe?

Answer

The State/Tribe determines, within the purposes defined in the statute at section 477(a) of the Social Security Act (the Act), the assistance and services that will be made available to all youth whom the State/Tribe defines as eligible for the program.

In defining the program eligibility requirements, the State/Tribe is required:

1) to ensure that the programs serve youth of various ages and at various stages of achieving independence (section 477(b)(2)(C) of the Act);

2) to use objective criteria for determining eligibility for benefits and services under the programs (section 477(b)(2)(E) of the Act); and

3) to ensure fair and equitable treatment of benefit recipients (section 477(b)(2)(E) of the Act).

The Department supports positive youth development, which values youth and an individual youth's involvement in planning his/her activities and goals. Furthermore, we view independent living as part of the developmental process critical to the well-being of all children and youth. States/Tribes are expected to develop or locate services and training that are appropriate to the individual's age, circumstances and developmental needs.

Source/Date

Questions and Answers on the Chafee Foster Care Independence Program; (3/28/2019)

Legal and Related References

Social Security Act - section 477(a), (b), and (j)

Question 2. If a foster care youth is placed in another State, which State is responsible for providing the funding for Chafee Program services?

Answer

The sending State is responsible for foster care maintenance payments, case planning, including a written description of the programs and services which will help a child 14 or over prepare for the transition from foster care to independence, as required by section 475(1)(D) of the Social Security Act (the Act) and a case review system as required by section 475(5)(C) of the Act. The sending State must also fund the identified independent living services for foster care youth ages 14-18 because the sending state has placement and care responsibility for the youth.

Source/Date

7/25/02; (3/28/2019)

Legal and Related References

Social Security Act - section 475 and 477

Question 3. If a former foster care youth moves from the State in which he or she aged out of foster care to another State, which State is responsible for providing Chafee Program services?

Answer

Section 477(b)(3)(A) requires States to certify that they will provide assistance and federally-funded Chafee Program services to youth who have aged out of foster care and have not attained 21 years of age (or 23 as applicable). It is irrelevant where the youth "aged out" of foster care. The State in which the youth resides is responsible for services if the State provides the services needed by the youth.

Source/Date

7/25/02; (3/28/2019)

Legal and Related References

Social Security Act - section 477(b)(3)(A)

Question 4. Does marriage have any impact on a youth's eligibility for Chafee Program services?

Answer

Section 477(b)(2)(E) of the Act requires the State/Tribe to use objective criteria for determining eligibility for the Chafee Program. The State/Tribe may decide that marriage will be considered in determining a youth's eligibility for the Chafee Program. Once the eligibility criteria are set, all youth must be treated equitably.

Source/Date

7/25/02; (3/28/2019)

Legal and Related References

Social Security Act - section 477(b)(2)(E) and (j)

Question 5. Can former foster care youth be required by the court to participate in the Chafee Program?

Answer

The court may order a youth to participate in independent living services, however, the youth must meet the State's/Tribe's eligibility requirements to be eligible for services. Additionally, section 477(b)(3)(H) requires the State/Tribe to ensure that youth participate directly in designing their own program activities that prepare them for independent living and that the youth accept personal responsibility for living up to their part of the program. If a youth is unwilling to participate or accept personal responsibility, he/she cannot receive services.

Source/Date

7/25/02; (3/28/2019)

Legal and Related References

Social Security Act - section 477(b)(3)(H) and (j)

3.1G. INDEPENDENT LIVING, Certifications and Requirements, Room or Board

Question 1. What is meant by "room or board" as used in section 477(b)(3)(B) of the Social Security Act? Is it intended to cover all cost items included in the title IV-E foster care maintenance payment definition? Would it also include such costs as rental deposits, rent, utilities, and household start-up purchases?

Answer

"Room or board" has no statutory definition, but typically includes shelter and food. These are the most expensive and essential items that youth over age 18 may not be able to cover with their own incomes. The term does not include all items covered by the title IV-E foster care maintenance payment definition. States/Tribes may set a reasonable definition of room or board that may include rent deposits, utilities and other household start-up purchases. In setting the definition, States/Tribes should be cautioned that the number of items that are covered in the definition of "room or board" may impact the number of youth the State/Tribe can actually assist.

Source/Date

Questions and Answers on the Chafee Foster Care Independence Program; (3/28/2019)

Legal and Related References

Social Security Act - section 477(b)(3)(B) and (j)

Question 2. Does the law at 477 (b)(3)(A) and (B) of the Social Security Act (the Act) allow "room or board" payments for youth over 18 years of age who are in a higher education situation?

Answer

Yes. The law allows it, but does not mandate it. Section 477(b)(3)(A) and (B) of the Act provide that no more than 30 percent of Federal funds from the allotted amount can be used for room or board for youth 18-21 (or 23 years of age, as applicable in a State/Tribe) who have aged out of foster care States/Tribes may set criteria for the use of these funds that may or may not include college attendance.

Source/Date

Questions and Answers on the Chafee Foster Care Independence Program; (3/28/2019)

Legal and Related References

Social Security Act - section 477(b)(3) and (j)

Question 3. Can a State/Tribe provide Chafee Program funds to an organization for the purpose of acquiring real property under the statutory provision that permits limited room or board expenditures for former foster care youth between the ages of 18 and 21 (or 23 as applicable)?

Answer

Federal funds are generally unavailable for the acquisition of real property in the absence of express statutory authority and there is no such authority in legislation. Accordingly, neither States/Tribes themselves nor the organizations they fund may purchase real property with Chafee Program funds. Additionally, States/Tribes may not use purchased property to qualify for the match to Chafee Program funds.

Source/Date

Questions and Answers on the Chafee Foster Care Independence Program; (3/28/2019)

Legal and Related References

Social Security Act - section 477; 42 Comptroller General 480 (1963)

Question 4. May a State/Tribe use Chafee Program funds to provide room or board for youth (between the ages of 18-21) who voluntarily remain in foster care?

Answer

Allowing room or board for these youth in foster care accords with the statutory purposes identified in sections 477(a)(1-5) of the Act. Therefore, it is permissible to expend Chafee Program funds for youth between the ages of 18-21 who voluntarily remain in foster care including room or board services. However, a State/Tribe may not require youth to remain in foster care over the age 18 in order to receive Chafee Program services. The certification at section 477(b)(3)(A) stipulates that the State/Tribe will serve youth who have left foster care because they aged out of foster care at age 18, 19 or 20. Requiring a youth to remain in foster care to receive services contravenes this certification. The State/Tribe must also meet the Federal non-supplantation requirement 477(d)(2) for youth over age 18. Federal funds spent for room or board for youth over age 18 both in and out of foster care, are subject to the 30 percent expenditure limitation found at section 477(b)(3)(B).

Source/Date

7/25/02; (3/28/2019)

Legal and Related References

Social Security Act - section 477

3.1H. INDEPENDENT LIVING, Certifications and Requirements, Training

Question 1. What funds under section 477(b)(3)(D) of the Social Security Act (the Act) will be used for training the individuals listed there and whose responsibility is it to train them?

Answer

The certification at section 477(b)(3)(D) of the Act requires the State or Tribe receiving Chafee funds to train the categories of people enumerated therein and to utilize the funds that are available for this purpose. The funds specified at section 474(a)(3) of the Act are the administrative dollars which can be claimed for such training. Under that section of the Act, the cost of training certain individuals is reimbursable from title IV-E administrative funds at the rate of up to 75 percent Federal Financial Participation (FFP). If the State/Tribe with an approved title IV-E plan contracts with private entities to perform case management functions, it may claim the percent reimbursement permitted by statute for training the contractor's staff to perform the contracted functions. States and Tribes receiving Chafee funds should treat independent living training for foster parents, adoptive parents, case managers and workers in group homes on independent living issues like any other training costs under title IV-E and allocate appropriately. The certification for training in the Chafee Program simply adds independent living training to the pool of allowable title IV-E training activities; it has no general impact on the FFP match for training costs. In addition, regulations at 45 CFR 1356.60(b)(2) require that all training activities and costs funded under title IV-E shall be included in the title IV-E agency's training plan for title IV-B.

Source/Date

Questions and Answers on the Chafee Foster Care Independence Program; revised 08/31/09; (3/28/2019); revised 9/30/26

Legal and Related References

Social Security Act - sections 474(a)(3), 477(b)(3)(D), and (j); 45 CFR 235, 45 CFR 1356.60(b)(2)

Question 3. May title IV-E agencies claim the costs of training foster parents under their Chafee Program funds?

Answer

No. The certification at 477(b)(3)(D) specifies that title IV-E agencies "will use training funds provided under the program of Federal payments for foster care and adoption assistance" to provide training including training on youth development to help foster parents, adoptive parents, workers in group homes, and case managers understand and address issues confronting youth preparing for a successful transition to adulthood and making a permanent connection with a caring adult. Since the statute expressly directs that title IV-E administrative funds be used for training, Chafee funds are not permitted for this use.

Source/Date

7/25/02; (3/28/2019); revised 9/30/26

Legal and Related References

Social Security Act - section 477(b)(3)(D)

3.1I. INDEPENDENT LIVING, Certifications and Requirements, Tribal

Question 3. How will the State document its compliance with the requirements to consult and coordinate with the Tribes?

Answer

Section 477(b)(3)(G) of the Social Security Act requires the CEO of the State to certify that the State has consulted with every Tribe within the State and provide any additional information that the Secretary may require.

Source/Date

Questions and Answers on the Chafee Foster Care Independence Program; (3/28/2019)

Legal and Related References

Social Security Act - section 477(b)(3)(G)

Question 5. Some Tribal representatives feel the wording for the assurance at 477(b)(3)(G) should indicate that "benefits and services under the programs will be made available to Indian youth in the State on "an equal basis" rather than on "the same basis" as to other youth in the State. Is the change in wording allowable?

Answer

No. The certifications are taken directly from the law. "On the same basis" means that the State will provide program services equitably to both State and Indian children who meet the State's eligibility criteria. This is further supported by section 477(b)(2)(E) of the Act with the requirement that States must ensure fair and equitable treatment of benefit recipients.

Source/Date

7/25/2002

Legal and Related References

Social Security Act - section 477(b)(3)(E) and (G)

3.3A. INDEPENDENT LIVING, Fiscal, Administrative Costs

Question 1. May a State use funds under section 477 of the Social Security Act (the Act) for administrative costs and information system costs?

Answer

Yes. Section 477(d)(1) of the Act permits a State to use its Chafee allocation in a manner that is reasonably calculated to accomplish the purposes of the program. States, therefore, have flexibility in using their funds for administrative activities to assist former foster care youth and youth who are expected to age out of foster care in achieving self-sufficiency. This includes using Chafee funds for any information system development and operations cost that is consistent with the purposes in section 477(a) of the Act and to comply with any requirements promulgated under section 477(f)of the Act.

States should note, however, that pursuant to section 477(b)(3)(D) of the Act, Chafee funds may not be used to train foster parents, workers in group homes, and case managers in issues confronting adolescents. The statute provides that States must claim such training, to the extent allocable to title IV-E, as a title IV-E administrative cost (see Child Welfare Policy Manual Section 3.1H).

Source/Date

6/9/2004

Legal and Related References

Sections 477(b)(3)(D) and 477(d)(1) of the Social Security Act, Child Welfare Policy Manual Section 3.1H.

3.3B. INDEPENDENT LIVING, Fiscal, Allocations

Question 3. How will the fact that the Chafee Foster Care Program for Successful Transition to Adulthood allotment will be based on the most recent AFCARS data on the number of

children in State foster care as a proportion of the number of children in foster care nationwide affect States that have lowered their foster care caseloads over the last several years?

Answer

The Adoption and Foster Care Analysis and Reporting System (AFCARS) data will be used to determine allocations. AFCARS reports are not available for immediate use at the end of the fiscal year; therefore, allocations will be based on AFCARS data that are two full fiscal years behind the fiscal year for which States will be receiving funds. The law requires that data available from the most recent fiscal year be used to determine annual allocation amounts. The Social Security Act (the Act) at section 474 (4) sets a formula, similar to that of other programs, that allows the Department to allocate the funds as equitably as possible among the States. Through the "hold harmless" clause in section 477(c)(2)(A) of the Act, a State is eligible to receive, at a minimum, its allocation for FY 1998 under the former ILP program or $500,000, whichever is greater. With these provisions in the legislation, no State will receive less funds than it received previously for the Independent Living Program.

Source/Date

Questions and Answers on the Chafee Foster Care Independence Program; revised 9/30/26

Legal and Related References

Social Security Act - sections 474(a) and 477(c)

3.3C. INDEPENDENT LIVING, Fiscal, Match

Question 2. Can in-kind expenditures related to room and board for qualified youth be used as non-Federal match just like any other in-kind expenditure or will there be limitations on in-kind expenditures for room and board?

Answer

The Chafee Foster Care Program for Successful Transition to Adulthood follows the regulations at 2 CFR Part 200, Uniform Administrative Requirements ...for HHS Awards. These regulations define in-kind match, its uses and its prohibitions. When "room and board" was not allowed, those expenditures could not to be used for matching purposes. Now that "room and board" is allowed, such expenditures may be used as a match.

Source/Date

Questions and Answers on the Chafee Foster Care Independence Program (revised 11/2/2016, 81 FR 3022, Jan. 20, 2016); (revised 10/1/25, 89 FR 80055, Oct. 2, 2024); revised 9/29/2026

Legal and Related References

2 CFR 200

Question 3. How much of the Chafee funds for "room and board" can be used as matching funds?

Answer

Any amount of non-Federal matching funds can be used as "room and board" expenditures to meet the non-Federal match requirements.

Source/Date

Questions and Answers on the Chafee Foster Care Independence Program; revised 9/29/26

Legal and Related References

Social Security Act - section 474(c)(4)

Question 4. Private agencies have stepped forward to offer Chafee program training at no cost to the State or Tribe. Can the State or Tribe use private agency provided training as its non-Federal match?

Answer

There are two types of training offered pursuant to Chafee, each with different match requirements. Section 477(b)(3)(D) requires training for foster and adoptive parents, case managers and workers in group homes on topics and issues confronting adolescents preparing for independent living to conform to section 474(a)(3)(A) and (B) of the Social Security Act. Longstanding Federal policy prohibits third party, in-kind contributions from qualifying as the non-Federal share under Federal matching requirements for the title IV-E program. The second category of training under Chafee program is for youth who are participating in the program. Training provided to these youth is a service within the purposes of section 477 of the Act. The match requirements for section 477 are codified at 2 CFR 200.306 and permit the use of third party, in- kind contributions.

Source/Date

7/25/02 (revised 11/2/2016, 81 FR 3022, Jan. 20, 2016), (revised 10/1/25, 89 FR 80055, Oct. 2, 2024); revised 9/29/26

Legal and Related References

Social Security Act – sections 474 and 477(b)(3)(D); 2 CFR 200.306; Child Welfare Policy Manual, Section 8.1F

3.3E. INDEPENDENT LIVING, Fiscal, Use of Funds

Question 1. Does the Chafee program allow States and Tribes receiving Chafee funding to develop and utilize trust funds for youth?

Answer

Yes. Trust funds are consistent with the purposes of the legislation at sections 477(a)(1) and (5), which provide for financial, as well as other appropriate support and services designed to help youth transition to adulthood. If a State or Tribe chooses to establish a trust fund program for youth, it must describe the design and delivery of the trust fund

program in the Chafee program plan as required by section 477(b)(2)(A).

Source/Date

7/25/2002; revised 9/29/26

Legal and Related References

Social Security Act - section 477

Question 2. Can Chafee funds be used to rehabilitate buildings to house youth that are in the independent living program?

Answer

According to a long-standing Comptroller General decision, appropriated funds ordinarily may not be used for improvements to private property unless specifically authorized by law. While major improvements are not permitted, minor renovation is allowed.
Major improvements involve structural changes to the foundation, roof, floor, exterior or load-bearing walls of a facility, or the extension of a facility to increase its floor area. Major improvements also include any extensive alteration of a facility such as to significantly change its function and purpose, even if such renovation does not include any structural change.
Minor renovation may include window replacements, the addition of a wall, painting, plumbing and other minor repairs. Criteria for minor repairs include: improvements which are determined to be incidental to and essential for the effective accomplishment of the authorized purposes of the appropriations, the expenditures are in reasonable amounts, the improvements are used for the principal benefit of the Government, and the interests of the Government are fully protected. The ACF Regional Office can provide additional guidance to States in this area.

Source/Date

7/25/2002

Legal and Related References

Social Security Act - section 477, Controller General Decision B-141832, DHHS Grants Policy Directives (GPD) 3.04

Question 3. If a State currently offers a program for homeless youth, can the Chafee Program be used to fund such a program?

Answer

The statute at section 477(d)(2) of the Social Security Act requires that Chafee program funds be used to supplement and not supplant any funds that are available for the same general purposes in the State or Tribe. However, two examples of how Chafee funds might be used are: 1) Chafee funds could expand an existing homeless youth program by funding additional beds for youth who have aged out of foster care and are thereby eligible for the program; or 2) Chafee funds could fund an existing homeless youth program, for those who are Chafee eligible, so long as the non-supplantation requirement is met. Any funds diverted from this particular housing program must be used for services and programs that meet the purposes of the Chafee program at section 477(a) of the Act.

Source/Date

7/25/2002; revised 9/29/26

Legal and Related References

Social Security Act - section 477(d)(2)

Question 4. May Chafee funds be used to pay per diem, travel expenses, childcare, and compensation for external partners, including youth with lived experience with the child welfare system, to provide input on issues relating to services and supports for youth in transition from foster care as part of the development of the Chafee program within the five-year Child and Family Services Plan (CFSP) and Annual Progress and Services Reports (APSR)?

Answer

Yes. These funds may be used consistent with the program purposes (see section 477 of the Social Security Act and 45 CFR 1357.15(a)(2)(i) and (l)(3)(iv)). This includes paying for those costs for external partners who are engaged with the agency on the development of the Chafee program, CFSP/APSR, participation in preparatory calls, webinars, or post-event activities. All costs must be consistent with the cost principles of 2 CFR Parts 200 and 300, including that the costs must be reasonable and documented. See 2 CFR 200.459.

Note: This answer previously referenced Part 75. However, 2 CFR Parts 200 and 300 supersede 45 CFR Part 75 effective October 1, 2025.

Source/Date

11/29/2023 (revised 10/1/25, 89 FR 80055, Oct. 2, 2024)

Legal and Related References

Social Security Act – section 477; 45 CFR 1357.15(a)(2) and (l); CWPM §5.1 Q/A # 3, §8.1B Q/A #9, CWPM §7.4 Q/A # 8; 2 CFR 200.459

Question 5. Can title IV-E agencies use Chafee funds to provide training to youth on financial literacy skills, including education regarding Fostering the Future Accounts (26 U.S.C. 530A) and Achieving a Better Life Experience (ABLE) Accounts (26 U.S.C. 529A)?

Answer

Yes. Section 477(a)(1) of the Act authorizes use of funds under the John H. Chafee Foster Care Program for Successful Transition to Adulthood (Chafee) to provide training, education, and services that assist youth eligible for services under section 477 in preparing for successful transition to adulthood. Financial literacy education, including education regarding Fostering the Future Accounts (26 U.S.C. 530A) and ABLE Accounts (26 U.S.C. 529A), is consistent with the purposes of section 477(a)(1) of the Act. Consistent with sections 477(a)(1) and 477(b)(3)(H) of the Act, youth may participate directly in developing

financial capability activities that support their successful transition to adulthood.

Note: Fostering the Future Accounts include any account established under 26 U.S.C. 530A.

Source/Date

08/18/2026

Legal and Related References

Social Security Act - Sections 477(a)(1) and (b)(3)(H); 26 U.S.C. 529A and 530A

3.4. INDEPENDENT LIVING, Related Foster Care Requirements

Question 1. Can the permanency plan for a child when s/he is "placed in another planned permanency living arrangement" include independent living and/or emancipation in accordance with 475(5)(C) of the Social Security Act?

Answer

Yes. On a case-by-case basis only. If the agency identifies independent living as the permanency plan, it must document to the court a "compelling reason" that it is not in the best interest of the child to return home, be referred for termination of parental rights, or be placed for adoption, with a fit and willing relative, or with a legal guardian. An example of a compelling reason found in the regulation at 45 CFR 1356.21(h)(3)(i) is the case of an older teen who requests that emancipation be established as his/her permanency plan.

Source/Date

Questions and Answers on the Chafee Foster Care Independence Program; revised 9/29/26

Legal and Related References

Social Security Act - section 475, 45 CFR 1356.21(h)

Question 2. What is the definition of "foster care" to be used in connection with the Chafee Foster Care Independence Program?

Answer

In general, the definition of foster care at 45 CFR 1355.20 applies. It defines foster care as "24 hour substitute care for all children placed away from their parents or guardians and for whom the State agency has placement and care responsibility..." The definition of foster care at 45 CFS 1355.20 can include non-paid relative care where a foster care maintenance payment is not being made. However, in light of the requirement from the Social Security Act in section 477(b)(3)(G) that States make benefits and services available to Indian children on the same basis as other children in the State, children in Tribal or BIA placements who are otherwise eligible are considered to have been "in foster care" for purposes of this program.

Source/Date

7/25/2002; revised 9/29/26

Legal and Related References

Social Security Act - section 477(b)(3)(G), 45 CFR 1355.20

Question 4. Is an Indian boarding school considered a foster care setting for the purposes of eligibility for Chafee Independent Living services? Would it matter if the boarding school were outside the U.S., e.g., in Canada?

Answer

If the Indian youth is placed in the boarding school as his/her foster care placement, the youth is eligible for the services of the Chafee program. This answer is the same whether or not the Indian boarding school is in Canada.

Source/Date

7/25/2002

Legal and Related References

Social Security Act - section 477, 45 CFR 1355.20

Question 5. Are youth who have been dually adjudicated with both delinquent and abuse/ neglect determinations, but are placed only in a detention facility eligible for Chafee services?

Answer

No. According to the definition of a child care institution, which is a foster care placement option at 45 CFR 1355.20, "detention facilities, forestry camps, training schools, or any other facility operated primarily for the detention of children who are determined to be delinquent" are not considered foster care placements. Therefore, a youth who is placed in a detention facility is not considered to be in foster care. If the youth has never been in foster care, Chafee funds cannot be used to serve him/her.

Source/Date

7/25/2002

Legal and Related References

Social Security Act - section 477, 45 CFR 1355.20

3.5. Independent Living, Educational and Training Vouchers

Question 1. If a youth ages out of foster care in one State and then changes his or her State of residency, which agency is responsible for providing a youth with an educational and training voucher?

Answer

For a youth in foster care, the agency with placement and care responsibility is responsible for providing a voucher to an eligible youth. If a former foster youth resides in a jurisdiction served by a State or an eligible Tribe that administers an Education and Training Voucher (ETV) program, that State or Tribe is responsible for providing such an eligible youth with a voucher. This provision, however, does not apply to a former foster care youth who is already receiving a voucher and moves to another State for the sole purpose of attending an institution of higher education. The State or Tribe that administers the youth's ETV at the time the youth exits foster care will continue to provide a voucher to the youth for as long as the youth remains eligible for the program.

Source/Date

4/4/2005; revised 9/29/26

Legal and Related References

Social Security Act § section 475 and 477(b)(3)(A); Child Welfare Policy Manual Section 3.1F Q&A 2 and 3

Question 2. Is the amount of a youth's educational and training voucher exempt from Federal taxes?

Answer

Nothing in section 477 of the Social Security Act exempts Chafee Educational and Training Vouchers or scholarships financed with general Chafee funds from Federal taxes. Under certain conditions, however, scholarships may be tax exempt. Since the Administration for Children and Families cannot provide authoritative advice on Federal taxes, the agency and/or student should contact the Internal Revenue Service directly for more information.

Source/Date

4/4/2005; revised 9/29/26

Legal and Related References

Social Security Act § section 477

Question 3. Since one of the purposes of the Chafee Independent Living program is to provide educational services to former foster care recipients between the ages of 18 and 21 (section 477(a)(5)), can general Chafee funds be used to supplement the $5,000 per-year ceiling for a youth in the Chafee Educational and Training Voucher (ETV) program?

Answer

No. Appropriations law precludes the use of general Chafee funds to supplement the $5,000 per-year ceiling. When an agency has a specific appropriation for a particular item (such as ETVs), and also has a general appropriation broad enough to cover the same item (such as general Chafee funds), only the more specific appropriation may be used. Therefore, expenditures for the ETV program must be made for the specific purposes set forth in the law and limited to expenses associated with institutions of higher education. General Chafee funds may not be used for voucher expenses associated with institutions of higher education, but may be used for other non-higher education-based learning activities (such as General Equivalency Degree programs, mentoring programs and other supportive services for eligible youth). General Chafee funds may also be used for activities that are outside the scope of an institution's definition of "cost of attendance," and are not covered by the ETV program.

Source/Date

4/4/2005

Legal and Related References

Social Security Act § sections 477(a)(5) and 477(i); GAO/OGC-91-5 Appropriations Law-Vol. 1, Chapters 2 and 4

3.5A. Youth Eligibility

Question 2. If a State or Tribal title IV-E agency amends it's title IV-E plan to define youth at age 14 as eligible for Chafee services, can the agency also make foster care youth who were adopted or entered kinship guardianship at age 14 eligible for Educational and Training Vouchers (ETV) under the "youth otherwise eligible" criteria in section 477(i)(1) of the Social Security Act (the Act)?

Answer

No. For purposes of the ETV program, section 477(i)(2) of the Act permits former foster youth who have been adopted from, or enter kinship guardianship from, foster care to be considered as "youth otherwise eligible" for services. However, it restricts eligibility to youth who are adopted on or after the youth's 16th birthday.

Source/Date

4/4/2005; revised 9/29/26

Legal and Related References

Social Security Act - Section 477(i)(1) and (2)

Question 3. Must students attend school full-time to receive a Chafee Educational and Training Voucher?

Answer

No. Federal law does not require that students attend school on a full-time basis to receive a voucher.

Source/Date

4/4/2005

Legal and Related References

Social Security Act - Section 477(i); Higher Education Act of 1965, as amended - Section 472.

3.5B. Coordination and Duplication

Question 1. The Chafee voucher program requires agencies to describe how they will avoid duplication of benefits under this and any other Federal assistance program. Does this mean that an award of an educational and training voucher precludes a youth from also receiving a Pell grant award?

Answer

No. A youth may receive both a Pell grant and a voucher. "Avoiding duplicated benefits" means that the youth cannot receive a combination of Federal educational assistance and vouchers that totals more than the actual cost of attendance, or otherwise claim for the same expense under multiple Federal programs.

Source/Date

4/4/2005; revised 9/29/26

Legal and Related References

Social Security Act § section 477(b)(3)(J), Section 477(i)(5)

3.5C. Eligible Expenses and Institutions

Question 1. What type of institutions fall within the definition of "institution of higher education" for the purposes of the educational and training voucher program under section 477 of the Social Security Act?

Answer

The term "institution of higher education" is defined in 20 U.S.C. 1001 and 1002. The U.S. Department of Education, Office of Postsecondary Education, can help States determine which institutions meet the law's criteria. In general, the term means an educational institution in any State that (1) admits as regular students only persons with a high school diploma or recognized equivalent (such as a General Equivalency Degree (GED)), (2) is legally authorized by the State to provide

postsecondary education; (3) provides an educational program for which the institution awards a bachelor's degree or at least a two-year program (e.g., an associate degree) that is acceptable for full credit toward such a degree or awards a degree that is acceptable for admission to a graduate or professional degree program, (4) is a public or other nonprofit institution; and (5) is accredited by a nationally recognized accrediting agency or association or has been granted pre-accreditation status recognized by the Secretary for the granting of pre-accreditation status and the Secretary has determined that there is a satisfactory assurance that the institution will meet the accreditation standards of the agency or association within a reasonable time. The definition also includes any school that provides a 1-year program of training to prepare students for gainful employment in a recognized occupation; (2) a public or nonprofit private educational institution in any State that admits as regular students individuals (A) who are beyond the age of compulsory school attendance in the State in which the institution is located; or (B) who will be dually or concurrently enrolled in the institution and a secondary school.

Source/Date

4/4/2005; revised 9/29/26

Legal and Related References

HEA of 1965 § section 101 and 102

Question 2. Section 477(i)(4) of the Social Security Act allows States or eligible Tribes that administer an Education and Training Voucher (ETV) program to use educational and training vouchers to pay for the "cost of attendance" up to $5,000 per year. What is included in the definition of "cost of attendance?"

Answer

"Cost of attendance" is defined in 20 U.S. Code § 1087ll and includes, but is not limited to: tuition and fees normally assessed a student carrying the same academic workload, including costs for rental or purchase of any equipment, materials, or supplies required of all

students in the same course of study; an allowance for books, supplies, transportation, and miscellaneous personal expenses, including a reasonable allowance for the documented rental or purchase of a personal computer; an allowance for room and board costs; dependent care; disability-related expenses; loan fees and professional licensure.

Source/Date

4/4/2005; revised 9/29/2026

Legal and Related References

Higher Education Act of 1965, as amended § section 472; Social Security Act § section 477(i)(4)

Question 5. Can the agency use funds awarded in the current fiscal year for the Educational and Training Voucher (ETV) program to pay all or a portion of a youth's educational or vocational student loans from previous years?

Answer

No. Fundamental principles of both appropriations law and grants management policy dictate that funds are not available for expenditure or obligation by the grantee (in this case, the State or Tribe) until they are awarded to the grantee. Accordingly, funds cannot be expended by a grantee for costs incurred prior to the effective date of the grant award. The use of a current fiscal year's ETV funds to finance a youth's educational or vocational loans that were incurred prior to the awarding of grant funds is prohibited.

Source/Date

4/4/2005; revised 9/29/26

Legal and Related References

Social Security Act § section 477; GAO/OGC-91-5, Vol. 1, Chapter 5

Question 6. There is a $5,000 per year maximum per youth for the Educational and Training Voucher fund. Does this maximum apply only to Federal funds? If so, can additional dollars from non-Federal funds or other sources for this purpose?

Answer

Yes to both questions. Consistent with section 474(a)(4) of the Social Security Act, an agency will be reimbursed for 80 percent of the amount of a youth's voucher, up to the $5,000 per year/per youth maximum. The agency is responsible for a 20 percent match up to that limit. Additional non-Federal or other funds may be used for this purpose.

Source/Date

4/4/2005; revised 9/29/26

Legal and Related References

Social Security Act § section 474(a)(4)

Question 7. Section 477(i)(4)(B) of the Social Security Act states that a voucher or vouchers provided for an individual "shall not exceed the lesser of $5,000 per year or the total cost of attendance, as defined in the Act." Does the $5,000 ceiling apply to an academic year, a Federal, State, or Tribal fiscal year, a calendar year or any 12-month period?

Answer

Since the law does not define the term "year" as applied to the $5,000 ceiling, the State and Tribe have the discretion to decide the 12-month period to which to apply the ceiling. Accordingly, the voucher amount of up to $5,000 per year/per youth may be for any 12-month period of the State's or Tribe's choosing. It should be noted, however, that the funds must be spent within the two-year expenditure period that is based on the Federal fiscal year.

Source/Date

4/4/2005; revised 9/29/26

Legal and Related References

Social Security Act § section 474(i)(B)(4)

Question 8. Would a voucher be available for a youth to get an adult high school certificate or General Equivalency Degree (GED) at a community college?

Answer

Typically, no, because Chafee requires that a youth attend an institution of higher education, as defined in section 102 of the Higher Education Act (HEA) of 1965, as amended. Among other things, HEA defines what constitutes an "institution of higher learning" based on certain criteria. We encourage the State to consult the specific community college or institution of higher education about whether such a youth is considered a student for whom the institution can calculate the cost of attendance and whether the college or institution of higher education meets the criteria in sections 101 and 102 of HEA.

Source/Date

4/4/2005

Legal and Related References

Social Security Act - Section 477(i); Higher Education Act of 1965, as amended - Section 472

3.5D. Administrative Costs

Question 1. May administrative costs under the title IV-E Foster Care program (section 474(a)(3) of the Social Security Act (the Act)) be used to implement the Educational and Training Voucher program?

Answer

No. Only costs that are closely related to the administration of the title IV-E foster care maintenance payments or adoption assistance programs may be claimed under section 474(a)(3) of the Act.

Source/Date

4/4/2005; revised 9/29/26

Legal and Related References

Social Security Act § section 474

Question 2. Can Chafee voucher program funds be used to pay for staffing?

Answer

Yes. Funds from the voucher program may be used to pay for the salaries, expenses and training of staff who administer the voucher program. Costs must be properly allocated to all benefiting programs, and the allocation of such costs must be included in a State's approved cost allocation plan or a Tribe’s cost allocation methodology.

Source/Date

4/4/2005; revised 9/30/26

Legal and Related References

Social Security Act § section 477

3.5E. Independent Living, Educational and Training Vouchers, Match

Question 1. Can non-Federal funds (e.g., private dollars, in-kind) be used to match the voucher funds?

Answer

Yes. States and Tribes may use third-party, in-kind sources to match Chafee funds consistent with 2 CFR Part 200.306.

Note: This answer previously referenced 45 CFR Part 75. However, 2 CFR Parts 200 and 300 supersede 45 CFR Part 75 effective October 1, 2025.

Source/Date

(revised 11/2/2016, 81 FR 3022, Jan. 20, 2016), (revised 10/1/25, 89 FR 80055, Oct. 2, 2024); revised 9/30/26

Legal and Related References

2 CFR 200.306

Question 2. Must non-Federal or in-kind funds used to match the voucher program follow the same program rules as the Federal dollars?

Answer

Yes. Matching funds may not be used for unallowable costs of the voucher program or to otherwise serve youth who are ineligible for the vouchers in accordance with 2 CFR 200.306.

Source/Date

4/4/05 (revised 11/2/2016, 81 FR 3022, Jan. 20, 2016), (revised 10/1/25, 89 FR 80055, Oct. 2, 2024); revised 9/30/26

Legal and Related References

2 CFR 200.306

3.5F. Use of Funds

Question 1. Can funds for the voucher program be used for non-voucher related expenses, i.e., mentoring programs or other supportive activities for eligible youth?

Answer

No. Section 477(h)(2) of the Social Security Act (the Act) restricts funds under the voucher program to "education and training vouchers for youths who age out of foster care." Therefore, States may use voucher funds only to provide the vouchers and conduct administrative activities necessary to provide the vouchers. States may, however, use the regular Chafee program funds authorized under section 477(h)(1) of the Act to support these and other activities not allowable under the Educational and Training Voucher program.

Source/Date

4/4/2005

Legal and Related References

Social Security Act § section 477
