



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING



ISMAEL AHMED
DIRECTOR

October 26, 2009

The Honorable Bill Hardiman, Chair
Senate Appropriations Subcommittee on DHS
Michigan State Senate
State Capitol
Lansing, MI 48933

The Honorable Dudley Spade, Chair
House Appropriations Subcommittee on DHS
Michigan House of Representatives
Lansing, MI 48933

Dear Senator Hardiman and Representative Spade:

Section 571 of 2008 Public Act No. 248 (Enrolled House Bill No. 5814) requires the Department of Human Services to prepare quarterly reports on the activities and progress toward meeting the responsibilities of the Federal Compliance Division, Children's Services Administration. The October 2009 report is attached and is separated into the five sections specified in Section 571.

If you have any questions about the attached material, please contact Mary Mehren, director of the Federal Compliance Division, at 241-7521.

Sincerely,

Ismael Ahmed

Attachment

cc: Senate and House Appropriations Subcommittees on DHS and DCH
Senate and House Fiscal and Policy Offices
State Budget Director

Federal Compliance Division
Fiscal Year 2009
Boilerplate Report - Section 571

Sec. 571. The department shall establish a title IV-E compliance and accountability office with the following goals and responsibilities:

The Federal Compliance Division is operational within DHS. Two units within the office continue to focus on compliance activities for all federal child welfare programs.

(a) Study efforts in other states to determine best practices for title IV-E related activities and measures to maximize the receipt of federal money for eligible cases.

The division routinely studies other states to assure Michigan's policy and practice are similar to other states.

(b) Coordinate compliance with federal regulations in order to receive title IV-E money.

The division reviews federal regulations to determine compliance. DHS completed the third quarterly report for Michigan's Title IV-E Program Improvement Plan (PIP) to assure compliance in the adoption support and foster care federal regulations. DHS accomplished the goals set forth in the PIP and has requested resolution of the Program Improvement Plan. DHS continues to coordinate further development of policy and procedures to amend the state plan for all Fostering Connections legislation (P.L. 110-351).

The settlement agreement has cited the Child and Family Services Review standards as the specific standard of performance for Michigan's targeted levels of improvement. DHS and Michigan, through the auspices of this office, continue to make progress in assuring federal compliance.

DHS established protocol in Wayne County necessary for compliance with federal regulations applicable to the Wayne County Title IV-E Contract. DHS and Wayne County Child and Family Services continue to coordinate procedures to ensure compliance is maintained for the juvenile justice population.

DHS continues to provide title IV-E training presentations to ensure accurate information about title IV-E eligibility is shared with our staff and stakeholders. Several courts, tribal and administrative organizations are scheduled this fall. Notably, DHS will provide training to the administrative law judges of the State Office of Administrative Hearings and Review. These administrative law judges preside over appeals of title IV-E eligibility denials from local offices. This training

opportunity is intended to deter inaccurate hearing decisions that cost the state dollars.

The DHS Division of Federal Compliance and the Bureau of Juvenile Justice continue sponsorship of the DHS Leadership Academy action learning project focused on solutions for case management and payment issues related to children and youths who are court or state wards as well as being adjudicated delinquents in Michigan's juvenile justice programs (dual wards). This project is designed to streamline funding determination, create standardized commitment language to DHS to assure eligibility for federal title IV-E funding, assure enhanced claiming opportunities for courts, and to assure that appropriate services are provided to these youths. The dual ward project has progressed to the detailed work of understanding the systems and policies that impact this unique population. The project recommendations are now scheduled for presentation in February 2010.

Michigan's rate of Title IV-E eligibility (referred to as the penetration rate) has increased steadily since May 2008. Since that time we have seen a 2.57 percent increase for our foster care population and a 7.24 percent increase for our juvenile justice population. This increase is substantial to Michigan's capacity to draw down federal funds that support our child welfare programs.

(c) Provide necessary technical assistance to local units of government, including courts, to ensure proper handling of cases and paperwork in preparation for federal audits and reviews.

DHS continues to be actively preparing for the federal Title IV-E On-Site Review scheduled for June 14-18, 2010. DHS Division of Federal Compliance continues to coordinate and provide support to the five urban field offices. The local office child welfare funding specialists (commonly referred to as IV-E funding specialists) have been trained to conduct funding determinations. Additional training sessions are scheduled for October 27-29, 2009. Training on topics such as juvenile justice funding determinations, title IV-E appeals and court orders are currently being developed by DHS staff. Funding analysts within the DHS Division of Federal Compliance have regular contact with the child welfare funding specialists in the local offices. Based on this contact, it is becoming evident that the funding specialists are acquiring and applying their developing knowledge of title IV-E policies. This growing expertise in the field is the cornerstone of Michigan's readiness for the 2010 Federal Title IV-E onsite review and overall compliance title IV-E eligibility requirements.

The division provides technical assistance to local offices and courts on specific child welfare cases regarding appropriate title IV-E eligibility. The internal DHS Title IV-E Review Committee continues to review inquiries from courts and local DHS offices on a weekly basis. During the months of June, July and August 2009, DHS Division of Federal Compliance received 509 local office and private provider requests for assistance on payment resolution. Fifty-one percent were specifically related to

funding and legal issues that directly impact the accuracy of title IV-E determinations.

DHS now has 43 contracts for the title IV-E cost sharing agreements with county prosecuting attorney offices. Two additional counties have nearly completed the contract process that will be executed shortly. The contracts are fund enhancements for the counties and do not impact state revenues. Federal regulations permit a title IV-E administrative claim to be made for the activities of a prosecutor's office when representing DHS staff in child abuse and neglect hearings. This will result in the pass through of \$2,361,700 federal dollars in FY 2010 to counties. DHS will continue to engage with the 37 remaining counties who still do not have contracts.

DHS initiated a statewide payment reconciliation with the private child placing agencies and child care institutions on May 1, 2009. DHS has investigated 80 percent of more than 180 spreadsheets received from private agencies that reported claims of unpaid foster care payments. DHS has provided instruction to local offices on actions necessary to execute payments due. DHS will continue to organize and facilitate resolution to claims legitimately still owed to our private agency partners. Given the volume of claims made, this process is expected to take another two months to complete.

- (d) Coordinate a program to provide private persons, groups, and corporations with incentives to make tax-deductible contributions intended to assist foster care families to overcome barriers to becoming licensed and eligible to receive title IV-E money.**

Title IV-E Compliance Office staff continue to research this item. Several applicable programs across the nation (including ones in Ohio, Colorado, and Georgia) have been identified as providing similar assistance in varying models of practice. There has been no progress toward this goal.

- (e) Prepare quarterly reports to the house and senate appropriations subcommittees on the department budget on activities and progress toward meeting the responsibilities outlined above.**

The next quarterly report will be submitted January 2010.