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GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF HUMAN SERVICES  
LANSING



ISMAEL AHMED  
DIRECTOR

July 27, 2009

The Honorable Bill Hardiman, Chair  
Senate Appropriations Subcommittee on DHS  
Michigan State Senate  
State Capitol  
Lansing, Michigan 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 Office. The July 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 Office, at (517) 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 Office  
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 Office 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.**

Best practices from Texas, Wisconsin and Minnesota, are also being studied to assure Michigan's policy and practice are similar to other states. Virginia was previously studied.

Michigan is applying title IV-E regulations in a manner consistent with other states. Strategies designed to increase federal funding, such as licensing relative foster care providers, are part of the settlement agreement. Other states, such as Oregon, have a similar mandate for licensing relative placements in order to increase title IV-E claims.

Michigan has used innovative federal claiming strategies for 10 years. Michigan was a national leader in using Temporary Assistance to Needy Families (TANF) flexibly to provide child welfare family preservation services. Colorado relied on Michigan's model in the redesign of its child welfare funding system.

For the next quarter, studying additional states will occur as necessary. There have not been any significant federal regulation modifications that would cause Michigan to seek information from other states on how to increase federal funding.

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

Federal regulations continue to be reviewed to determine compliance. DHS is preparing the latest Title IV-E Program Improvement Plan to ensure compliance with the Adoption Support and Foster Care federal regulations. DHS continues to coordinate 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 standards of performance for Michigan's targeted levels of improvement. DHS and Michigan, through the auspices of the Federal Compliance office, continue to make progress in ensuring 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 finalized procedures on June 8, 2009 which facilitate the appropriate monitoring of funding eligibility and payments for all

juvenile justice cases served under the contract. Coordination between DHS and Wayne County will continue to ensure compliance is maintained for the Wayne County juvenile justice population.

The Federal Compliance Office staff are working to assure appropriate federal claims are made for eligible claims related to the implementation allowable activities related to PL 110-351, Fostering Connections for Success. The Michigan title IV-E state plan amendments for the implementation of the title IV-E Guardianship Assistance Program have been approved by the Administration for Children and Families. Proper accounting coding and structure is being created to allocate the eligible expenditures to the federal title IV-E program.

**(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 actively prepare for the Period Under Review (PUR) by offering instruction to the field on necessary case reading of all title IV-E funded cases. DHS office of Federal Compliance coordinated and provided case reading support to the five urban field offices, particularly in Wayne and Genesee counties. DHS also provided title IV-E training to all Wayne county child welfare staff and managers in June 2009.

The majority of 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 July 28-30, 2009. A plan for more specialized training and ongoing support is currently being developed. There is a need for specific support to the newly hired funding specialists to ensure their local office work plans and training are sufficient to guide them in their work. Training on topics such as juvenile justice funding determinations and court orders are being developed by DHS staff.

DHS released modifications to the Service Worker Support System for Foster Care, Adoption, and Juvenile Justice (SWSS FAJ) as it relates to the Funding Specialists on May 26, 2009. The SWSS FAJ sign on for child welfare funding specialists is now active and allows the Specialists efficient access to all cases they are assigned within their districts and/or local offices.

DHS now has 42 reimbursement contracts for federal claims to title IV-E with county Prosecuting Attorney offices. One additional county has nearly completed the contract process and will be executed shortly. The contracts reimburse each county for their expenditures directly from title IV-E with no impacts on or use of state revenues. Federal regulations permit a title IV-E administrative claim to be made for the activities of a prosecutor's office when it represents DHS staff in child abuse and neglect hearings. DHS will continue to contact the 40 remaining counties that still do not have contracts to explain the potential benefits to them.

Technical assistance continues to be offered 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 weekly from courts and local DHS offices. During the months of March, April and May 2009, DHS office of Federal Compliance received 581 local office and private provider requests for assistance on payment issue resolution. Fifty-eight percent were specifically related to funding and legal issues that directly impact the accuracy of title IV-E determinations.

DHS initiated a statewide payment reconciliation with the private child placing agencies and child care institutions on May 1, 2009. DHS received more than 180 spreadsheets that reflect private agency claims of unpaid foster care payments. DHS is investigating each of the claims and instructing local offices on actions necessary to execute payments. DHS will continue to organize and facilitate resolution to claims still owed to our private agency partners. Given the volume of claims made, this process is expected to take four months to complete.

DHS office of Federal Compliance and the Bureau of Juvenile Justice staff submitted a project proposal to the DHS Leadership Academy for an action learning project that is focused on identifying, clarifying and creating systemic solutions for payment issues related to children and youths who are temporary court wards or permanent state wards as well as being adjudicated delinquents in Michigan's juvenile justice programs (dual wards). This project is designed to streamline the funding determinations, create standardized commitment language to DHS to assure eligibility for federal title IV-E funding, assure enhanced claiming opportunities for courts and to assure the appropriate services are provided to these youths. The dual ward project was accepted by the DHS director and deputy director as an action learning project and the team orientation was scheduled for July 13, 2009. The anticipated outcomes include statute changes that may need to be requested to facilitate enhance federal funding. The project completion date is anticipated to be December 2009.

**(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 those 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 October 2009.