

MEMORANDUM OF UNDERSTANDING
between the
MICHIGAN DEPARTMENT OF EDUCATION
and the
MICHIGAN DEPARTMENT OF HUMAN SERVICES
for the
MICHIGAN OFFICE OF GREAT START

INTRODUCTION

Executive Order 2011-8, effective August 28, 2011, created the Michigan Office of Great Start within the Michigan Department of Education (MDE) and transferred all authority, including lead agency designation, powers, duties, functions, and responsibilities for the Child Development and Care (CDC) Program, Child Development and Care Block Grant Act of 1990, as amended (Public Law 101-508, 42 U.S.C. 9858 et seq.), Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193), Balanced Budget Act of 1997 (Public Law 105-33), and FY 2011 Department of Defense and Full Year Continuing Appropriations Act (P.L. 112-10), and the Head Start Collaboration Office (HSCO), Head Start Act, as amended, 42 USC 9801 et seq. Head Start Collaboration [42 U.S.C. 9837b] within the Department of Human Services (DHS) to the Michigan Office of Great Start.

PURPOSE

All future decisions pertaining to the Child Development and Care Program policy, related staffing, and program operations is now the sole purview of the Michigan Office of Great Start within the Michigan Department of Education.

This Memorandum of Understanding between the Department of Education and the Department of Human Services is entered into for the purpose of: delineating respective roles, responsibilities, resources, and financial obligations associated with administration of the Child Development and Care Program and the Head Start Collaboration Office; providing mutually agreed upon support functions to the Child Development and Care Program and the Head Start Collaboration Office; and maintaining clear communications between both agencies in the interest of the citizens of this state in need of early childhood development and child care programs.

ADDENDA

This MOU will include, but may not be limited to, three addenda, which will be developed to take effect on September 30, 2011. These addenda will address: CDC Program Client and Provider Eligibility Determination, Administrative Hearings, and Child Care Licensing. These addendums will detail the respective roles, responsibilities, tasks and reporting, including but not limited to time studies for CDC Program Client and Provider Eligibility Determination, for which the Department of Education and the Department of Human Services have reached agreement. Each addendum will be signed by the Superintendent of Public Instruction and the Department of Human Services Director, or their designees. The continued need for each addendum will have an established review date. For those that are terminated, the date of

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termination will be so noted and signed by the Superintendent and the Director, or his/her designee.

FINANCIAL TRANSACTIONS

The Department of Education and the Department of Human Services will comply with any instructions from the State Budget Director for handling financial transactions and records in the state's financial management system necessary for the implementation of the Executive Order. The Department of Human services will complete financial transactions for the CDC and HSCO Program until the end of fiscal year 2010-11; this will include year-end, book closing activities for fiscal year 2010-11. All account balances for the CDC Program and HSCO for fiscal year 2011-12 will be transferred to the Michigan Department of Education. The confidentiality of all financial records related to the CDC and HSCO Program will be maintained.

PURCHASED SERVICES

As mutually agreed to with and by MDE, the Department of Human Services will carry out the accounting, cost allocation, and federal reporting responsibilities for the Head Start Collaboration Office and the CDC Program until the end of FY 2010 - 2011. For the CDC Program this will include the maintenance of effort reporting for both the Child Care and Development Fund and Temporary Assistance for Needy Families Block Grant programs.

As mutually agreed to with and by MDE, the Department of Human Services will be responsible for any necessary recoupment activity on behalf of the CDC Program and will follow CDC policy for these activities. It is the intention of MDE to transition this function to the Michigan Office of Great Start no later than the start of FY 2012 – 2013.

The Department of Human Services will provide a description of any liability and projected costs of any pending settlements, issues of compliance with applicable federal and state laws and regulations, or other obligations to be resolved related to the program no later than October 1, 2011.

The Department of Human Services will utilize its Front End Eligibility Specialists in the DHS local offices to conduct pre-eligibility investigations requested by eligibility staff when CDC applications or CDC re-certifications contain suspicious or error prone information. It is the intention of MDE to transition this function to the Michigan Office of Great Start no later than the start of FY 2012 – 2013.

The Department of Human Services will accept, review, and investigate, as appropriate, client and provider fraud complaints generated through DHS employees, Department of Education employees, or other sources. A memo will be provided to the Department of Education that contains the following information if fraud is suspected: Provider and/or recipient's name; Provider and/or recipient date of birth; Provider ID and/or case number; Dates for period in question; and a statement that the requested information is needed for a fraud investigation and a brief explanation of the allegation. The Department of Human Services will also accept and investigate complaints/charges of program-related fraud on the part of DHS employees, agents or

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contractors. When appropriate, investigative cases will be referred for prosecution or administrative hearing. A quarterly report will be provided to the Department of Education that specifies the number of investigations conducted and their outcome. It is the intention of the Department of Education to transition this function to the Michigan Office of Great Start no later than the start of FY 2012 – 2013.

The Department of Human Services will be reimbursed from appropriate federal funds by MDE for purchased services as specified in this MOU. Any accounting discrepancies or other unacceptable documentation in the records of the Department of Human Services that result in the need to refund monies to the federal government will be the sole responsibility of the Department of Human Services to the extent the Department of Human Services was solely responsible for the discrepancy.

The Department of Education will develop and provide to the Department of Human Services instructions regarding necessary documentation and reports; and the Department of Human Services will submit all documentation and reports to the Department of Education in a time frame as determined by the Department of Education.

An initial budget for services purchased from DHS will be determined no later than September 30, 2011. During the first quarter of FY 2011-2012 time studies will be conducted to determine actual costs for purchased services. The budget for purchased services will then be amended to reflect actual costs.

AUDIT

The Department of Human Services will provide access to case files maintained at local DHS offices, which include information related to the Child Development and Care Program eligibility determination, to outside auditors who are auditing the CDC Program or conducting audits on behalf of the CDC Program. Access to this information will be coordinated by the DHS Office of Monitoring and Internal Controls. The DHS Office of Monitoring and Internal Controls will be responsible for making arrangements for auditors to be accommodated at local DHS Offices.

The Director of the CDC Program will be notified if any case files requested through the audit process cannot be located. Information will be provided on any outstanding audit items and the Department of Human Services will assist with resolution as specified in the audit findings. Appropriate CDC Program staff will have access to the DHS audit tracking system.

The Departments of Education and Human Services will review audit findings and questioned costs contained in the audit and provide responses, including but not limited to whether the audit finding is sustained and the reasons for that decision. The Departments will work together to coordinate the development and implementation of any necessary Corrective Action Plans (CAPs).

CONFIDENTIALITY

The Department of Human Services agrees to safeguard information in its possession concerning persons currently or formerly eligible for the Child Development and Care program and to use

such information only as authorized by MCL 400.64, and any other applicable Federal or State laws or regulations.

CONSTITUENT INQUIRIES

To assure the CDC Program and the Head Start Collaboration Office are able to respond to constituent inquiries in a timely and effective manner, the Department of Human Services will forward all related constituent inquiries to the Michigan Office of Great Start within three (3) working days of receipt. The Department of Human Services will assure that local DHS Office staff provide assistance, as requested, in the resolution of these inquiries.

CONTRACTS & INTER-LOCAL AGREEMENTS

Authority for the Department of Human Service's contract with the Early Childhood Investment Corporation (ECIC) as well as contracts entered into by the Head Start Collaboration Office transfer to the Michigan Department of Education

Until such time as a new Inter-local Agreement can be drafted, all authority, powers, duties, functions and responsibilities delineated in the Inter-Local Agreement for ECIC will be transferred to the Michigan Department of Education.

The Department of Human Services may not enter into any contract for any administrative activity or service for the CDC Program without prior approval of the Michigan Department of Education, Michigan Office of Great Start.

DATA SYSTEMS

The Department of Human Services will provide copies of any current agreements pertaining to the CDC Program with the Department of Technology, Management and Budget for technology services. The Department of Human Services will give priority to systems development and data issues related to the effective and compliant operation of the Child Development and Care Program.

CDC Program staff will continue to have access to any and all CDC Program data housed in any Department of Human Services controlled database. DHS will provide access to other DHS client or program data when legally possible for the effective and compliant operation of the CDC Program.

Current interfaces utilized by the CDC Program within Bridges will continue to run as designed, unless the Department of Education provides notice of modification or termination. Needed interfaces between Department of Education and Department of Human Services databases will be determined and their implementation prioritized. Costs will be determined mutually no later than September 30, 2011.

The Department of Human Services will assure maintenance of system user roles and access, system maintenance and modification (per CDC Program policy or federal CCDF changes) to the following Department of Human Services systems:

- Bridges
- MiBridges

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- Central Registry (SWSS)/ Statewide Automated Child Welfare Information System (SACWIS)
- Child Care Attendance Certification (CCAC)
- I-Billing/IVR
- MIS/WF Systems
- Web Intelligence/Info-view and Data Warehouse.
- Any additional DHS systems impacting the Child Development and Care Program not specifically mentioned above.

The Department of Human Services will assure maintenance of system user roles and access for ICHAT.

CDC provider payroll (Batch Agency 44T) will continue to be processed by Bridges and sent to MAIN by the Department of Human Services on a weekly basis. The Department of Human Services will monitor and reconcile the CDC provider payroll.

PAYMENT RECONCILIATION

In order to ensure the financial integrity of the CDC Program, the Department of Education will be responsible for the reconciliation of provider billings to ensure accuracy of payments made on behalf of parents to providers; reconciliation will include the implementation of CDC Program policies and policy adherence by providers and eligible clients.

POLICY DEVELOPMENT AND ACCOUNTABILITY

The Department of Education expects, and the Department of Human Services agrees, to assure the appropriateness of all Child Development and Care Program activities and services provided or authorized by the Department of Human Services staff. To that end, the Department of Education, Michigan Office of Great Start, will determine all policy associated with the Child Development and Care program. Included in this authority is the approval or denial of requests for CDC eligibility exceptions and other special eligibility situations submitted by DHS as outlined in Bridges Eligibility Manual Item 100.

The Department of Human Services will provide CDC Program staff responsible for policy development with access to all necessary systems utilized in the policy development process.

The Department of Human Services will have a review period, specified by the Michigan Office of Great Start during which it will have an opportunity to provide comment on proposed CDC Program policies with a potential to impact Department of Human Services functions carried out in service to the CDC Program. Financial impacts results from policy changes will be mutually agreed upon and the purchase of service agreement amended accordingly.

The Michigan Office of Great Start – CDC Program will be provided an opportunity to review and provide comment on DHS proposed policy changes with a potential to impact the CDC Program through the Final Department Review process.

All instructional materials and training content developed by the Department of Human Services for the CDC Program will be approved by the CDC Program Staff. The Department of Human

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Services will provide those instructional materials to its staff for the purpose of determining Child Development and Care program eligibility or for authorizing child care services; conduct all necessary training of DHS staff; hold DHS staff accountable for performance to assure adherence to Child Development and Care program policy, practice, and quality standards; implement any needed corrective actions; adjudicate any client appeals associated with actions taken by its staff; advise the Department of Education if, and when, a significant issue affecting the Department of Human Services' federal financial participation claim has occurred; and allow the Department of Education, or its authorized representatives/agents, timely access to all reports and records associated with activities and services covered by this MOU, until such time as these functions transition to the Michigan Department of Education.

CDC Program staff will be included in all regular meeting held by the Department of Human Services to discuss upcoming and/or pending policy changes for all assistance programs for which DHS determines eligibility.

The Michigan Department of Education, Office of Great Start, will provide the Department of Human Services with copies of pertinent United States Department of Health and Human Services correspondence and publications, including any changes in Federal laws and regulations, related to the Child Care and Development Fund Block Grant; as well as copies of any Child Care and Development Fund State Plan amendments.

PUBLICATIONS AND FORMS

In order to assure the accuracy of program information, the Department of Human Services staff will maintain CDC Program forms in Bridges, as informed by CDC Program staff. The Department of Human Services will work with the Michigan Office of Great Start to secure and place the Office of Great Start logo and contact information on all CDC Program forms and publications.

Access will be established for CDC Program staff to update and post Word versions of CDC Program forms utilized by local DHS office staff.

QUALITY ASSURANCE

The Michigan Office of Great Start will be responsible for CDC Program case reviews. Case reviews will be performed by two staff who will transfer into the Michigan Office of Great Start. The CDC Program's case review data base will become the property of the Michigan Office of Great Start. The Michigan Office of Great Start CDC case review staff will have access to needed DHS care files to conduct timely and effective reviews.

Department of Human Services staff will implement case corrections/corrective actions in a timely manner as determined by CDC Program Staff and informed by the case review findings.

TRANSFER OF POSITIONS AND PERSONNEL

The positions and personnel listed in Attachment A are transferred to the Department of Education effective 12:01 a.m., August 28, 2011, as provided in the EO. On and after the effective date of the transfer, until further notice, each employee transferred to the Department of Education shall be an employee of the Department of Education.

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The personnel transferred to the Office of Great Start within the Department of Education shall remain at the Department of Human Services in their current offices paid for with CDC Program funds, until the physical move is completed to the Michigan Office of Great Start. The Department of Human Services shall provide furniture, telephones, computers, printers, supplies, and any other necessary equipment for the transferred personnel during this time period. Beginning October 1, 2011, as much as funds are transferred as of that date for respective employees, the ongoing support costs for telephones, computers and significant supplies will be the responsibility of the Department of Education. On and after the effective date of the transfer, employees in Attachment A shall be subject to the personnel policies and work rules of the Michigan Department of Education.

The Department of Human Services will provide to the Department of Education all information related to human resources, payroll and labor relations services provided for the CDC and HSCO Program staff for fiscal year 2010-11. As of October 1, 2011, all files for CDC Program and HSCO staff, all employee personnel, medical, and position files will transfer.

The Department of Human Services will inform the Michigan Department of Education of all pending cases for: labor relations; education or EEOC; and worker's compensation no later than October 1, 2011.

The Department of Human Services will provide to the Michigan Department of Education all pending: reclassification or technical appeals; establishment files; recruitment files and hiring freeze exception requests and/or OMB freeze approvals; as well as reasonable accommodation and ergonomic assessment requests; pending and current Plan A and C requests; current LOA files; drug and alcohol test results; current WOC requests; pending FOIA requests; current overtime exception approvals; and on-going or pending CS-138's, no later than October 1, 2011.

The Department of Education Office of Human Resources (OHR) will provide all human resources and labor relations services to the program staff effective August 29, 2011. DCDS payroll review and release of employee time will be handled by the Department of Human Services OHR for the period of August 29, 2011 through October 1, 2011; effective October 2, 2011, the Department of Education OHR will handle DCDS payroll review and release of employee time. Employees transferred as a result of the Executive Order will be subject to provisions of bargaining unit secondary agreements negotiated with the Department of Education effective August 29, 2011. Effective August 29, 2011, the Department of Human Services OHR will implement a transitional department code in HRMN on the positions of mutually agreed upon program staff to facilitate HRMN security and reporting functions.

The Department of Human Services will continue to provide space for the CDC Program – Central Reconciliation staff at the West Saginaw Highway facility in Lansing until they can be located within the Michigan Department of Education.

TRANSFER OF EQUIPMENT

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The Department of Human Services will transfer ownership of the phone numbers for all CDC Program staff as a part of the physical relocation of staff into the Michigan Department of Education.

Department of Human Services will transfer all inventory related to the program documented within ITAM from Department of Human Services inventory count effective October 1, 2011. A complete list of inventory being transferred will be furnished to the Department of Education from the Department of Human Services no later than October 31, 2011.

TRANSFER OF FUNDING

The Department of Education is the grantee and lead agency for the Child Care and Development Fund (CCDF) administered by the Department of Health and Human Services (HHS). The entire CCDF grant will be awarded to and administered by the Department of Education beginning October 1, 2011. The federal CCDF award for fiscal year 2011-12 is estimated at \$150,684,000. In addition, the Department of Human Services will transfer adequate funding for the program to the Department of Education. Estimated allocations include the following: \$11,820,600 TANF, \$1,647,100 Title IV-E, and \$42,045,100 General Fund/General Purpose. The funding totals are estimates and will be substantiated and finalized by the State Budget Office during the preparation of the fiscal year 2012 supplemental appropriation bill. Funding will be sufficient to support all program related costs, including funding for filled and vacant positions, travel, CSS&M, and Maintenance of Effort required for the federal funds. Allocated funding for the Department of Technology, Management and Budget (DTMB) will include direct purchase of good and services through DTMB and user charges based on FTE headcount will be transferred.

Department of Human Services will make available to the Department of Education copies of all pertinent budgetary transaction correspondence, reports, studies, or information that relates to the transferred program requested by DTMB, the legislature, or through the Freedom of Information Act prepared during fiscal year 2010-11.

EFFECTIVE DATE

Unless otherwise specified, the effective date of this Memorandum of Understanding is August 28, 2011. Addendums will take effect on September 30, 2011.

CORRECTIVE ACTION PROCESSES

When one of the parties to this agreement believes that requirements are not being met, the appropriate representative shall notify the other party in writing (postal mail, fax or email) within five (5) working days of first identifying the causal problem. Once notified, the recipient party shall schedule a meeting within ten (10) working days in which minimally a preliminary resolution is provided. Final acceptance of the resolution is not achieved until the notifying party accepts the resolution in writing.

MODIFICATION AND TERMINATION

This Memorandum of Understanding will remain in effect until such time as the Department of Education and the Department of Human Services mutually agree to modify and/or terminate it.

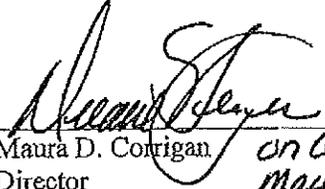
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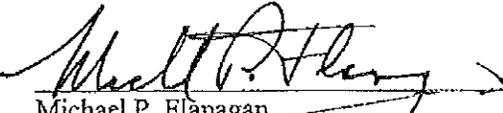
SIGNATORIES

In witness thereof, the parties sign their names as evidence of their approval of this Memorandum of Understanding and Interagency Agreement.

For the Department of Human Services

For the Department of Education


Maura D. Corrigan
Director
on behalf of
Maura D. Corrigan
Duane E. Berger
Chief Deputy Director
8/31/2011
Date


Michael P. Flanagan
Superintendent of Public Instruction
8/31/11
Date