



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING



ISMAEL AHMED
DIRECTOR

April 28, 2010

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 2009 Public Act No. 129 requires the Department of Human Services to prepare quarterly reports on the activities and progress toward meeting the responsibilities of the Federal Compliance Division. The April 2010 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,

Susan Kargas
for 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 2010
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 division 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.

Routinely, other states are studied to assure that Michigan's policy and practice are similar to other states. During this quarter, Wisconsin and Minnesota were contacted regarding their title IV-E tribal agreements.

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

Federal regulations continue to be reviewed to determine compliance. DHS has provided supplemental information to the Children's Bureau Regional Office in Chicago with regard to Michigan's recently submitted Title IV-E State Plan. DHS anticipates formal correspondence on the approval of our plan in April.

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.

The DHS Leadership Academy Dual Ward action learning project was presented in February 2010. This 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). The Federal Compliance Division and DHS program offices will now proceed with implementation.

(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 2010. Local offices performed title IV-E case reads on all cases that had title IV-E payments issued during the Period Under Review (April 1 – September 30, 2009). Any cases identified with eligibility errors were removed from title IV-E payments and monies were recouped and to be paid back to the federal

government. DHS is also consulting with our Children's Bureau Region Office and state stakeholders in planning and preparation for the Review.

Funding analysts within the DHS division of Federal Compliance have regular contact with the child welfare funding specialists in the local offices. The developing expertise in the field is the cornerstone of Michigan's compliance with title IV-E eligibility requirements.

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 from courts and local DHS offices on a weekly basis. The State Court Administrative Office partners with DHS in the Review Committee on at least a monthly basis.

DHS now has forty-six contracts for the title IV-E cost sharing agreements with county Prosecuting Attorney (PA) offices. The PA 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 PA office in the representation of DHS staff in child abuse and neglect hearings. DHS has begun the planning for commencement of the next contract cycle for calendar years 2011-2013.

DHS initiated an updated statewide payment reconciliation with the private child placing agencies and child care institutions in January 2010. The Federal Compliance Division reviewed and calculated the claims made by private agencies for the periods of January 1, 2006 – March 31, 2008. DHS has submitted reconciliation agreements to the private agencies involved in the process and expects resolution by May 31, 2010. DHS will continue to promote and enact procedures that will increase efficiency in the foster care payment process.

(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.

Federal Compliance Division 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. DHS is currently pursuing coordination of this effort with the requirements in Act 525 of 2008, Foster Care Trust Fund Act.

(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 July 2010.