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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING



ISMAEL AHMED
DIRECTOR

February 4, 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 2010 Public Act No. 248 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 January 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,

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, several states were contacted regarding their management of cases that have both delinquency and neglect/abuse jurisdiction.

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

Federal regulations continue to be reviewed to determine compliance. DHS completed the last quarterly report for Michigan's Title IV-E Program Improvement Plan to assure compliance in the Adoption Support and Foster Care federal regulations. DHS also submitted Michigan's amended Title IV-E State Plan which includes requirements of the 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 and Wayne County Child and Family Services continue to coordinate procedures to ensure compliance is maintained under the title IV-E agreement for their juvenile justice population. The procedures have expanded to include audit of cases and invoicing at quarterly intervals. DHS and Wayne County Child and Family Services have also removed barriers that have inhibited the state and county application for government benefits for those youth in care who qualify.

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 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 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.

(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. On November 19, 2009 the DHS division of Federal Compliance provided training to 160 DHS field staff and supervisors regarding the upcoming federal review. Funding for the event was provided by the Governor's Task Force.

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 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 On-Site Review and overall 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.

DHS now has forty-three contracts for the title IV-E cost sharing agreements with county Prosecuting Attorney (PA) offices. Two additional counties have nearly completed the contract process that will be executed shortly. 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. 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 thirty-seven 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 all of the over 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. Outstanding claims requiring resolution include all those from county child care funds and those state/federal claims that are more than two years old. DHS will continue promote and enact procedures that will reduce the incidence of unpaid foster care claims.

- (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. 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 April 2010.