



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING



ISMAEL AHMED
DIRECTOR

July 30, 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 July 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 Kangas
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 eligibility review experiences and eligibility issues around title IV-E appeals and safety requirements.

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

DHS has continued to provide supplemental information to the Children's Bureau Regional Office in Chicago with regard to Michigan's Title IV-E State Plan. DHS has not received formal correspondence on the approval of our plan since our submission in January 2010.

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.

(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.

Michigan's Title IV-E On-Site Review was conducted the week of June 14, 2010. At the exit conference on June 18, 2010, Michigan was advised informally of the department's substantial compliance with the review. However, several days later DHS was notified that four additional errors were discovered and that Michigan had not established substantial compliance. Michigan has not received the final report from the Administration for Children and Families regarding the official outcome of the review.

Funding analysts within the Federal Compliance Division continue to have regular contact with the child welfare funding specialists in the local offices. Based on the preparation for the federal review, it is evident that the child welfare funding

specialist positions have made a positive impact on Michigan's compliance with accurately determining title IV-E eligibility. Title IV-E case reviews indicate that eligibility determinations are more accurate since the last federal review and since the implementation of child welfare funding specialist positions. The Federal Compliance Division will enhance training and case reading efforts of the child welfare funding specialists based on the findings of the review.

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 46 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 commenced the preparation activities for the next contract cycle for calendar years 2011-2013.

DHS initiated revised 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 is prepared to reconcile approximately \$1.8 million of outstanding payments to private agencies that submitted their claim information. DHS has also convened a work group that will continue to 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 has researched the viability of 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 prepared to pursue 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 October 2010.