



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF HUMAN SERVICES  
LANSING



ISMAEL AHMED  
DIRECTOR

March 20, 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. 234 requires the Department of Human Services to prepare quarterly reports on the status of the department budget on activities and progress toward meeting the responsibilities of the Federal Compliance Office. The attached report is separated into the five sections specified in Section 571.

Sincerely,

A handwritten signature in black ink that reads "Ismael Ahmed".

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 the Department of Human Services (DHS). Two units within the office continue to focus on compliance activities for all federal child welfare programs. The Child and Family Services Review (CFSR) and Title IV-E units are now fully staffed.

The Title IV-E Unit has participated in on-the-job training in a number of areas of foster care payments that have been assigned. The training has included payment issues for DHS and private child placing agency partners, Title IV-E eligibility determination, Maximus Task 1a determination and other related funding, audit and contract matters assigned to the unit.

**(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.**

Other states, Wisconsin and Minnesota, are being studied to ensure that Michigan's policy and practice are similar to other states in the Federal Region V.

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

Federal regulations continue to be reviewed to determine compliance. Michigan's Title IV-E state plan has been revised. Michigan submitted a Program Improvement Plan (PIP) for the state plan to ensure compliance with the adoption support and foster care federal regulations. The Children's Bureau (CB), within the Administration for Children and Families (ACF), approved Michigan's state plan and PIP by way of correspondence and certification to Director Ahmed on December 11, 2008. The next quarterly report on that PIP was submitted to CB's regional office in January 2009. The Title IV-E Unit has assumed responsibility for coordinating and preparing Michigan's Title IV-E state plan and PIP to ensure timely accomplishment of goals and report submissions.

Michigan's Title IV-E review PIP continues to be monitored and implemented. Compliance with the former Aid to Families with Dependent Children program's two-step income test within the Service Workers Support System (SWSS), adoption and juvenile justice (FAJ) has been in production since August 2008. Compliance with the two-step income test is a federal requirement.

The Children's Rights Settlement has incorporated the Child and Family Service Review standards as the specific standard of performance for Michigan for settlement activity.

DHS and Michigan, through the auspices of this office, continue to make progress ensuring 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.**

The Title IV-E Unit staff has trained the majority of the Child Welfare Funding Specialists (commonly referred to as IV-E Funding Specialists) who have been hired in the local offices. Additional training sessions were held in January 2009, and quarterly thereafter, for those staff just hired or those in need of additional training. 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 determination and court orders are also being developed by the Title IV-E Unit staff.

Local offices have been asked to submit work plans and monthly reports that record and guide the work of the Child Welfare Funding Specialists. The first reports were received by the Title IV-E Unit beginning in December. Title IV-E Unit staff are assigned to follow up with the local offices based on the reports submitted. Additional support plans are also being implemented for the Child Welfare Funding Specialists in the largest urban field offices (Wayne, Oakland, Macomb, Genesee and Kent counties). The plans will include: direct contact between the central office Title IV-E Unit for consultation, regular local office site visits and sample case reads.

Title IV-E Unit staff are also working with Department of Information Technology (DIT) programmers on modification to the SWSS FAJ as it relates to the funding specialists. The SWSS FAJ sign-on for Child Welfare Funding Specialists is being altered to allow the specialists efficient access to all cases they are assigned within their districts and/or local offices.

The Title IV-E Unit has reviewed several target populations and their fund sources for accuracy. Maximization of federal funds is occurring as errors in funding are identified and corrected. During this quarter, this unit evaluated payments believed to have been made inaccurately from State Ward Board and Care (SWBC). In October 2008, the Federal Compliance Office discovered there were approximately 50 foster care cases that were being paid inappropriately from SWBC funds instead of Title IV-E funds. This group of cases represented at least \$24,375.00 per month from the incorrect, state fund source. The counties were notified of these errors in November. As of January 1, 2009, 25 cases have been corrected to reflect the correct fund source of Title IV-E. This represents at least \$12,187.00 per month in savings to the SWBC fund source.

Coordination with State Court Administrative Office (SCAO) has also commenced with regard to training and preparation for the Title IV-E federal review. SCAO and DHS have been co-presenting Title IV-E training for courts and DHS staff across the state since January 2009. Additional coordination with SCAO is anticipated as planning for the on-site federal review continues.

The Title IV-E Unit has worked with DHS Division of Contracts and Rate Setting (DCRS) in sending out new contracts for the Title IV-E cost sharing agreements with the county Prosecuting Attorney (PA) offices. The PA contracts are fund enhancements for the counties and do not impact the 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 in child abuse and neglect hearings. Review of the existing contracts and federal regulations has occurred to ensure maximization of federal funds with increased tracking mechanisms. In addition to the 33 counties that continue to participate, seven counties entered into new contracts with DHS effective January 2009. In 2009, utilization of these contracts will pass through an estimated \$1,103,854.00 of Title IV-E funding to the counties. This includes a \$409,196.00 increase over the contracts in place for 2008. The Title IV-E Unit will continue to engage with those counties who still do not have contracts so that additional contracts can commence.

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. During the months October through December 2008, the Title IV-E Unit received 446 local office DIT Help Desk inquiries. Of those, 42% were specifically related to funding and legal issues that directly impact the accuracy of Title IV-E determination. Additionally, the Title IV-E Unit has been examining and directing action on unpaid claims from private child placing agencies and residential treatment facilities as well as evaluating the Maximus Task 1a computations for Title IV-E enhancement.

**(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 Office staff have begun research on this item. Several applicable programs across the nation, including Ohio, Colorado and Georgia, have been identified as providing similar assistance in varying models of practice.

**(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 2009.