



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING



MAURA D. CORRIGAN
DIRECTOR

February 28, 2011

The Honorable Bruce Caswell, Chair
Senate Appropriations Subcommittee on Human Services
Michigan State Senate
Lansing, Michigan 48933

The Honorable David Agema, Chair
House Appropriations Subcommittee on Human Services
Michigan House of Representatives
Lansing, Michigan 48933

Dear Senator Caswell and Representative Agema:

Section 571 of Public Act 190 of 2010 (Enrolled House Bill 5882) requires the Department of Human Services to prepare reports on the activities and progress toward meeting the responsibilities of the Federal Compliance Division. The January 2011 report is attached and is separated into the five sections specified in Section 571.

If you have any questions, please contact Mary Mehren, Federal Compliance Office Director, at (517) 241-7521.

Sincerely,

Susan Kangas,
Chief Financial Officer

c: Senate and House Appropriations Subcommittees
Senate and House Fiscal Agencies
Senate and House Policy Offices
State Budget Director

**FY 2011 Boilerplate Report
Federal Compliance Division
Section 571**

Sec. 571. The department shall maintain 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.

(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 December 2010. DHS has commenced planning and policy development to expand foster care services beyond age 18 pursuant to the federal Fostering Connections to Success legislation.

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.

DHS received the final report of Michigan's Title IV-E Eligibility Review on August 27, 2010. The Administration for Children and Families' Children's Bureau notified the department that Michigan did not meet substantial compliance with the eligibility review based on findings of six error cases. Michigan was permitted four error cases from the 80 case sample that was reviewed. The Attorney General's office, at the request of DHS, appealed the error findings in two cases to the federal Department Appeals Board. The federal board issued a decision finding for the DHS. It reversed the disallowance and ruled Michigan is operating the title IV-E program in accordance with federal regulations. With this ruling, Michigan is awaiting notification from the Children's Bureau related to the on-site review.

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Funding analysts within the Federal Compliance Division maintain regular contact with the child welfare funding specialists in the local offices. 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 reviews 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 offices. The 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 prosecutors representing DHS staff in child abuse and neglect hearings. DHS has commenced contract renewals for the 2011-2013 cycle.

DHS has convened a work group to continue to promote and enact procedures that will reduce the incidence of unpaid foster care claims. Private agency and internal stakeholders are involved in the work group.

(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.

The department is currently exploring the feasibility of developing a statewide contract with a non-profit foster parent organization that supports the efforts of caregivers to become licensed foster parents.

(e) As part of the reports required by section 582, provide information to the house and senate appropriations subcommittees on the department budget on activities and progress toward meeting the responsibilities outlined above.

The next bi-annual report will be submitted August 2011.