

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John Selig
Director
Arkansas Department of Human Services
P.O. Box 1437, Slot S 201
Little Rock, Arkansas 72203-1437

Dear Director Selig:

The Children's Bureau (CB), Administration for Children and Families (ACF), conducted a secondary review of the Arkansas Division of Children and Family Services (DCFS) title IV-E foster care program during the week of October 29, 2012. The review protocol was implemented in accordance with the Federal provisions at 45 CFR, section 1356.71 of the Code of Federal Regulations (45 CFR §1356.71). This letter serves to correct the letter and report dated February 5, 2013.

As discussed in our electronic communication with Greg Crawford of your staff on February 25, 2013, the Regional Grants Management Unit (RGMU) of the Administration for Children and Families noted that they overstated the maintenance disallowance amount for sample AR 93 by \$76. The revised disallowance for sample AR 93 is \$3,845 not \$3,921.

Additionally, the RGMU identified a correction to the report related an underpayment on case AR 30. The report incorrectly stated the underpayment as \$28. The underpayment for AR 30 should have been reported as \$19 to be consistent with the other underpayments documented in the report, which reflect the claim after the Federal Medical Assistance Percentage (FMAP) is applied.

This letter revises our formal notice of disallowance to \$ 72,059 in foster care maintenance payments in Federal Financial Participation (FFP) for title IV-E foster care claimed for the cases determined to be in error. The \$58,333 related administrative costs remain unchanged. The erroneous maintenance payments and administrative costs provided in this letter include all payments claimed through September 26, 2012. Any cost claimed subsequent to September 26, 2012 pertaining to the ineligible case issues must be refunded to ACF. In addition, the ineligible maintenance payments of \$629 and administrative cost of \$318 for the five (5) non-error cases

determined to have ineligible payments also remains unchanged. The total amount for the IV-E disallowance is now \$131,339.

Since the amount of disallowed funds was previously included in Federal payments made to the State, Arkansas must repay these funds by including a prior period decreasing adjustment on appropriate lines of Parts 1 and 2 of the Quarterly Report of Expenditures (Form CB-496). The Form CB-496 must be submitted within 30 days of the date of this letter in order to avoid the assessment of interest. The State must cease claiming title IV-E payments associated with the improperly paid cases until eligibility is substantiated for them.

This is the final decision of the CB. If you disagree with the decision about the review findings, Federal regulations at 45 CFR Part 16 permit you to appeal this decision directly to the Departmental Appeals Board (Board). Your written request to appeal must be sent within 30 calendar days of receiving this notice of findings and payment disallowance. The use of registered or certified mail, return receipt requested, is recommended to establish the mailing date of all correspondence. The letter to appeal this decision should be sent to:

Department of Health and Human Services
Departmental Appeals Board, MS 6127
Appellate Division
330 Independence Ave., SW
Cohen Building, Room G-644
Washington, D.C. 20201

You must attach a copy of this decision to the appeal notice and the notice must state the amount in dispute and the reason you think this decision is wrong. A copy of your appeal also should be sent to Janis Brown, CB Regional Program Manager in Region VI. The Board will notify you of further procedures.

If Arkansas appeals, the State may elect to repay the amount at issue pending a decision by the Board, or retain the funds pending that decision. An adjustment to return the disallowed funds for the purposes of avoiding interest assessment must be made through the use of the Form CB-496, as described above. If Arkansas retains the funds and the Board sustains all or part of the disallowance, starting from the date of this letter, interest at the current rate of 10.125% will be charged on the funds the Board decides were properly disallowed. Regulations at 45 CFR Part 30 explain how interest will be computed.

In the event Arkansas chooses to take no action to return the funds, it will be assumed the State has elected to retain the funds either to appeal or to delay recoupment of the funds until the next issued grant award. Interest will continue to accrue on the Federal funds retained by the State during this period.

I thank you and your staff for the efforts that were made to prepare for and participate with us in this review. My staff looks forward to working with your agency to continue to improve the State's implementation of the Federal requirements and to improve services to children and families.

Please contact Janis Brown at (214) 767-8466 or by email janis.brown@acf.hhs.gov, if you have any questions about this review. Questions concerning the disallowance should be directed to Janice Caldwell at (214) 767-2965 or by email janice.caldwell@acf.hhs.gov.

Sincerely,

Joseph J. Bock
Acting Associate Commissioner
Children's Bureau

cc: Janie Huddleston, Deputy Director; DHS; Little Rock, AR
Cecile Blucker, Director; DCFS; Little Rock, AR
Greg Crawford, Chief Fiscal Officer; DCFS; Little Rock, AR
Mona Davis, Planning Manager; DCFS; Little Rock, AR
Gail Collins, Director; Implementation Division, CB, ACF; Washington, DC
Jennifer Butler-Hembree, Program Specialist; Implementation Division, CB, ACF; Washington, DC
Allison Palmer, Program Specialist; Implementation Division, CB, ACF; Washington, DC
Janis Brown, Children and Families Program Manager; CB Region VI, ACF; Dallas, TX
Ray M. Bishop, Grants Officer; Grants Management, ACF, Region VI; Dallas, TX
Patsy Buida, Children and Families Program Specialist; CB Region VI; Dallas, TX
Janice Caldwell, Team Leader; Grants Management, ACF, Region VI; Dallas, TX