

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Dorian Dodson
Cabinet Secretary
Children, Youth and Families Services
P.O. Box 5610
Santa Fe, New Mexico 87502

Dear Secretary Dodson:

The Administration for Children and Families (ACF) conducted a title IV-E eligibility review of New Mexico Children, Youth and Families Department (CYFD) from June 26 to June 30, 2006. Our letter and report, dated August 22, 2006, provided you with the results of the review. Your agency appealed our decision in a September 20, 2006 correspondence to the Department of Health and Human Services' Departmental Appeals Board (DAB). Subsequently, your agency withdrew the appeal in a December 8, 2006 correspondence, based on the Department of Health and Human Services' Office of General Counsel's letter dated November 8, 2006.

In our report, we identified one case as being in error (Sample #63 which included two separate foster care episodes) and disallowed title IV-E Federal Financial Participation (FFP) in the amount of \$17,213 in foster care maintenance payments and \$11,887 in related administrative costs for this error case. After review of your September 20, 2006 correspondence to the DAB, ACF concurs that the first foster care episode was not in error. Therefore, the disallowance for the first foster care episode of \$4,275 foster care maintenance and \$2,271 in associated administrative costs should not have been included in the disallowance and is being rescinded. The correct disallowance for the second foster care episode is \$12,938 in foster care maintenance costs and \$9,126 in related administrative costs for a total disallowance of \$22,064 (FFP). Therefore, ACF is reducing the amount of its disallowance for this case by \$7,036 (FFP).

ACF noted in the report that there were 61 non-error cases with improperly claimed expenses associated with sample cases and disallowed \$26,691 in foster care maintenance and an additional \$7,489 in administrative costs. Based on our review of existing regulations, ACF is removing the administrative costs from the non-error case disallowances and reducing the disallowance accordingly. Thus, the total disallowance for the improper payments in the 61 non-error cases is \$26,691 (FFP).

Notice of Disallowance:

This letter notifies you of the revised disallowance of \$48,755 (FFP) as discussed above. The decision on this matter represents the final decision of the Administration for Children and Families. If you agree with this decision, you must include this amount as a decreasing prior quarter adjustment on your Quarterly Report of Expenditures (Form ACF-IV-E-1), Part 1, Line 1, Columns (c) and (d). The decreasing adjustments must be identified to the applicable quarter(s) in which the unallowable expenditures were originally claimed. The IV-E-1 form must be submitted within 30 calendar days of the date of this letter in order to avoid the assessment of interest, currently at 12 3/8%.

If the State fails to either return the disallowed funds or advise the ACF of its intent to retain the funds within the 30 calendar day period, a special negative grant award will be unilaterally issued by the ACF to recover the amount of the disallowance plus any interest. The disallowance will be calculated from the date of the disallowance to the date of the award.

Appeal Procedures:

If you disagree with the revised disallowance decision, Federal regulations at 45 CFR Part 16 provide you with the opportunity to appeal this decision directly to the Departmental Appeals Board (DAB). Your written request to appeal this decision must be sent within 30 calendar days of your receipt of this letter. The use of certified or registered mail is recommended to establish the mailing date of all correspondence. Your appeal of this decision should be mailed directly to the DAB, your original letter and two copies of all documents 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

Your letter should state your intention to appeal, indicate the exact amount in dispute, and include a statement of your position and the reasons why you feel this disallowance is incorrect. A copy of this disallowance decision should be attached to your letter. If you choose to appeal, the DAB will notify you of further procedures upon receipt of your appeal letter.

Please forward a copy of your appeal to this office and to the following:

Administration for Children & Families – Region VI
1301 Young Street, Room 945 (ACF-3)
Dallas, Texas 75202-5433
Attn: June Lloyd, Regional Program Manager

Assistant Secretary
Administration for Children & Families
c/o Director, Office of Financial Services
Department of Health & Human Services
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

You may choose to retain the disallowed funds while pursuing the administrative appeals process, recognizing that interest charges will apply. However, you must submit a letter stating your intentions to this office within 30 calendar days of the date your receipt of this letter.

Interest Assessment:

In accordance with the provisions found at 45 CFR Part 30.13 and 30.14, the disallowed expenditures referenced above are considered as a debt to the Federal government and interest charges and any other late charges, if applicable, will accrue. Such interest and late charges will be calculated from the date of this letter and added to the amount of the disallowance if the disallowance is sustained by the DAB (fully or partially). During the appeal process, collection actions will be suspended pending a final decision, unless otherwise requested by the State.

A copy of all correspondence pertaining to this decision should be forwarded to this office.

Should you have any questions, please contact Janis Brown, Child Welfare Program Specialist, at 214-767-1875 or Ron Gardner, Fiscal Grants Specialist, at 214-767-8465.

Sincerely,

Susan Orr, Ph.D.
Associate Commissioner
Children's Bureau

Attachments

cc:

Danny Sandoval, CYFD, Deputy Cabinet Secretary
Angela Adams, CYFD, Protective Services Director
Joseph Bock; Deputy Associate Commissioner; Children's Bureau; Washington D.C.
Paul Kirisitz, Implementation Division Manager, Children's Bureau, Washington D.C.
June Lloyd, Regional Program Manager, Dallas, Texas
Ray Bishop, Regional Supervisory Grants Officer, Dallas, Texas