



DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES
Administration on Children, Youth and Families
1250 Maryland Avenue, S.W.
Washington, D.C. 20024

OCT 01 2009

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Lillian B. Koller, Director
Department of Human Services
P.O. Box 339
Honolulu, Hawaii 96809

Dear Ms. Koller:

The Children's Bureau (CB), Administration for Children, Youth and Families (ACYF), Administration for Children and Families (ACF), in collaboration with the Hawaii Department of Human Services, completed a review of key areas of Hawaii's child welfare policy and practice to assess substantial conformity with State plan requirements in titles IV-B and IV-E of the Social Security Act that impact child safety, child permanency, and child and family well-being. The Child and Family Services Review (CFSR) process was initiated with the development of a statewide assessment report by the State about areas critical to the effective functioning of Hawaii's continuum of child welfare services. The on-site review was completed during the week of June 1, 2009 and included a review of 65 cases and interviews with State- and county-level stakeholder groups, including you. An executive summary and the complete CFSR report are enclosed and will be posted on CB's website shortly.

We recognize that the CFSR process is a large undertaking and appreciate the time and effort the State committed in carrying out this review. Please extend our appreciation to the State's CFSR liaisons, Amy Tsark and John Walters, and their staff for their efforts in not only carrying out this review but also in continuing to move forward in engaging stakeholders in developing the strategies to further improve outcomes.

The effects of the resources that Hawaii dedicated to improving child welfare policy and practice since the first round of CFSRs were evident in the statewide assessment and the on-site review. Particularly noteworthy and commendable are the State's efforts in implementing differential response and engaging the Native Hawaiian community and other key stakeholders, including

youth and foster/adoptive parents, to strengthen the child welfare system and decrease the disproportionality of Native Hawaiians in foster care. As indicated in the enclosed report, the State is in substantial conformity with five of the seven systemic factors: Statewide Information System; Quality Assurance System; Service Array and Resource Development; Agency Responsiveness to the Community; and Foster and Adoptive Parent Licensing, Recruitment, and Retention.

Hawaii is, however, not operating in substantial conformity in all seven outcomes and the remaining two systemic factors (Case Review System and Staff and Provider Training); the findings in each of these areas are described in the enclosed report. Consequently, pursuant to 45 CFR 1355.35, the State is required to develop a Program Improvement Plan (PIP) to address each outcome and systemic factor determined not to be in substantial conformity. The PIP must be submitted to the CB Regional Office by November 23, 2009, which is 90 calendars days after the date the advanced courtesy copy of the CFSR Final Report notification of non-conformity was transmitted to and received by the Hawaii Department of Human Services via e-mail on August 24, 2009. The advanced courtesy copy also afforded the State an opportunity to review the documents for factual accuracy regarding Hawaii's statutes, regulations, and program operations. We appreciate the State's review and its response that we received via e-mail on September 16, 2009. Specifically, the State noted that it did not find factual or technical errors in the report. However, the State raised a question about the "...citing of caseloads as too high in one part of the report without providing any facts to support that statement while giving [the State] credit in another section of the report for bringing caseloads down due to the successful implementation of [the State's differential response system (DRS)]." Changes were not made to the report because the information about caseworker caseload for permanency units as being high, leading to delays in the timeliness of adoption, was provided in the State's statewide assessment and was supported with stakeholder interviews while onsite.

In accordance with 45 CFR 1355.36, the estimated minimum penalty of \$234,807, based on the State's titles IV-E and IV-B expenditures reported for three quarters of fiscal year 2009 (October 1, 2008 through June 30, 2009), is currently applicable to this level of non-conformity (seven outcomes and two systemic factors not operating in substantial conformity). This estimated amount will continue to increase when it is re-computed as quarterly expenditure reports are submitted. However, we are suspending the withholding of funds associated with this penalty during the two-year PIP implementation period and, if necessary, the subsequent year when non-overlapping data are collected. If it is determined that Hawaii is successful in rectifying the outcomes and systemic factors that were found to be in non-conformity by successfully achieving the PIP goals, we will rescind the withholding of Federal funds associated with the respective outcome or systemic factor.

Pursuant to 45 CFR 1355.35(a)(1), which requires that the PIP be developed jointly by the State and Federal staff, the Regional Office will continue to work with the Hawaii Department of Human Services in developing its PIP strategies towards achieving mutually-agreed upon goals, including, when applicable, levels of improvement for the areas not in substantial conformity. To the extent possible, those involved with the CFSR planning process and on-site review, including the Department of Human Services' external partners, should also be actively engaged in the development, implementation, and ongoing evaluation of the PIP. The CB's training and

technical assistance network of National Resource Centers is available to continue to assist in developing and implementing the PIP and can be accessed through the Regional Office, as needed.

Elements of the PIP include prioritizing the areas of non-conformity and identifying the necessary action steps for improving each area, including individuals responsible for carrying out the various steps and the dates by which the action steps will be completed. Most importantly, the PIP must address particularly egregious areas of non-conformity impacting child safety (45 CFR 1355.35(d)(2)). To do this, the State should establish both short-term goals that will immediately minimize the negative effects on children and families and long-term goals for lasting reforms. The priority assigned to these issues should be reflected in the timeframes and content of the PIP rather than in the order in which they are identified in the document.

In addition, the PIP must include benchmarks of progress toward achieving the broader goals of the plan (45 CFR 1355.35(a)(1)(v)) as well as specific percentages of improvement that will be demonstrated through each applicable data indicator that does not meet the national standard (45 CFR 1355.35(a)(1)(iv)). The plan also must describe how the State will evaluate and report progress, including a schedule for submitting regular quarterly reports to the Regional Office, and must address how the benchmarks will be evaluated to determine whether PIP goals have been met. The CB National Review Team Leader and Regional Office staff will work with the Department of Human Services staff to jointly determine the timeframes, the specific content, and the processes for evaluating progress and achievements with respect to the PIP.

The PIP must also describe the State's plan for using Federal and/or non-Federal sources of technical assistance to support program improvements for each outcome and systemic factor found not to be in substantial conformity (45 CFR 1355.35(a)(1)(vii)).

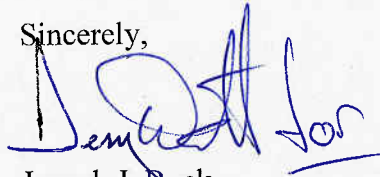
Elements of the PIP must be incorporated into the goals and objectives of the State's five-year Child and Family Services Plan. Progress in implementing the PIP must also be reflected in the State's Annual Progress and Services Reports (45 CFR 1355.35(f)), due June 30 yearly.

Federal regulations at 45 CFR 1355.37 require that each State make available for public review and inspection the statewide assessment, the final report, and the PIP developed as a result of the CFSR. Therefore, we urge you to consider now how the State will make the information available as required and how the State will respond to inquiries concerning these documents. CB is also obliged to respond to public inquiries regarding this information.

Patricia Pianko, Children and Families Program Specialist in our Region IX office will assist the Department of Human Services staff in developing the PIP and identifying Federal and other resources that could help address the State's needs.

We look forward to continuing to work collaboratively with the State to improve the safety, permanency, and well-being of children and families in Hawaii. If you have questions or concerns, please call Sally Flanzer, Child Welfare Regional Program Manager in Region IX, at (415) 437-8425 or by e-mail at sally.flanzer@acf.hhs.gov. You may also contact Patricia Pianko, Children and Families Program Specialist, at (415) 437-8462 or by e-mail at patricia.pianko@acf.hhs.gov.

Sincerely,



Joseph J. Bock
Acting Associate Commissioner
Children's Bureau

Enclosures

cc: Amy Tsark, Administrator, Child Welfare Services Branch; Department of Human Services,
Honolulu, Hawaii
John Walters, Administrator; Program Development Section, Child Welfare Services Branch;
Department of Human Services, Honolulu, HI
Will Hornsby, Director, CFSR Unit; CB, Washington DC
Linda Mitchell, Senior Child Welfare Specialist; CB, Washington DC
Sally Flanzer, Child Welfare Regional Program Manager; CB, Region IX; San Francisco, CA
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