



ADMINISTRATION FOR
CHILDREN & FAMILIES

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Office of Community Services

December 5, 2025

Jeff Pertl
Secretary
Wisconsin Department of Children and Families
201 West Washington Avenue
P.O. Box 8916
Madison, WI 53708

Dear Mr. Pertl:

The release of this correspondence was delayed due to the federal government shutdown; however, we believe it is important for you to have the result of our review for your records.

On March 21, 2025, the Wisconsin Department of Children and Families (DCF) provided the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), Office of Community Services (OCS), Division of Community Services (DCA) documentation of the state's intent to de-designate the Social Development Commission (SDC) due to ongoing deficiencies and the failure to provide services in Milwaukee County since its closure in April 2024. On the same date, OCS met with the state to gain further insight and provide technical assistance regarding [CSBG IM #116 Corrective Action, Termination, or Reduction of Funding](#). OCS shared that, under Section 676 of the CSBG Act (42 U.S.C. 9908):

States may reduce funding or terminate eligibility for CSBG funding based on an eligible entity's failure to comply with the terms of an agreement or a State plan, or to meet a State requirement, to provide services, or to meet appropriate standards, goals, and other requirements established by the State, including performance objectives.

IM-116 provides background on statutory and regulatory requirements for terminating organizational eligibility or otherwise reducing the share of funding allocated to any CSBG-eligible entity and details necessary considerations and actions for reducing funds or terminating a CSBG-eligible entity for cause.

Further, Section 678C(b) states:

A determination to terminate the designation or reduce the funding of an eligible entity is reviewable by the Secretary. The Secretary shall, upon request, review such a determination. The review shall be completed not later than 90 days after the Secretary receives from the State all necessary documentation relating to the determination to terminate the designation or reduce the funding. If the review is not completed within 90 days, the determination of the State shall become final at the end of the 90th day.

After thorough review of DCF's documentation, OCS' DCA has determined that DCF's process to terminate SDC is compliant with the legislation. The following information provides the review process timeline and supporting documentation:

- May 9, 2025 – DCF informed OCS of their intent to de-designate SDC.
- June 8, 2025 – SDC requested via emailed letter, also sent by postal mail, that OCS conduct a federal review of DCF's decision to de-designate SDC.
- June 20, 2025 – OCS requested documents from DCF to conduct the federal review.
- July 7, 2025 – DCF submitted the following documentation:
 - Folder #1 – Wisconsin's Monitoring Reports for SDC related to SEC 678B. Monitoring of Eligible Entities of the CSBG Act, 42 U.S.C. § 9914.
 - Folder #2 – Wisconsin's notifications to SDC of any deficiencies to be corrected.
 - Folders #3.1 and #3.2 – Wisconsin's documentation related to training and technical assistance for SDC.
 - Folder #4 – Letter to SDC regarding the state's intent to terminate eligibility status and right to request a hearing.
 - Folder #5 – Wisconsin's Hearing Rules, Policies, and Procedures.
 - Folder #6 – Documentation of the Hearing regarding SDC.
 - Folder #7 – Any other information deemed relevant to Wisconsin's decision to de-designate SDC (Wisconsin Legislature Letter to SDC, Milwaukee County's Letter to Mr. Pertl, Wisconsin's IM-116 Narrative Response).
 - Folder #8 – Correspondence showing consultation with OCS and DCF's request for an expedited review of this matter pursuant to IM-116.
- August 1, 2025 – OCS met with SDC at their request, which allowed SDC to provide an update and their perspective on how DCF reached their decision to terminate CSBG funding to SDC. OCS informed SDC that the role of OCS in the federal review process is to verify the state's compliance with the legislation and the guidance provided in CSBG IM-116. OCS emphasized that the federal review process is not designed to determine the capacity of the local eligible entity to administer CSBG and underscored that the 90-day review period begins after receipt of all necessary documentation relating to the state's determination to terminate the eligible entity's designation.

- August 15, 2025 – OCS requested additional documents necessary to clarify timelines and actions taken.
- August 19, 2025 – DCF submitted the requested information, which in turn began the 90-day federal review period.

Based on the review by OCS' DCA, opportunities were identified to provide training and technical assistance to the state on their hearing policies and procedures. Our office will contact the CSBG Program Administrator to schedule technical assistance within 30 days of the date of this letter.

OCS' DCA appreciates DCF's administrative oversight and stewardship of CSBG. We will work closely with the state to ensure that the service area previously covered by SDC has access to CSBG resources as swiftly as possible.

Should you have questions regarding this matter, please contact Verna Best, Program Operations Branch Chief at Verna.Best@acf.hhs.gov.

Sincerely,



Cheryl Zuni
Director
Division of Community Assistance
Office of Community Services
Administration for Children and Families