



STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

GRETCHEN WHITMER  
GOVERNOR

ELIZABETH HERTEL  
DIRECTOR

February 2, 2026

Jessica Thomas, Chief Internal Auditor  
Office of Internal Audit Services  
111 S. Capitol Avenue  
Lansing, Michigan 48933

Dear Ms. Thomas:

In accordance with the State of Michigan Financial Management Guide, Part VII, enclosed is our final corrective action plan to address recommendations contained within the Office of the Auditor General report of the Partnership. Accountability. Training. Hope. (PATH) Program Deferrals.

All legislative inquiries should be directed to Chardae Burton, Michigan Department of Health and Human Services (MDHHS) Director of Legislative Affairs, at [burtonc5@michigan.gov](mailto:burtonc5@michigan.gov). All other questions regarding the corrective action plan should be directed to me at [havenss2@michigan.gov](mailto:havenss2@michigan.gov).

Sincerely,

A handwritten signature in cursive script that reads "Shannah M. Havens".

Shannah Havens, CPA, MBA  
Director, MDHHS Bureau of Audit

Enclosure (1)

c: Executive Office  
Office of the Auditor General  
House and Senate Fiscal Agencies  
House and Senate Oversight Committees  
House and Senate Appropriations Committees  
House Appropriations Subcommittee on Human Services  
Senate Appropriations Subcommittee on MDHHS  
House Families and Veterans Committee  
Senate Housing and Human Services Committee  
Elizabeth Hertel, MDHHS, Director  
David Knezek, MDHHS, Chief Operating Officer  
Amy Epkey, MDHHS, Senior Deputy Director, Financial Operations Administration  
Chardae Burton, MDHHS, Director, Legislative Affairs  
Erin Frisch, MDHHS, Senior Deputy Director, Economic Stability Administration  
Laura Blodgett, MDHHS, Senior Deputy Director, Communications Administration

Michigan Department of Health and Human Services  
Partnership. Accountability. Training. Hope. (PATH) Program Deferrals (491-3302-25)  
Issued by the Office of the Auditor General  
December 2025  
Department Final Corrective Action Plan

**Summary Response Matrix**

	Complied	Will Comply	Partially Complied	Will Not Comply
Agrees		Finding 1		
Partially Agrees				
Disagrees				

**Final Corrective Action Plan**

**Finding Number 1**

Finding Title: Improved compliance with PATH Program guidelines is needed.

**Department Response**

Management Views: MDHHS agrees there are always opportunities for improvement to ensure that local offices consistently defer work-eligible individuals from mandatory PATH participation or other employment-related activities in compliance with PATH program guidelines.

Planned Corrective Action and Milestones: To strengthen oversight and improve compliance related to deferrals, the Economic Stability Administration (ESA) and TANF program policy will implement an updated mandatory training focused on deferrals by April 30, 2026. Program policy incorporated a review of temporary deferrals as part of the existing second-level review of work participation rate case reads during November 2025. Identified issues will continue to be addressed with local office staff during monthly meetings with Employment and Training (E&T) Coordinators. Prior to the audit, local office staff identified the system issue causing the overlapping payments and submitted a help desk ticket for resolution. A recoupment referral was submitted and processed in accordance with established procedures.

ESA also has initiated a mandatory review of an existing ad-hod report that identifies current participants of the TANF program and their deferrals status. Enhancements to this report will include additional data points to improve accuracy and timeliness in identifying and resolving deferral-related issues, and ESA anticipates the report will be available and distributed to local offices by February 28, 2026. A collaborative process will be established to ensure local office specialists and E&T Coordinators work together to provide necessary case action as needed.

Anticipated Compliance Date: April 30, 2026

Responsible Individual: Kenton Schulze, MDHHS, ESA Cash Assistance and SER Policy Manager