

Progress of the Michigan Department of Human Services

Period One Monitoring Report for
Dwayne B. v. Granholm

October 24, 2008—March 31, 2009

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public catalyst group

111 Mulberry Street THB Newark, NJ 07102 | PO Box 1099 Marlton, NJ 08053
www.pcg4change.com | 908-655-5350 | pcginfo@pcg4change.com

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TABLE OF CONTENTS

I. Introduction and Overview	3
A. Summary of Progress and Challenges Ahead	4
B. Methodology	7
C. Demographics	9
II. Period One Commitments	16
A. Summary of Period One Commitments	16
B. Period One Commitments Extended to Period Two	27
III. Developing the Organizational Capacity to Support Reform	29
A. Building a Children’s Services Structure	29
B. Strengthening Contract Oversight	32
C. Assessing the Adequacy of Resources for Reform	33
D. Developing the Workforce to Deliver High Quality Services	34
Increasing educational requirements	
Expanding training	
Lowering foster care and adoption caseloads	
E. Developing the Capacity for Assessment and Implementation	42
Accessing and utilizing data	
Implementing quality assurance	
Creating effective plans	
IV. Achieving Permanency for Children and Youth	50
A. Focusing on Youth Waiting for Permanency: The Backlog Cohorts	50
Defining the cohorts	
Cohort demographics	
Backlog Cohort reporting	
B. Assessing the Backlog Cohort	55
C. Creating Permanency Plans for the Backlog Cohort	55
D. Developing Staff Focused on the Permanency Backlog Cohort	56
E. Period One Backlog Trends	56
Update on children awaiting reunification	
Update on legally-free children awaiting permanency	
Update on county performance	
F. Supporting Permanency through Subsidized Guardianship	61

V. Developing Critical Services	62
A. Building a Model of Practice for Older Youth	62
Independent living services	
Referrals to Michigan Works!	
Identifying housing for youth aging-out of care	
Eliminating detention as a placement	
Next steps for supporting older youth	
B. Accessing Health Care	67
C. Working to Assess the Needs of Families and Children	68
VI. Increasing Support to Children Living with Relative Caregivers	69
A. Continuing the Commitment to Kin Placement	71
B. Identifying the Resources to Support Licensure	73
Funding	
Staffing	
Training	
Developing an integrated family home assessment	
BCAL licensing	
C. Reaching Out to Existing Caregivers	76
D. Supporting New Kin Placements	80
E. Next Steps for Licensure	81
V. APPENDICES	
A. Baseline Permanency Backlog Cohorts	83
B. Caseload Data	84
C. Caseload Methodology	88

I. INTRODUCTION AND OVERVIEW

This document serves as the first report to the Honorable Nancy Edmunds of the United States District Court for the Eastern District of Michigan in the matter of *Dwayne B. v. Granholm*. On July 3, 2008, the parties, the State of Michigan, the Michigan Department of Human Services (DHS) and Children's Rights (CR), signed an agreement to resolve pending litigation regarding Michigan's child welfare system. DHS is a statewide multi-service agency providing cash assistance, food stamps, and child protection, prevention and placement services for the State of Michigan. Children's Rights is a national advocacy organization with more than two decades of experience in class action child welfare reform litigation on behalf of children involved in child welfare systems.

The court formally approved the Settlement Agreement on October 24, 2008 and appointed Kevin Ryan of the Public Catalyst Group (PCG) as the monitor charged with overseeing and reporting on progress relative to the Settlement Agreement. In turn, he assembled the Michigan monitoring team composed of members of PCG with experience with child welfare reform in other jurisdictions, both as former administrators and advocates. The monitoring team is responsible for assessing the State's performance relative to the Settlement Agreement. The parties have agreed that the monitoring team shall take into account timeliness, appropriateness, and quality in reporting on the State's compliance with the terms of the Settlement Agreement.

The Settlement Agreement is structured into six month periods with public reporting following each period by the monitoring team. This report is for Period One – October 24, 2008 through March 31, 2009. Subsequent reports will issue approximately every six months until such time as the State complies with the terms of the Settlement Agreement and Court jurisdiction ends.

The Settlement Agreement reflects the parties' joint desire to improve outcomes for children and families in Michigan's child welfare system as quickly as possible. The parties stressed several goals in the agreement:

- Achieving permanent homes for more than 6,000 legally-free children and youth
- Safely reuniting more than 4,000 children and youth with their families
- Investing in infrastructure and developing practices designed to improve well-being and outcomes for children in foster care
- Enhancing investigative practice to better identify, address and reduce instances of maltreatment in care and abuse and neglect in the community
- Providing increased supervision, services and support to children placed in relative care

In order to accomplish these goals, the Settlement Agreement also provides for a series of necessary foundational elements, among them:

- Supporting the workforce by lowering caseloads and enhancing training
- Expanding and focusing services for children and families
- Building planning, data and continuous quality improvement capacity
- Developing an organizational structure to better support child welfare service delivery and build stronger links and improved accountability between the public offices in the counties, the private agencies and central office leadership

A. SUMMARY OF PROGRESS AND CHALLENGES AHEAD

In Period One, DHS focused on building the foundation for this reform. It made important progress developing a children's services structure within DHS, lowering staff caseloads, improving training, and beginning to address permanency for some of the longest waiting children. At the same time, DHS has struggled to build a set of implementation plans to guide the reform and communication among the DHS Central Office, DHS county offices and private agencies remains a large challenge.

HIGHLIGHTS

Children long awaiting reunification with their families went home.

- DHS committed to achieving permanency for 50 percent of the 5,052 children who had been waiting for reunification for more than one year. During Period One, 1,719 (34 percent) of the children in the reunification backlog cohort either went home, (1,596 children), or were placed with relatives or adopted, (123 children). As a result, DHS appears to be on track for meeting its September 2009 target for moving 50 percent of those children to permanency.

DHS met its foster care and adoption caseload targets for Period One.

- Together, DHS and its private agencies exceeded the target set for improving foster care caseloads. By the end of Period One, DHS reported that 96 percent of staff with direct foster care responsibilities had caseloads of 30 children or fewer, slightly above the target of 95 percent. Ninety percent of staff had caseloads of 25 children or fewer, well above the target of 60 percent.
- Together, DHS and its private agencies exceeded the target set for improving adoption caseloads. By the end of Period One, DHS reported that 80 percent of staff with direct adoption responsibilities had caseloads of 25 children or fewer, exceeding the target of 60 percent.

DHS' capacity to provide training to child welfare staff increased significantly.

- DHS hired a Child Welfare Training Institute Director, increased the number of training staff from 11 to 29, and nearly quadrupled its training slots by the end of Period One.
- The Child Welfare Training Institute rolled out a Web-based data management system designed to ease class registration and track DHS and private agency staff training.
- DHS established a statewide training partnership with the Michigan schools of social work to help develop and implement an in-service training program.

DHS acted ahead of schedule to improve its organizational structure and appoint a well-qualified leadership team.

- DHS quickly established a new Children's Services Administration and began the important process of building its management team. If the individual managers are able to create and sustain a cohesive team and build communication among central office managers, managers in the field and private agency leadership, DHS will be well positioned to undertake this reform.
- DHS also expanded its central contract monitoring, federal compliance and determination of care units, and hired staff to serve as the Permanency Coordinator, Relative Licensing Coordinator and Statewide Recruitment Director.

By the end of Period One, the State made major strides in its ability to collect, analyze and report data.

- While the DHS federally supported case management system, Services Worker Support System (SWSS), remains a struggle and the dilemma of developing an efficient input system for private agency data remains unresolved, Period One investments in leadership and expert data capacity produced impressive and swift returns.
- That new capacity includes the first usable child protective services data in over three years, newly created management reports, critical data to support and report on performance with respect to the Settlement Agreement, and templates for accessible county based outcomes data scheduled to go live in Period Two. This new data capacity is invaluable and was described by one long-standing staff member as a "miracle."

Visits to field offices for the public and private agencies by the monitoring team revealed leadership and staff with deep-seated commitment to children and families coupled with a desire to improve practice and produce better outcomes.

- Despite the formidable challenges that preceded the lawsuit and the resulting Settlement Agreement, the monitoring team is impressed by the large number of staff

it encountered throughout Michigan's child welfare system deeply committed to the children and families they serve. Many echoed the principles of the Settlement Agreement – the need to grow family-centered practice and team decision-making; the desire to safely reduce the number of children in placement and increase the safety of children in the community; and the necessity of achieving permanency for children for whom it had been long elusive.

- Staff articulated their clear recognition that new practice change must occur in order to address the needs of children who enter the State's foster care system. They are depending on leadership to provide clarity of practice expectations, relevant training, involved supervision, manageable workloads and an array of relevant services so they have the capacity to ensure positive outcomes for Michigan's children and families.

CHALLENGES

The tension between Michigan's ambitions for child welfare reform and the State's economic situation are significant.

- DHS was able to implement most of its commitments in Period One by shifting funds within the agency. Moving forward, the reform commitments increase, so redirecting funds will no longer be a viable strategy, and the administration will have to advocate for increased investment if this reform is to be successful.

Achieving permanency for the large number of children and youth who are legally-free remains a challenge and too many older youth continue to leave care without permanency.

- DHS committed to achieving permanency for 50 percent of the 4,260 children in the legally-free backlog cohort by September 30, 2009. In Period One, DHS achieved permanency for 736 or 17 percent of those children. The State needs to nearly double its performance during Period Two and achieve permanency for an additional 1,394 children by September 2009, if it is to meet its commitment.
- During Period One, a significant number of youth in that cohort aged-out or left care without permanency – 251 children or six percent of the entire cohort. Overall, the number of youth aging-out of care without permanency is high and is as yet untouched by reform.

Planning and communicating the reform remains a challenge for DHS.

- Michigan's child welfare system has functioned historically as a complex combination of county-based public operations, private agencies and DHS central operations. Often working separately over many years, there have been challenges in coordination among these three components of this system. Relations between the public and private agencies have a history of strain that the current DHS leadership has taken steps to improve. However, planning and communicating the reform—with all its detail and nuance—has proved to be a challenge.

Michigan's commitment to support relative caregivers through licensing was more difficult to implement than anticipated.

- Michigan has a rich tradition of relying on relative caregivers. As part of the reform, DHS committed to increasing support to those relatives by equalizing the payments they received to the same level as foster parents, but decided to leverage a federal match in order to keep that commitment. The federal match depended on DHS licensing those relatives, an enormous undertaking that requires outreach and intensive work with more than 4,000 families serving 6,000 children. DHS leadership has never wavered in expressing its commitment to meeting this provision but implementation has been slow to build momentum. Period One ended with a net increase of 418 children in licensed relative homes.
- While licensing was a struggle for DHS, concerns that the commitment to licensing kin might drive down relative placement were not realized in Period One as 52 percent of all children entering care during the period were placed with extended family, a rate virtually unchanged from the 54 percent from the same period a year earlier.
- Although the number of staff in the public and private agencies charged with licensing responsibilities has expanded, virtually all of those staff juggle a wide range of duties, and several still need the required licensing training. It is not yet clear that as currently utilized, they will give DHS the capacity the agency needs to meet its licensing commitments.

In Period Two, the monitoring team hopes to see children in the reunification cohort continuing to return home; an increase in the number of legally-free children exiting to permanency through adoption or guardianship; a decline in the number of older youth aging-out or exiting without health insurance; continued improvements to caseloads; the end of unnecessary detention for children and youth in foster care; an increase in the number of licensed kinship homes; and the expansion of mental health services for children in care.

Michigan has the benefit of a wide range of stakeholders committed to doing better by vulnerable children and families. But growing pressures to cut services for children and families and DHS' struggle to create strong plans to guide its work make this reform vulnerable as it is getting started. Reform takes time, changes cannot come overnight and persistence is a critical virtue. Nonetheless, reform is eminently achievable. The answer as to whether Michigan will get there lies in the future – and in a series of critical decisions that will need to be made by DHS in Period Two and beyond. In the end, it will take the strong leadership of DHS and the commitment of all of Michigan's stakeholders to achieve the promise of this Settlement Agreement – Michigan's children deserve no less.

B. METHODOLOGY

The monitoring team met with young people who had aged-out of foster care, birth families and foster parents to learn of their experiences with the Michigan child welfare system. Their

observations are integrated into the report, and the monitoring team appreciates their candor and insights. Over the past year, the monitoring team met regularly with DHS leadership, interviewed staff in local DHS field offices and in private agencies, and participated in meetings with the Governor; legislators in both houses of the Michigan Legislature; jurists and personnel from the Michigan Supreme Court, circuit courts and probate courts; the Children’s Ombudsman and her staff; and child advocates. With respect to the public agency, the monitoring team attended a session of the Children’s Services Cabinet, and visited DHS operations in the five largest counties (Genesee, Kent, Macomb, Oakland and Wayne, referenced in the Settlement Agreement as the “Designated Counties”); three of the nine next largest counties; and three of the remaining counties. The monitoring team met with private agency leadership collectively in various forums and visited several private agencies to better understand the impact of the Settlement Agreement with respect to their foster care, adoption, and licensing services.

In preparing this report, the primary source of information has been DHS, which provided the monitoring team with extensive aggregate and backup data, the quantity and quality of which improved over the course of the year. The DHS Director of the Bureau of Child Welfare Improvement and key DHS leadership worked closely with the monitoring team to produce the data necessary for reporting in Period One. DHS provided the monitoring team with access to staff at all levels and across the State. DHS is the source of all raw data used to create the charts and tables in this report. The monitoring team audited data through a variety of methodologies discussed in relevant sections of this report, including reviewing exit data for children in the backlog cohorts and caseloads in various DHS offices throughout the State.

The monitoring team reviewed key reports developed during Period One by child welfare leaders and child advocates, including one produced by the Michigan Child Welfare Improvement Task Force, convened by the DHS Director last year. The group’s work amplifies the urgency of this reform effort for children and families, and owes its conclusions to strong participation from young adults and parents who have experience with the Michigan child welfare system; public, private, and government agency staff and administrators; state legislators; leading members of the judiciary, including the Michigan Supreme Court; representatives from the Governor’s cabinet; leaders from federally-recognized Tribes; leaders of several service organizations; university professors and deans; attorneys; advocates for youth; foundation executives; and other public and private providers. Their comprehensive report, “Improving Michigan’s Child Welfare System: Our Children. Our Future. Our Responsibility,”¹ goes well beyond the scope of the Settlement Agreement to address the well-being of all system-involved children, such as those in need of preventive services programs and youth in the juvenile justice system, and offers an extensive list of recommendations to inform DHS’ work.

¹ See http://www.michigan.gov/documents/cwitf/042809FinalReport_276565_7.pdf (April 2009).

C. DEMOGRAPHICS

Michigan, like the rest of the United States, has experienced a serious decline in revenues. Michigan's economic situation has been deteriorating for some time. It has struggled with the highest unemployment rates in the nation, and at more than 15 percent is now three percentage points higher than any other state.² According to KIDS COUNT,³ the state by state assessment of child well-being, Michigan ranks 27th for all states as of 2007 (the most recent data available.) The percentage of children living in poverty has increased steadily over this decade, and by 2007, one in five of Michigan's children was living in poverty. The percentage of children living in households where no adult has full-time, stable employment has dropped so significantly that Michigan now ranks 41st among the 50 states, down dramatically from a ranking of 23rd in 2000. Median family income has also steadily declined. Since high unemployment and low median family income are two of the three most significant factors researchers have identified as driving child well-being indicators across states,⁴ the decline in economic health places Michigan's children at increasingly higher risk.

DHS is one of the primary providers of services to children and families in Michigan, through both its cash assistance and children's services functions. With respect to child protective and placement services, a subset of DHS' overall responsibilities, the chart below illustrates the trends over the past five years.

MI DHS	2004	2005	2006	2007	2008	2008 v. 2007	2008 v. Peak
CPS Complaints	135,775	128,854	126,690	123,149	124,716	1.3%	-8.1%
CPS Investigations	76,694	72,286	71,784	77,012	72,418	-6.0%	-6.0%
Substantiated Reports	17,847	16,889	17,534	18,893	17,630	-6.7%	-6.7%
Families Served by FFM*	2,813	2,696	2,864	2,732	NA	NA	NA
Children in Foster Care	19,140	18,733	18,347	18,771	17,946	-4.4%	-6.2%
Adoption Subsidies	23,984	25,029	25,840	26,652	27,021	1.4%	12.7%

*Families First of Michigan is the name of an intensive family preservation program funded by DHS.

The number of child protective services (CPS) complaints rose slightly from 2007 to 2008, but is still down significantly from 2004. The percentage of complaints that resulted in investigations has remained relatively steady at 58 percent as has the percentage of those reports that are substantiated at 24 percent. The number of families served by Families First of Michigan (FFM), an intensive family preservation program, remained relatively stable

² Bureau of Labor Statistics, Data for June 2009. <http://www.bls.gov/cps>.

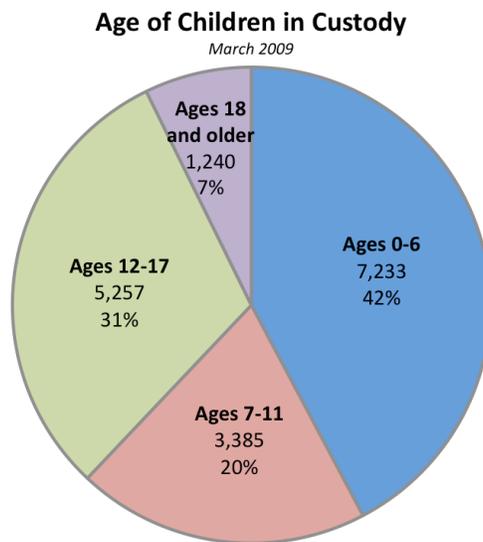
³ The 2009 KIDS COUNT Data Book. <http://datacenter.kidscount.org/databook/2009>.

⁴ O'Hare & Lee, Factors Affecting State Difference in Child Well-Being (AECF, August 2007).

between 2004 and 2007 but budget cuts in 2008 are expected to lead to a decline in families served when that data becomes available. The number of children in foster care declined from 2007 to 2008 by more than four percent and it is down more than six percent from 2004. Finally, the pool of children receiving adoption subsidies has increased steadily over the past five years, up almost 13 percent.

At the start of Period One, there were 18,048 children under DHS’ supervision, of whom 16,067 were in out-of-home care.⁵ By the end of Period One, there were 17,115 children under DHS’ supervision of whom 15,309 were in placement, a decline of five percent in six months. Moreover, over Period One, the number of new entries of children into custody declined significantly when compared against the same period one year before. From October 2007 through March 2008, 4,037 children entered custody compared to 3,725 children from October 2008 through March 2009 – a decline of almost eight percent.

As of March 2009, of the 17,115 children under supervision, the largest age group is children six years and younger, 42 percent. But as illustrated in the chart below, Michigan also has a significant population of older youth.



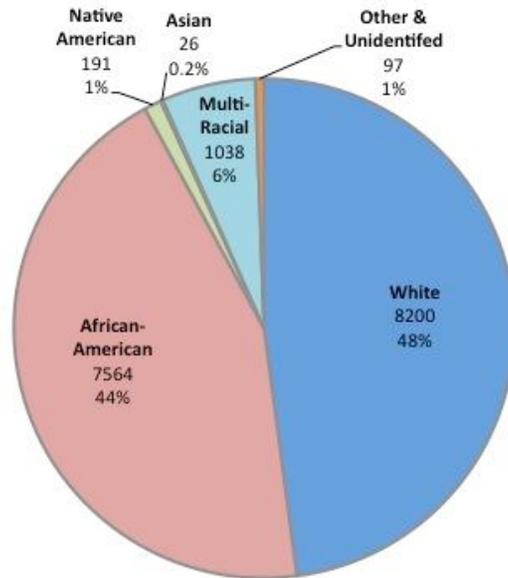
With regard to gender, the population is equally female and male at 50 percent each.

As for race, 48 percent of the children were white; 44 percent African-American; six percent were identified as multi-racial; one percent Native American; and the remaining one percent as other and unidentified.

⁵ The references in this report to children and youth placed in DHS’ supervision, custody or care refer to child welfare and do not include children and youth who are the responsibility of DHS through the juvenile justice system unless those children and youth also have an open child welfare case.

Race of Children in Custody

March 2009



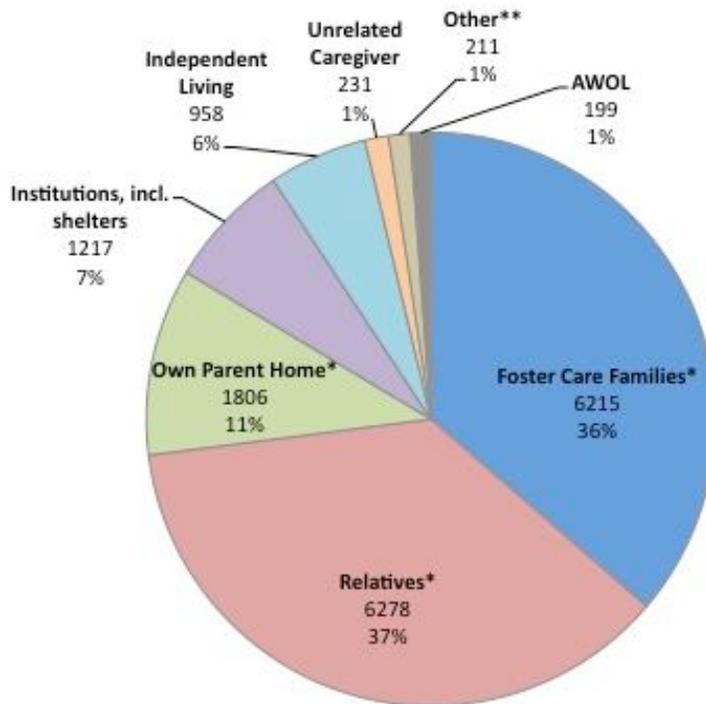
While the number of African-American children in care has declined in recent years, racial disparity remains a significant issue, as DHS acknowledges. According to 2007 Census estimates, African American youth between the ages of 0 and 17 represent 20 percent of the children in the State of Michigan, compared to the 44 percent of the children and youth in foster care.

With regard to placement, DHS relies on a combination of kinship placements, paid foster home placements, independent living programs, and residential care settings for children removed from their families as a result of alleged abuse or neglect. Michigan also includes in its placement population children who were in care and have returned home but remain under the supervision of DHS.

As illustrated in the chart below, the largest group of children living in out of home placement live with relatives, and almost as many live with foster families. In total, more than 80 percent of youth placed outside of their own homes live in family settings. The overwhelming majority of youth recorded as living in institutions are placed in residential treatment centers. Independent living placements include a wide array of scatter-site apartments, group settings (non-institutional), and boarding arrangements for older youth on the cusp of aging-out of care.

Placement of Children in Custody

March 2009



*Includes in- and out-of-state.

**Includes out-of-state facilities (20); detention, jail & court treatment (70); legal guardians (20); mental health hospitals (14); and other placements (107).

Licensing staff at both DHS and private agencies report a decrease in the number of new families they have been able to encourage to become foster parents. Data from DHS' Bureau of Children and Adult Licensing (BCAL) supports their experience. For each of the last four years, the number of newly licensed homes has decreased. This downturn appears to be related to the number of new applications received, as BCAL consistently licenses about 61 percent of enrolled applications.

	2005	2006	2007	2008
Total Enrollments	3462	2769	2370	2208
Licenses Issued	2147	1722	1410	1351
% of Enrollments that Result in License	62%	62%	59%	61%

The number of homes closed has exceeded the number of new homes licensed for each of the last four years.

BCAL Data - Licenses Issued v. Homes Closed	2005	2006	2007	2008
Licenses Issued	2,147	1,722	1,410	1,351
Homes Closed	2,444	1,936	1,742	1,844
Net	-297	-214	-332	-493

Over Period One, DHS reports that a total of 664 kin and foster homes were newly licensed of which 69 percent (456) were foster homes. Of those 664, DHS licensed 358 homes (foster and kin) in the first quarter of 2009, which is a pace that, if maintained, will result in an increase in the total number of homes licensed in 2009 compared to 2008. That increase is driven by an uptick in the licensing of relative homes even as the number of newly licensed foster homes is on a pace to continue to decline. In the upcoming periods, one of DHS' challenges will be to expand the pool of foster homes even as licensing staff also seek to fulfill the commitment to license relative homes.

As for permanency, for the three years preceding the reform, the goal for just over half the children in care has been to return home while another quarter of the children have the goal of adoption. The next two largest groups of children have had the goals of emancipation and long term foster care. The numbers of these two groups of children increased in the three fiscal years preceding the reform – from 3,114 up to 3,531, an increase of 13 percent. Moving forward, DHS committed to eliminating these two goals and committing to permanency for this group of children. Finally, there are two small groups of children with the goals of either living permanently with relatives or guardianship.

Permanency Goals for Children in Care	FY2006		FY2007		FY2008	
	#	%	#	%	#	%
Reunification	10,611	52%	10,973	53%	10,203	51%
Adoption	5,391	27%	5,151	25%	5,011	25%
Emancipation	1,631	8%	2,020	10%	1,999	10%
Long Term Foster Care	1,483	7%	1,458	7%	1,532	8%
Live with Other Relatives	987	5%	982	5%	878	4%
Guardianship	124	1%	155	1%	194	1%

While the number of children with a goal of adoption has declined seven percent in recent years, the number remains high.

Fiscal Year	# of Children Made Legally Free	# of Adoptions	Difference
FY2003	2950	2643	307
FY2004	2953	2776	177
FY2005	2994	2910	84
FY2006	3082	2621	461
FY2007	3045	2638	407
FY2008	3064	2739	325
Average	3015	2721	294

As illustrated in the chart above, the number of children made legally free in Michigan grew each year between FY2003 and FY2006, dropped in FY2007, and then increased again in FY2008. Over the six years prior to this reform, an average of 3,015 children were made legally free each fiscal year. Compared to an average number of adoptions of 2,721 over that same six year period, each year almost 300 more children were made legally free than were adopted. This disparity helps explain the large backlog of children awaiting adoption in Michigan.

The responsibility for achieving adoptions has been shared between DHS and its private agencies in Michigan. A decision was made in FY2008 to shift most of the responsibility for adoptions to the private sector.

Adoptions	DHS		Private Agencies	
FY2003	1130	43%	1513	57%
FY2004	1313	47%	1463	53%
FY2005	1442	50%	1468	50%
FY2006	1259	48%	1362	52%
FY2007	1268	48%	1370	52%
FY2008	1243	45%	1496	55%

Whether adoptions are done through the private sector, public sector, or both, DHS will have to spark a sharp increase in the overall number of adoptions in order to remedy the backlog of existing legally free children. For FY2008, Michigan reported 5,011 children in care with a goal of adoption. Given the average number of adoptions over the preceding years, achieving adoption for all of the children with a goal of adoptions will require a 46 percent increase in adoption finalizations – a formidable challenge.

Moving forward, increasing adoptions is not the only answer. The reform is an opportunity to explore new avenues for safely averting placements; increasing investments in services to children and families to support an increase in safe, sound, and timely reunifications; adding

permanency options such as subsidized guardianship; building post-adoption and post-guardianship supports to give prospective foster families the confidence they can provide a permanent home and the safety net to ensure those homes remain permanent; and a range of other changes in practice. If implemented, all of these reform commitments should drive measurable changes in the number of children in placement and the permanency outcomes for those children in the coming years.

II. PERIOD ONE COMMITMENTS

A. SUMMARY OF PERIOD ONE COMMITMENTS

Settlement Agreement Commitment	Due Date	Completed Yes/No/ Partially	Comment
FUNDING			
I. H & I Funding: The State shall request state funds and any federal/special fund authorization sufficient to effect the provisions & outcome measures set forth in this Settlement Agreement in connection with any budget, funding, or allocation request to the executive or legislative branches of State government. Such budgetary requests, which shall be provided to the monitor, shall identify for the executive and legislative branches the known and anticipated costs to the State for the timely implementation of the reforms & outcome measures. [Discussed on page 33]	Ongoing	Yes	
DEVELOPING THE ORGANIZATIONAL CAPACITY TO SUPPORT REFORM			
IV.A.1: Establish within DHS a Children’s Services Administration (CSA), headed by a Director at the rank of Deputy Director of DHS or higher. [Discussed on page 29]	3/31/2009	Yes	
IV.A.2: Appoint a Director of Bureau of Child Welfare, responsible for policy, program development & support, reporting directly to the CSA Director. [Discussed on page 29]	3/31/2009	Yes	
IV.A.2: Appoint a Director of Child Welfare Improvement Bureau, reporting directly to CSA Director. [Discussed on page 30]	3/31/2009	Yes	
IV.A.2: Appoint a Director of Bureau of Children’s Field Services Operations (a.k.a. Urban Field Operations) responsible for field operations in Designated Counties reporting directly to the CSA Director. [Discussed on pages 30-32]	3/31/2009	Yes	At the end of Period One, reporting changed to Chief Deputy Director, with approval of the parties.

Settlement Agreement Commitment	Due Date	Completed Yes/No/ Partially	Comment
IV.A.3: Bifurcation: In the Designated Counties, at a minimum, there shall be DHS offices providing children’s services distinct from those providing other services. [Discussed on page 30]	3/31/2009	Yes	
IV.A.3: In each of the Designated Counties, there will be a county-level Administrator of Children’s Services reporting directly to the Director of Bureau of Children’s Field Services Operations. [Discussed on page 30]	3/31/2009	Yes	
IV.A.4: CSA will have sufficient qualified staff responsible for data collection and analysis, quality improvement, federal compliance, & training. [Discussed on pages 32, 33, 36, 46]	3/31/2009	Partially	Yes as to data, federal compliance and training. No as to quality improvement.
IV.A.5: CSA shall hold responsibility for evaluating private providers including requiring & approving corrective action plans when necessary & making recommendations to the Director of DHS concerning contract renewal, modification & termination. [Discussed on pages 32-33]	3/31/2009	Yes	
IV.A.6: Individuals within the CSA, including central office & the Designated Counties, will be assigned full-time to children’s services. [Discussed on page 30]	3/31/2009	Yes	
IV.A.7: Reporting directly to the Field Operations Deputy Director & consulting regularly with the CSA Director, appoint a Children’s Services Field Manager responsible for implementing CSA policies and practices for 78 non-designated counties. [Discussed on pages 30-32]	3/31/2009	Yes	
IV.A.8: Establish a Children’s Services Cabinet, headed by the CSA Director which includes all of the positions listed above which meets regularly for the purposes of uniformly & efficiently administering all child welfare programs, policies, and practices. [Discussed on page 32]	3/31/2009	Yes	

Settlement Agreement Commitment	Due Date	Completed Yes/No/ Partially	Comment
IV.B: CSA Structure: DHS, plaintiffs and the Monitor will meet to review implementation of these organizational changes. [Discussed on page 32]	1/31/2009	Yes	
WORKFORCE EDUCATIONAL REQUIREMENTS & TRAINING			
VI.A.1: Entry level caseworkers for positions in Child Protective Services (CPS), foster care (FC), adoption, & Purchase of Service (POS) monitors, will have a bachelor's degree in social work or a related human services field. [Discussed on pages 34-35]	Beginning 10/24/2008	Partially	Yes as to DHS CPS, foster care, and foster care POS staff. No as to DHS adoption & adoption POS staff as they could not be verified.
VI.A.4: Private CPA caseworkers whose activities and responsibilities are comparable to DHS caseworkers will have a bachelor's degree in social work or a related human services field. [Discussed on page 35]	Beginning 10/24/2008	Yes	
VI.B.4: All new DHS supervisors must have a master's in social work (MSW) or master's or higher degree in a comparable/equivalent field. [Discussed on page 35]	Beginning 2/1/2009	Yes	
VI.B.4: All existing DHS supervisors with less than 18 months experience as a supervisor must earn a master's in social work (MSW) or in a comparable/equivalent field by 10/24/2012 unless waived by DHS Director. If such waivers constitute more than 10% of all supervisors, the monitor must review. [Discussed on page 35]	Beginning 10/24/2008	Yes	
VI.B.5: DHS shall develop relationships with accredited schools of social work. [Discussed on pages 37-38]	Beginning 10/24/2008	Yes	

Settlement Agreement Commitment	Due Date	Completed Yes/No/ Partially	Comment
VI.C: Licensing Training Plan: DHS will develop and provide to the monitor & plaintiffs a plan identifying the type and amount of training to be provided to all staff responsible for conducting home studies, licensing inspections, annual evaluations, & other activities related to the licensing or monitoring of foster homes or residential care facilities, whether employed by DHS or by a private provider. [Discussed on pages 74-75]	12/15/2008	Yes	
VI.D: Appoint Training Director in CSA who is solely responsible for overseeing and ensuring compliance with all training requirements for both DHS and private CPA and CCI workers and supervisors. [Discussed on pages 35-37]	3/31/2009	Yes	
CASELOADS			
VI.E.3a: 95% of foster care workers will have caseloads of no more than 30 children and 60% of foster care workers will have caseloads of no more than 25 children. [Discussed on pages 38-42]	11/15/2008	Yes	Achieved 96% for 30:1 and 90% for 25:1
VI.E.4a: 60% of Adoption workers will have caseloads of no more than 25 children. [Discussed on pages 38-42]	2/28/2009	Yes	Achieved 80%
VI.E.8: Mixed Caseloads: DHS in consultation with plaintiffs and subject to approval of the monitor, shall establish caseload maximums and timeframes by which they will be achieved, based upon an appropriate weighting formula. [Discussed in Appendix C]	3/31/2009	Yes	Discussions between DHS and monitors regarding caseloads for Licensing and POS staff are still underway.
VI.E.9: DHS will provide at least quarterly caseload reporting. [Discussed on pages 38-42]	3/31/2009	Yes	Public agency reporting began in November 2008; private agency reporting began in April 2009

Settlement Agreement Commitment	Due Date	Completed Yes/No/ Partially	Comment
IMPROVING PERMANENCY FOR CHILDREN			
VII.F.3: DHS, in consultation with the Monitor, will develop a process that will identify barriers to adoption and guardianship where a child still lacks a permanent home six months after the goal of adoption/guardianship is established. [Discussed on page 55]	Beginning 11/15/2008	Yes	During Period One DHS conducted a gap analysis that identified service needs and barriers to children achieving permanency.
VII.F.9: DHS shall track all pre-adoptive placements that disrupt, including the reason for disruption.	Beginning 10/24/2008	Yes	
VII.G.2a: Establish the position of Permanency Planning Coordinator, with overall responsibility for achieving permanency for the reunification and legally-free backlog cohorts. [Discussed on page 51]	10/24/2008	Yes	
VII.G.2b: DHS shall create and fill 108 positions for Permanency Planning Specialists (PPS), including related supervisory and support staff. The PPS shall be responsible for reviewing cases of and pursuing legal permanency for children in the backlog cohorts. [Discussed on page 56]	10/24/2008	No	DHS hired support staff but did not implement the PPS positions as intended by the parties in the Settlement Agreement.
VII.G.2d: DHS shall undertake a gap analysis study to identify the services and supports required, but not currently available, to adequately address the needs of children in the backlog cohorts. [Discussed on page 55]	Beginning 10/24/2008	Yes	
VII.G.2e: Submit to the Michigan Legislature Permanent Legal Subsidized Guardianship legislation. [Discussed on pages 61-62]	10/24/2008	Yes	Enacted July 2008
VII.G.2f: Hire sufficient training staff to develop PPS training curriculum and to train the PPS. [Discussed on page 38]	Beginning 10/24/2008	Partially	Yes as to curriculum. No as to staff training.

Settlement Agreement Commitment	Due Date	Completed Yes/No/ Partially	Comment
VII.G.2g: Begin reporting on the number, characteristics & progress of children in the backlog cohorts. [Discussed on pages 51-61]	Beginning 10/24/2008	Yes	
IMPROVING HEALTH & MENTAL HEALTH SERVICES			
VIII.A.2: Each child entering care will be assigned a Medicaid number and the caregiver will receive a Medicaid card within 30 days. If the child moves, the new caregiver shall receive the Medicaid card upon placement. [Discussed on page 67]	Beginning 11/15/2008	No	
VIII.A.3: DHS shall redirect at least \$3 million to fund mental health services. [Discussed on page 67]	Beginning 10/24/2008	No	
IMPROVING YOUTH SERVICES			
VIII.A.4.b(i): Refer all children age 14 and older in foster care & youth transitioning from foster care to adulthood to Michigan Works! & refer suitably qualified children for summer training, mentorship, & enrichment opportunities. [Discussed on page 64]	Beginning 11/15/2008	No	Planning occurred during Period One. Implementation scheduled for Period Two.
VIII.A.4.b(ii): Extend all foster youths' eligibility for child foster care custody until age 20 and make independent living services available through age 21. [Discussed on page 63]	Beginning 11/15/2008	Yes	
VIII.A.4b.(iii): Implement a policy and process by which all children emancipating from the foster care system receive uninterrupted Medicaid coverage. [Discussed on pages 67-68]	Beginning 11/15/2008	No	
VIII.A.4.b(iv): Refer all children without an identified housing at the time of emancipation to the Michigan State Housing Development Authority for rental assistance & services under the Homeless Youth Initiative. [Discussed on pages 64-65]	Beginning 11/15/2008	No	

Settlement Agreement Commitment	Due Date	Completed Yes/No/ Partially	Comment
IMPROVING FOSTER & RELATIVE HOME RECRUITMENT, LICENSING & RETENTION			
VIII.B.5: Recruitment Director/Unit: Designate unit or person within the central office responsible for monitoring & providing technical assistance for foster & adoptive home recruitment & retention at the county level & reporting to the Children's Cabinet. [Discussed on page 73]	Beginning 10/24/2008	Yes	
VIII.B.7.c: All licensed relative providers shall receive the same foster care maintenance rates paid to similarly situated unrelated providers, including the ability to qualify for enhanced rates. [Discussed on page 72]	Beginning 10/24/2008	Yes	
VIII.B.7.d: All permanent wards living with relative caregivers shall be provided with foster care maintenance payments equal to the payments provided to licensed caregivers. [Discussed on page 72]	Beginning 10/24/2008	Yes	
VIII.B.7.e: Establish a waiver process for relatives that do not wish to be licensed which ensures safety standards are met, the relative knows the benefits of licensure, high level approvals are secured & documented. [Discussed on pages 77-81]	Beginning 10/24/2008	Yes	
VIII.B.7.g: DHS shall make public the procedures for obtaining variances for relatives from any standard licensing requirements & those variances shall not include any standards essential for safety & well-being.	Beginning 10/24/2008	Yes	
VIII.B.7.i: DHS shall produce & begin to implement a written plan to ensure the speedy licensing of relatives. [Discussed on pages 48-49, 76-81]	11/15/2008	Yes	Plan produced & implemented but fewer homes licensed than expected.

Settlement Agreement Commitment	Due Date	Completed Yes/No/Partially	Comment
VIII.B.7.j(i): Provide all relevant parts of pre-service & in-service foster parent training to relative caregivers pursuing licensure.	Beginning 11/15/2008	Yes	DHS provided exactly the same training to relatives as to foster care providers but may need to modify in order to better meet the needs of relative caregivers.
VIII.B.7.j(ii): Designate sufficient licensing staff to review all current unlicensed foster homes & complete the licensing process for each family within 90 days. [Discussed on pages 73-74, 76]	Beginning 11/15/2008	Partially	DHS identified more than 300 staff who provide licensing services, a number that expanded over Period One. But given modest returns, sufficiency needs to be addressed in Period Two.
VIII.B.7.j(iii): Designate sufficient training staff to provide training for newly licensed relatives. [Discussed on pages 74-75]	Beginning 11/15/2008	Partially	DHS expects the licensing staff to provide the training. Given the modest returns in Period One, sufficiency needs to be addressed in Period Two.
VIII.B.7.j(iv): Create a process for replacement of a child currently in a relative home that does not meet licensing standards, unless approved for a waiver. [Discussed on pages 77-81]	Beginning 11/15/2008	Yes	
VIII.B.7.j(v): Identification of any categories of relative caregivers whose licensure is to be prioritized. [Discussed on page 77]	Beginning 11/15/2008	Yes	DHS prioritized families where a child was not a permanent ward & exit from custody was not imminent.
VIII.B.7.k: Relative caregivers for any child newly entering care shall be licensed unless exceptional circumstances have been documented and approved. [Discussed on pages 77-81]	Beginning 10/24/2008	No	
VIII.B.7.l: Define the cohort of children already living with unlicensed relative caregivers. [Discussed on pages 76-79]	10/24/2008	Yes	

Settlement Agreement Commitment	Due Date	Completed Yes/No/ Partially	Comment
VIII.B.7m(i): Create the position of Relative Licensing Coordinator with overall responsibility for implementing licensing of relative caregivers. [Discussed on page 73]	Beginning 10/24/2008	Yes	
VIII.B.7m(ii): Create & fill 40 relative licensing positions dedicated to the cohort. [Discussed on pages 73-74]	Beginning 10/24/2008	Yes	DHS allocated 80 Title IV-E eligibility staff. Job description requires half time dedicated to this function.
VIII.B.7m(iii): Develop Title IV-E unit within CSA to increased federal funding capacity. [Discussed on pages 32, 73-74]	Beginning 10/24/2008	Yes	
VIII.B.7m(iv): Develop a combined/coordinated Family Home Assessment for relative providers, family foster care, and adoption. [Discussed on page 76]	Beginning 10/24/2008	Yes	
VIII.B.7m(v): Track and report on the unlicensed relative home cohort & the children living there. [Discussed on pages 76-79]	Beginning 10/24/2008	Yes	
VIII.B.7m(vi): Have available adequate training staff to develop curriculum and train relative licensing staff. [Discussed on pages 74-75]	Beginning 10/24/2008	No	
CONDUCT A NEEDS ASSESSMENT			
IX.A. Begin an assessment of the need for additional services & placements, including family preservation, foster & adoptive placements, wraparound services reunification services, and medical, dental & mental health services for all children in foster care. [Discussed on pages 68-69]	Beginning 11/15/2008	Yes	Completed as scheduled on 5/15/2009. ⁶

⁶ Report available at: <http://www.pcg4change.com/2008finalreport.pdf>

Settlement Agreement Commitment	Due Date	Completed Yes/No/ Partially	Comment
PLACEMENT STANDARDS & LIMITATIONS			
X.B.5: No child in DHS foster care custody will be placed, by DHS or with knowledge of DHS, in a jail, correctional, or detention facility unless such child is being placed pursuant to a delinquency charge. Within 90 days of the signing of this Settlement Agreement, DHS will notify the State Court Administrative Office and the Michigan State Police of this prohibition, & provide written instructions to immediately notify the local DHS office of any child in DHS foster care custody who has been placed in a jail, correctional, or detention facility. [Discussed on pages 65-66]	10/3/2008	No	
OVERSIGHT OF CONTRACT AGENCIES			
XII.D: DHS shall ensure all private agencies report to DHS accurate data at least every six months relative to the requirements of this Settlement Agreement. [Discussed on pages 32-33]	3/31/2009	Yes	Additional reporting requirements will take effect in subsequent periods.
XII.F: DHS shall maintain & if necessary expand its staff to ensure contract enforcement, monitoring & oversight in keeping with the Settlement Agreement. [Discussed on pages 32-33]	Beginning 10/24/2008	Yes	
DATA & CONTINUOUS QUALITY IMPROVEMENT			
XIV.A: QA Capacity: DHS shall, in consultation with and subject to the approval of the monitor, develop and implement a statewide quality assurance program and capacity that meets the requirements of the Settlement Agreement. [Discussed on pages 42, 46-59]	Beginning 10/24/2008	Partially	DHS developed a QA plan and began limited implementation in Period One but needs to identify the capacity to fully implement.
XIV.C: DHS Director shall appoint a director to administer the QA unit who possesses the requisite qualifications; the Director shall report to a member of the CSA Children's Cabinet. [Discussed on page 46]	Beginning 10/24/2008	Yes	

Settlement Agreement Commitment	Due Date	Completed Yes/No/ Partially	Comment
XIV.C: The QA unit shall be adequately staffed & the staff shall receive specialized training to fulfill their responsibilities. [Discussed on pages 46-47]	Beginning 10/24/2008	No	Two of 12 staff hired. Those two staff received specialized training.
XIV.G.1&2: DHS will ensure that a qualified, competent & independent review of each child who died while in the foster care custody of DHS according to the schedule set forth in the Settlement Agreement. [Discussed on pages 47-48]	Beginning 10/24/2008	Partially	Most reviews were submitted timely, but several lagged significantly and timeliness remains an issue.
NAMED PLAINTIFFS			
XVI.A: DHS will provide plaintiffs' counsel with regular quarterly updates of the individual named plaintiffs (so long as they remain in care) & the parties shall meet quarterly on case planning & services.	11/24/2008	Yes	
XVI.B: DHS will provide plaintiffs' counsel with prior notification, if possible, or with notification as soon as practicable, of any significant events or developments concerning the named plaintiffs, including but not limited to any change in placement, services, permanency goal, or permanency plans; and any allegations of abuse or neglect regarding one of them or that occurred in one of their placements.	11/24/2008	Yes	

B. PERIOD ONE COMMITMENTS EXTENDED TO PERIOD TWO

The monitoring team and plaintiffs granted DHS extensions for certain activities after it became apparent that DHS was unable to meet all its commitments in Period One. As a result, the following Settlement Agreement commitments will generally not be addressed in this first monitoring report, but will be reviewed in the Period Two report.

Settlement Agreement Commitment	Original Due Date	Extension Date
VIII.B.2: Recruitment Plan for Special Populations: DHS will develop a recruitment plan to increase the number of available placements for adolescents, sibling groups & children with disabilities.	12/15/2008	9/1/2009
VIII.B.3: Development of Treatment Foster Homes: DHS required to develop 50 treatment foster homes.	11/15/2008	7/7/2009
VIII.B.4: Assessment of Adequacy of Foster Home and Adoptive Home Capacity: As part of the Needs Assessment process, DHS will report on its foster & adoptive home capacity in the Designated Counties.	3/31/2009	7/15/2009
VIII.B.6: Determination of Care: DHS shall identify a state entity responsible for uniformly administering the DOC & specialized administrative rate payments & review process.	12/31/2008	6/12/2009
X.B.1: Limitations on Out of County Placements: DHS agreed to set limitations on the use of out-of-county placements for children in foster care.	10/24/2008	7/7/2009
X.B.3a-b: Limitations on Number of Children in Foster Home: DHS agreed that no child will be placed in a foster home if it will result in more than three foster children, or more than three children under age three, or a total of six children in the home. DHS must approve any exception to this provision.	3/31/2009	7/7/2009
X.B.7: Limitations on New Residential Care Placements: DHS must expressly approve placement of a child in a residential treatment center or any other group care setting with a capacity in excess of eight children.	10/24/2008	7/7/2009

Settlement Agreement Commitment	Original Due Date	Extension Date
XI.A.2: Psychotropic Policies & Procedures Review: DHS will review its policies and procedures surrounding the use of psychotropic medications.	1/3/2009	11/30/2009
XI.A.3: Medical Director: DHS will hire or contract for the services of a full-time Medical Director.	11/15/2008	8/1/2009
XI.B.2: Restraint & Seclusion Policies & Procedures: DHS will review its policies and procedures surrounding all forms and use of physical restraint & seclusion/isolation of children in foster care.	1/3/2009	7/7/2009
XII.B: Performance-Based Contracts: All DHS contracts with CCIs or private CPAs that provide placements and child welfare services shall be performance-based contracts that require an annual review of the agencies' performance.	11/15/2008	6/1/2009 for CPAs; 7/31/2009 for CCIs
XIII.B: Permanency Tracking: DHS will design & implement a permanency tracking system & associated reports.	1/31/2009	9/30/2009

III. DEVELOPING THE ORGANIZATIONAL CAPACITY TO SUPPORT REFORM

A. BUILDING A CHILDREN'S SERVICES STRUCTURE

The parties committed in the Settlement Agreement to numerous structural changes within DHS in an effort to develop additional expertise among the senior staff, create more efficient reporting lines throughout the agency, improve communication with and oversight of the private agencies that partner with DHS, and ensure appropriate resources and staff capacity for the child welfare system. Early in Period One, DHS recognized the importance of changing the organizational structure in order to create the required infrastructure and central office staff capacity to manage bold changes in policy and practice and ultimately, to improve outcomes for the children and families of Michigan.

One of the primary concerns identified by plaintiffs in the underlying litigation was the lack of visibility, resources and staffing allocated to Michigan's child welfare system. Like many state-administered social services agencies, DHS is a large entity with diverse responsibilities, including administration of the child welfare system. Prior to the Settlement Agreement, many DHS field staff divided their time between child welfare services and income support services for the poor (often described in Michigan as "cash assistance"), including public welfare and food stamps. In an effort to provide more focused attention to the needs of vulnerable children and families involved with the child welfare system, DHS established a separate Children's Services Administration (CSA). The CSA added capacity and consolidated critical child welfare policy, practice improvement, training, contracting enforcement and assessment, data and continuous quality improvement activities under one leader, the CSA Director. Organizationally placed under the DHS Chief Deputy Director, the CSA is designed to coordinate with child welfare operations in the field, as well as with the Bureau of Children and Adult Licensing (BCAL). The new structure also designated staff and leadership in the five largest counties solely dedicated to child welfare services.

The State began the process of creating the CSA early. They had identified a CSA Director prior to the signing of the Settlement Agreement, and she, in turn, assembled a team to direct each of the following units:⁷

- The Bureau of Child Welfare, with responsibility for formulating and implementing policies and programs critical to the DHS mission; directing, implementing and monitoring the activities of major child welfare programs in DHS; and coordinating with field operations and other internal and external stakeholders for assigned programs.
- The Child Welfare Improvement Bureau, with responsibility for managing the agency's child welfare improvement activities, including the supervision of important DHS Units: Data Management, Quality Assurance, Contract Compliance, and Federal Compliance.

⁷ The Director of the Bureau of Juvenile Justice also reports to the CSA Director.

- The Child Welfare Training Institute, with overall responsibility for the training of child welfare staff and supervisors across DHS and its many private agency partners.

In accordance with the Settlement Agreement, the CSA Director initially also assumed responsibility for the new Bureau of Children’s Field Services Operations. The bureau provides oversight to child welfare operations in the five largest counties (“Designated Counties” – Genesee, Kent, Macomb, Oakland and Wayne). Responsibility for the bureau shifted from the CSA Director to the Chief Deputy Director of DHS at the end of the Period One.

Ahead of schedule, the DHS Director appointed county-level Child Welfare Directors in the five largest counties, each of whom is responsible for overseeing DHS child welfare operations within the county. Each of these five county Child Welfare Directors reports to the Director of the Bureau of Children’s Field Services Operations.

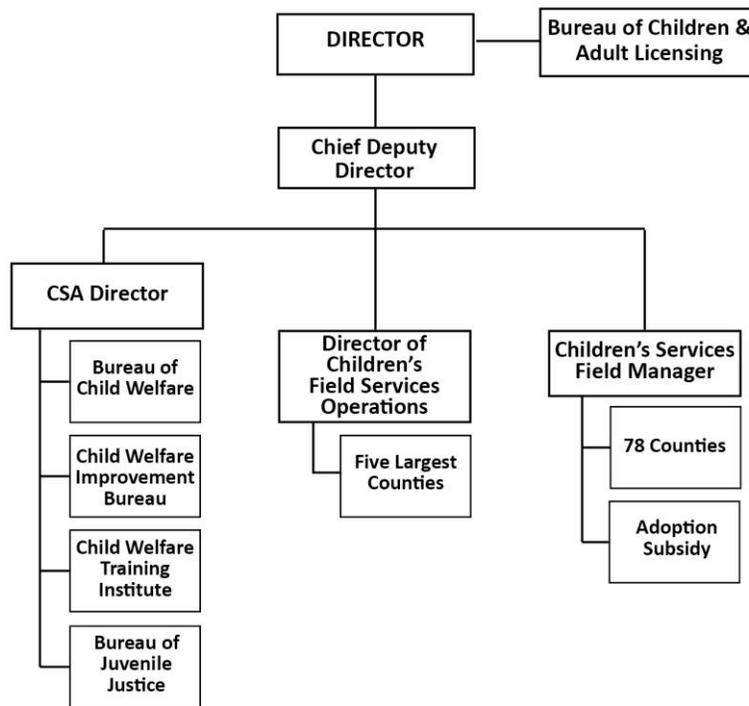
Reporting up to these five Child Welfare Directors are county staff solely dedicated to child welfare services. Pursuant to the Settlement Agreement, DHS agreed to separate staff in the five largest counties so as to create offices devoted only to delivering child welfare services without combining those responsibilities with delivering public assistance and other DHS services. That process was completed early in Period One. DHS could move so quickly because the local managers in these large counties had opted prior to the Settlement Agreement to have staff specialize by function, and so most already had child welfare units. With the Settlement Agreement, the few remaining staff who were handling cross-system responsibilities were converted to one part of the agency or the other. The child welfare units were formally separated from their colleagues performing other functions and the reporting relationship changed to the newly created Child Welfare Directors in each of those counties. In reviewing the caseload data and visiting these local offices, the monitoring team confirmed that staff were specializing in child welfare services – and in one county where there had been a small number of mixed caseloads, the monitoring team found that was eliminated during Period One.

In addition to the CSA Director and the Director of the Bureau of Children’s Field Services Operations, DHS also created the position of Children’s Services Field Manager, which was conceived in the Settlement Agreement to function as the leader of child welfare operations for the other 78 counties. The Children’s Services Field Manager oversees the central adoption subsidy unit and is responsible for providing leadership, oversight and direction for all matters pertaining to children’s services for those 78 counties.

Like all reorganizations, the launch of the CSA and of the child welfare operations structures has flourished and struggled in ways the parties may not have originally expected. The DHS Director moved briskly to identify leaders for the CSA, each Designated County and the Field Manager position. DHS leadership understood very early that they would be unable to implement their many reform commitments without putting in place strong, capable and

experienced leadership. As a result, DHS assembled its leadership group months earlier than required.

On the other hand, finding the right reporting structure for field operations proved more challenging. After several months of the Director of Children’s Field Services Operations (overseeing the reform work in the five largest counties) and the Children’s Services Field Manager (overseeing the reform work in the 78 other counties) reporting separately,⁸ agency leadership at the close of Period One proposed to the monitoring team and plaintiffs a revised structure. In this reformulation, which departs from the Settlement Agreement and which the parties and the monitoring team approved, the Chief Deputy Director of DHS has become the functional head of Michigan’s child welfare reform effort, with three direct reports: the CSA Director, the Director of Children’s Field Services Operations and the Children’s Services Field Manager. See table of organization below.⁹ Central to the monitoring team’s and the plaintiffs’ approval of this departure from the Settlement Agreement, was DHS’ commitment to the removal of all non-child welfare responsibilities from the Chief Deputy Director.



Shortly after the change in structure, there was also a change in personnel, as the acting Children’s Services Field Manager returned full-time to her position as a county director of Genesee and the Director of Children’s Field Service Operations became a county director. Those two field positions were briskly re-filled.

⁸ The Director of Children’s Field Services Operations reported to the CSA Director and the Children’s Services Field Manager reported to the Deputy Director for Field Services.

⁹ The Deputy Director for Children’s Services is a level 20 while the Director of Children’s Field Services Operations and the Children’s Services Field Manager are both level 18.

With structural transitions completed, DHS hopes it is now positioned to unite the public field offices, the private agencies and central office, which traditionally operate very separately, in the common goal of reform. Looking ahead, they will have to develop new communication structures, initiate further data sharing and joint planning efforts, and work creatively to develop partnerships to leverage everyone's hard work into achieving a common end.

The parties agreed to convene regular meetings between themselves and with the monitoring team beginning in January 2009, to review the progress made to complete the structural changes, including bifurcation, described by the parties in their Settlement Agreement. Those meetings occurred during Period One. The monitoring team will continue to assess the State's implementation of its structural commitments and its ability to devote staff full-time to child welfare services in subsequent periods.

DHS committed as part of the Settlement Agreement to convene the Children's Services Cabinet, headed by the CSA Director. Comprised of key DHS leadership, the Cabinet was established for the purpose of more uniformly administering all child welfare programs, policies, and practices. The Cabinet formally began meeting in December 2008 and convened four meetings during Period One.

To carry out federal compliance functions, DHS allocated 12 positions that were all filled during Period One. Created in January 2008, the Federal Compliance Unit is responsible for overseeing and coordinating the federal Child and Family Service Reviews (CFSR), including coordinating the implementation of any subsequent Program Improvement Plans (PIP); maximizing federal Title IV-E reimbursement for the agency; and coordinating Titles IV-B and IV-E state plans consistent with the Settlement Agreement. Based on interviews, analysis of DHS position descriptions, incumbent resumes and internal DHS memoranda, the monitoring team concludes DHS had a sufficient number of staff to effectively carry out the functions reasonably expected of the Federal Compliance Unit during Period One.

In sum, DHS quickly established a new Children's Services Administration and began the important process of building its management team. If the individual managers are able to create and sustain a cohesive team and build communication among central office managers, managers in the field and private agency leadership, DHS will be well positioned to undertake this reform.

B. STRENGTHENING CONTRACT OVERSIGHT

DHS also committed to a series of actions to improve its communication with and ensure oversight of the private agencies providing child welfare services. The Child Welfare Contract Compliance Unit, formerly the Purchased Services Division, which is now part of the Children's Services Administration, is the lead unit responsible for monitoring DHS' contracts with private agencies. Chief among its oversight activities is the commitment to conduct annual

evaluations of each private child placing agency (CPA) to review all relevant aspects of the agency's operations, to conduct unannounced visits of residential care facilities, and to visit a random sample of foster homes. In order to complete this work, DHS hired additional contract compliance monitors, increasing the unit's capacity from five to 17 staff. The compliance unit also developed draft policies and procedures to assess contracted providers for compliance with DHS policy, administrative and contractual requirements, state statutes, and federal regulations. Evaluation criteria were also developed during Period One that include performance measures as well as key contract compliance areas, such as safety. The monitoring team reviewed the draft policy and procedures manual and provided feedback to DHS and will report on implementation of the evaluation process in future reports.

C. ASSESSING THE ADEQUACY OF RESOURCES FOR REFORM

The tension between Michigan's ambitions for child welfare reform and the State's economic situation are significant. The Settlement Agreement includes a set of far-reaching commitments to improve the Michigan child welfare system for children and families, many requiring additional investment. Even before the Settlement Agreement was signed, both the Legislature and Governor agreed to invest in additional staff in order to lower caseloads, and they added funding in FY2008 and FY2009 to that end, despite the economic downturn in Michigan. DHS reassessed its funding needs for FY2009 last fall after execution of the Settlement Agreement and originally proposed a supplemental appropriation in the amount of \$52,327,000. The agency specifically requested \$37,751,800 in State General Fund aid, and authorization to spend \$13,188,500 in matching federal aid and \$1,386,700 in county support. After interacting with the Legislature and with the State Budget Office (SBO), which reports to the Governor, DHS was advised that \$13.4 million of the requested \$52.3 million would be appropriated to the agency in FY2009. The SBO further directed DHS to reallocate existing resources in order to fund the remaining costs of the Settlement Agreement in Period One.

DHS was able to implement most of its commitments in Period One by shifting funds within the agency. Moving forward, Michigan's reform commitments increase, so redirecting funds will no longer be a viable strategy, and the administration will have to advocate for increased investment in the child welfare reform effort if it is to be successful.

THE CHALLENGE AHEAD

There is reason to be concerned about the adequacy of resources to support the reform going forward. DHS cut services for children and families involved in the child welfare system after Period One concluded, even as it grew its capacity in other important areas. County directors were instructed to reduce certain child welfare services to families by 20 percent in Period Two. Some of these eliminated services are identical to those identified by DHS in its permanency backlog gap analysis and by Michigan State University in the Needs Assessment as being already scarce for children and families involved with the child welfare system. The

monitoring team will assess in Period Two the full impact on the reform of all funding requests made by the executive branch for the remainder of FY2009 and for FY2010. Early analysis suggests that Period Two service cuts are not consistent with the Settlement Agreement commitments to increase investments in services.

D. DEVELOPING THE WORKFORCE TO DELIVER HIGH QUALITY SERVICES

Increasing Educational Requirements

Hiring appropriately credentialed and qualified staff is essential to building an effective child welfare workforce. DHS committed to hire entry-level caseworkers for positions in child protection services (CPS), foster care and adoption, as well as purchase of services (POS) monitors, with bachelor's degrees (or a higher level degree) in social work or a related human services field. Private agency caseworkers whose responsibilities are comparable to those of DHS caseworkers are required to meet the same qualifications as DHS workers. To concretize these new requirements, DHS modified the hiring specifications for its caseworkers to more accurately reflect the needed skills and education. New caseworkers hired on October 24, 2008 and thereafter, must hold a bachelor's degree with a major in one of the following areas: social work, sociology, psychology, family ecology, consumer/community services, family studies, family and/or child development, guidance/school counseling, counseling psychology, or criminal justice.

DHS reported 253 public agency caseworkers¹⁰ and 79 private agency caseworkers were hired during Period One. All were required to have a bachelor's degree in an appropriate designated field. The monitoring team verified compliance with this commitment by comparing the human resources lists provided by DHS with local office staff rosters and the DHS training database. Ninety-nine percent of DHS caseworkers for whom information was provided to the monitoring team possessed the requisite degree. Moreover, 19 percent of the DHS caseworkers hired during Period One had a master's degree in social work or in a related human services field. Ninety-five percent of private agency caseworkers held the required bachelor's degree, and 16 percent of staff possessed a master's degree in a relevant field. The table below depicts the results of the monitoring team's review of the documentation provided.

¹⁰The DHS caseworker number reported includes only two adoption workers. DHS reported they were unable to provide complete information on the hiring of all of its adoption workers because those staff are hired locally and not through the department's central hiring pool. In addition, Human Resources could not identify which staff were POS workers – but the monitoring team was informed POS monitors are included among the foster care and identified adoption workers.

Agency	Workers Hired in Period One	Workers with Required Bachelor's or Higher Degree		Workers with Other Bachelor's Degree		Workers with Master's or Higher Degree	
		Count	Percentage	Count	Percentage	Count	Percentage
DHS	253	251	99%	2	1%	48	19%
Private Agencies	79	75	95%	4	5%	13	16%
Total	332	326	98%	6	2%	61	18%

DHS also committed that beginning February 2009, public agency staff hired or promoted to positions that include responsibility to supervise child welfare casework will possess a master's degree in social work or a related human services field. DHS implemented new requirements that child welfare supervisors who do not currently have a master's degree in one of the specified human services fields and with less than 18 months of experience must obtain a master's degree by October 24, 2012. The master's degree requirement may only be waived, with the approval of the DHS Director, for current supervisors who have demonstrated the knowledge, skills, and abilities necessary to provide high quality supervision. The supervisors working at private agencies whose responsibilities are comparable to those of DHS supervisors will be required to meet these same requirements beginning in April 2011.

DHS reported 30 public agency supervisors were hired or promoted between February 1, 2009 and March 31, 2009, all of whom were required to have a master's degree in an appropriate designated field. The monitoring team verified compliance with this commitment by comparing the human resources reports provided by DHS with local office staff rosters and the DHS training database. DHS supervisors were compliant with this provision, with each possessing the requisite degree or an approved waiver. The DHS Director waived the master's degree requirement because of their experience for nine supervisors promoted during Period One. Those supervisors represent 2.5 percent of the DHS supervisor allocation—currently 357—which does not exceed the ten percent threshold needed to trigger a case-by-case review by the monitoring team.

Expanding Training to Strengthen the Workforce

The Child Welfare Training Institute (CWTI), which had formerly been a unit in the Office of Professional Development under DHS, was moved to the CSA and elevated to a stand-alone training entity. DHS hired an administrator with extensive experience in training, child welfare practice, investigations and family court practice to serve as the CWTI Director. The new Director immediately began to restructure the CWTI to more effectively deliver on the many training commitments within the Settlement Agreement. For example, a curriculum development unit and two training units were established—to link similar work under a single

manager. Additional training staff were hired, increasing the number from 11 to 29 trainers, and their roles were expanded to encompass broader functions in pre-service and in-service training. Each DHS local office now has a training coordinator, who is responsible for facilitating the ongoing training and professional development of child welfare staff.

In addition to increasing staff capacity, the CWTI nearly quadrupled its training capacity during Period One. Pre-service training slots increased from a maximum of approximately 48 slots for new workers in each pre-service institute to 178 new worker slots, for both DHS and private agencies, in each pre-service institute. There are six pre-service institutes scheduled in Periods Two and Three in 2009.

To further develop training capacity, CWTI also implemented a small, pilot private agency “train-the-trainer” program for foster care and adoption pre-service and other program specific training. The first private agency-led foster care pre-service class commenced on March 30, 2009, and CWTI is continuing to expand the cadre of private agency trainers through a process of observation, co-training with a CWTI trainer, and evaluation, mentoring, and feedback.

In early March 2009, CWTI began using Omni Track Plus (OTP), a Web-based learning management system, which replaced a paper process that required DHS and private agency staff to complete and fax/mail forms to CWTI staff, who then entered the data into DHS’ training database. The new Web-based system enables staff and supervisors to register for pre-service and in-service training, receive enrollment confirmation, and track training electronically. Accessible to both DHS and private agency staff, OTP issued over 1,700 user identification numbers during Period One, allowing staff to self-register, and supervisors or training coordinators to register staff for training online.

An important feature of OTP is the capability of creating a training “track” for each job title, e.g., CPS worker, adoption supervisor, or foster care caseworker. Each track outlines the training requirements for a specific position. Once staff training tracks are assigned, caseworkers, their supervisors and the training coordinator are able to view a list of the mandatory training required for the worker and the date by which the training must be completed. With supervisory approval, staff may also take advantage of optional training offerings that are not part of the worker’s training track. To ensure that the information in OTP is current, supervisors and the training facility coordinators are required to update the system with any position change or promotion to ensure training tracks and transcripts are accurate.

Notwithstanding the improvements presented by the online tracking system, DHS is still working to develop its capacity and integrate the various tracking systems it has historically used to manage its training program. As a result, the monitoring team found a number of discrepancies when comparing reports provided by DHS, and in some cases, DHS was unable to produce data needed to monitor some of the Settlement Agreement provisions. Examples include identifying newly hired DHS adoption workers so their qualifications could be verified

and determining the date when workers started performing licensing functions to confirm compliance with the training commitments. The monitoring team will continue to report on DHS' efforts to improve its online training and qualifications tracking. The monitoring team has requested, and expects to shortly receive, direct access to OTP in order to regularly run reports and independently verify the accuracy of staff training and qualifications data.

Although the pre-service training commitments for new entry level caseworkers in CPS, foster care, and adoption and for purchase of service monitors do not become effective until Period Two, the CWTI made significant progress during Period One in preparing to deliver quality training to incoming staff. The CWTI revised the pre-service training curriculum for child protective services and foster care workers, and began offering the new training in January 2009. To ensure adequate teaching time for the new curricula, DHS extended its pre-service institute training from eight weeks to nine weeks, involving 300 hours of training—30 classroom days and 15 days of field instruction—well exceeding the 270 hours described in the Settlement Agreement.

DHS also committed that all caseworkers will receive a minimum number of hours of ongoing training annually. The chart below reflects the timetable for implementation of in-service training for caseworkers.

Training Year	CPS Staff	FC & Adoption Staff	Private Agency Staff
October 2008 – September 2009	16 hours	24 hours	N/A
October 2009 – September 2010	24 hours	40 hours	24 hours
October 2010 – September 2011	32 hours	40 hours	40 hours
October 2011 and thereafter	40 hours	40 hours	40 hours

Since full compliance with the first year's commitments is not required until the end of Period Two, performance on the in-service training requirements will appear in the next monitoring report. DHS has, however, already done considerable work to advance successful compliance with this provision.

In partnership with DHS, the Michigan State University Child Welfare Resource Center took the lead in bringing together seven graduate social work schools¹¹ to develop a Child Welfare

¹¹ The Michigan Graduate Schools of Social Work participating in the partnership are Andrews University, Eastern Michigan University, Grand Valley State University, Michigan State University, University of Michigan, Wayne State University, and Western Michigan University.

In-Service training program, offering a wide array of relevant courses for caseworkers. With the support of Casey Family Programs, the partner schools are able to offer in-service training sessions at no charge to DHS child protective services, foster care, and adoption workers, and often at a reduced fee for private agency staff. The consortium also developed a specialized curriculum for Permanency Planning Specialists and Permanency Planning Assistants. The training includes skill-building exercises on areas related to interviewing children and adolescents, family finding strategies, making contact, case mining and key permanency principles.

In addition to the university based training opportunities, CWTI has pre-approved in-service training sessions that are offered by the Prosecuting Attorneys Association of Michigan, the State Court Administrative Office, the Department of Community Health and several online sites.

Lowering Foster Care and Adoption Caseloads

The State recognizes that lowering caseloads to manageable sizes is a necessary foundational element of child welfare reform. As documented by the federal government, child welfare staff must have manageable caseloads in order to do essential tasks including: investigate thoroughly; make sound screening and placement decisions; develop individualized case plans; address family and child service needs; conduct family meetings; engage in regular visitation themselves and arrange regular visitation between parents and children and among siblings if the siblings are separated; and ensure brisk and appropriate permanency for children in placement.¹² Routinely, systems that do not function well – that unnecessarily remove children from their families; have poor safety records; neglect the well-being of children in placement; keep children in care for the longest periods of time; and often that are the most expensive and least efficient – have staff with high caseloads.

In other jurisdictions that have benefitted from child welfare reform efforts, caseloads have declined and child safety has improved. Reform introduces sufficient staff to investigate thoroughly reports of child maltreatment in care or child abuse and neglect in the community. Children, youth, parents, relatives, and foster parents report that caseworkers are available when needed, focused on the unique needs of the family and able to achieve better outcomes with children, youth and families. Turnover rates among staff are reduced as the work becomes manageable, and children do not move from caseworker to caseworker.

By all reports, prior to the Settlement Agreement, Michigan's caseloads had risen over the years. Budget cuts and two waves of early retirements brought reductions in staffing, leaving the remaining staff in the public and private agencies struggling with increased responsibilities. This issue compounded as the numbers of legally-free children in placement continued to rise—a population requiring focus and attention not possible with a high caseload.

¹² GAO Report, 2003.

As a result of staff investments in FY2008 implemented into FY2009, caseloads did get demonstrably better for the two types of public and private agency staff targeted for caseload reductions in Period One - those providing foster care and adoption services directly to children. Interviews across the State revealed those staff were beginning to feel the difference.

In Period Two (see Table below) caseload targets for the critical child protective services functions – both investigative and ongoing – become effective, and the adoption standard moves another step closer to the ultimate target number. Period Three, which starts at the beginning of FY2010, will require further investment in order to ensure DHS can meet its commitments with respect to licensing staff and POS monitoring staff, as well as the continued lowering of caseloads for foster care, adoption and child protective services staff. Period Three also marks the initiation of a supervisory standard – requiring lower ratios of staff to supervisors to ensure staff get the level of oversight they need.

Type of Staff	Initial Measurement		Target	
Foster Care Direct	Oct-2008	95% of staff have no more than 30 children each while 60% have no more than 25 children each	Oct-2011	95% of staff will have no more than 15 children each
Adoption Direct	Feb-2009	60% of staff have no more than 25 children each	Oct-2011	95% of staff have no more than 15 children each
CPS Investigations	Apr-2009	60% of staff have no more than 16 investigations each	Oct-2011	95% of staff have no more than 12 investigations each
CPS Ongoing	Apr-2009	95% of staff have no more than 30 families each	Oct-2011	95% of staff have no more than 17 families each
POS	Oct-2009	60% of staff have no more than 55 children to monitor	Oct-2011	95% of staff have no more than 45 children to monitor
Licensing	Oct-2009	60% of staff will have a workload that will be defined in the future	Oct-2011	95% of staff will have a workload that will be defined in the future
Supervisors (CPS/FC/A)	Jan-2010	50% of supervisors will oversee no more than five caseworkers	Jan-2012	95% of supervisors will oversee no more than five caseworkers

It currently requires a great deal of work to collect all of the information necessary to count caseloads. (See Appendix C for a more detailed discussion of the development of the caseload methodology.) DHS' ultimate goal is to be able to count caseloads electronically through the DHS child welfare information system – Services Worker Support System (SWSS) – but DHS

believes that goal is still several months away. In the interim, each DHS office and private agency must count by hand each staff person and the number of cases assigned to that person. The five largest counties forward their public agency data to the Director of Children's Field Services Operations. The data for the other 78 counties is forwarded to the Children's Services Field Manager. Finally, the more than 60 private agencies forward their data to the Child Welfare Contract Compliance Unit. Each of those units collates their data and then combines it to analyze whether DHS is meeting its commitments.

For Period One, DHS was able to begin measuring the public agency caseloads in October; at the end of January/beginning of February; and then again at the end of March/beginning of April. The private agency counting process proved more challenging. An initial count was done in August 2008. That count provided substantial information about private agency performance, missing information from only two agencies providing foster care services and adoption services. DHS did not repeat that process until late March/early April 2009, missing foster care information from only one agency. Because DHS did not measure the private agencies' performance at the time each of the two standards came due – October 2008 for foster care and February 2009 for adoption – the monitoring team has had to extrapolate between the August 2008 and the March/April 2009 data to analyze performance. The monitoring team's expectation is that the caseload counts for the future will be conducted as each standard comes due in order to accurately assess performance – and that is DHS' plan with respect to Period Two.

In order to assess caseload performance, the monitoring team conducted its own analysis of the raw caseload data separate from the analysis offered by the State.¹³ The monitoring team found some small differences between its analysis and the State's, but those differences did not prove significant in Period One. Both analyses concluded that the State was in compliance. The monitoring team also engaged in independent verification activities in Period One, interviewing staff at private and public agencies, and requesting on-site checks of caseloads in some of the public agency's local offices. Those interviews and checks supported the monitoring team's assessment of Period One caseload performance.

¹³ See Appendix B for the list of the number of staff engaged in foster care and adoption services, and the rates of caseload compliance by county and private agency. The monitoring team relied on its analysis for this report, but will continue to work closely with DHS to align analyses in upcoming periods. Note that for reasons discussed in detail in the Caseload Methodology section found in the Appendix, both DHS and the monitoring team count all staff providing any foster care or adoption services in assessing compliance. That does not mean those staff provide those services full-time – indeed, the majority do not. In the public agency, for example, it is very common to blend both direct service and POS responsibilities in one person. Similarly, some of the private agencies allocate one staff person to spend part of their time on foster care, for example, and the rest of their time on licensing. The private agencies are also more likely to utilize part-time or contractual staff. The relevant caseload standard is adjusted against the time available for each staff person in order to determine compliance – for example, if a staff can devote only 50 percent of her time to foster care services, she is limited to 50 percent of the caseload standard. In short, the numbers of staff listed with respect to each standard must not be confused with full-time equivalent (FTE) counts.

By the end of Period One, there were 1,192 staff reported to be providing direct foster care case management services – with 36 percent of those staff working in private agencies and 64 percent in the public agency. The percent for each is proportional to their share of the foster care caseload. Among all staff (the sum of both public and private), 1,072 of 1,192 staff (90 percent) reported caseloads at the level of 25 children or fewer, while 96 percent reported caseloads of 30 children or fewer.

FOSTER CARE					
	All Staff	1 Staff to 25 Children Target = 60%		1 Staff to 30 Children Target = 95%	
April 2009					
Five Public Largest Counties	411	374	91%	399	97%
78 Public Counties	350	285	81%	324	93%
Private Agencies	431	413	96%	425	99%
TOTAL	1,192	1,072	90%	1,148	96%

DHS' performance meets the standard set for October 2008, which required that a subset of 60 percent of foster care staff have responsibility for 25 children or fewer, while 95 percent have 30 children or fewer. With respect to the private agencies, of the 49 agencies reporting in August 2008, 89 percent of their staff had caseloads at the level of 25 children or fewer while 97 percent had caseloads of 30 children or fewer – levels which improved further by the end of Period One to a total of 52 agencies reporting 96 percent for 25 children or fewer, and 99 percent for 30 children or fewer.

With regard to adoption staff, by the end of Period One, there were 253 staff between the public and private agencies. Eighty percent had achieved the standard for having 25 or fewer children on their caseloads, exceeding the Settlement Agreement target of 60 percent.

ADOPTION			
	All	1 Staff to 25 Children	
April 2009	Staff	Target=60%	
5 Public Largest Counties	25	19	76%
78 Public Counties	35	16	46%
Private Agencies	193	173	90%
TOTAL	253	208	80%

The FY2008 Michigan State Budget shifted the bulk of adoption services work to the private agencies. As a result, most (76 percent) of the identified adoption staff were with the private agencies. Caseloads were better for these staff in the private agencies – 91 percent had

caseloads of 25 or fewer children – while the DHS staff struggled in the wake of the shift of resources from the public to the private agencies. Nineteen of 25 adoption staff in the five largest counties (76 percent) and only 16 of the 35 staff providing adoption services in the other 78 counties (46 percent) achieved the adoption caseload standard.

It is important to note that in comparing the number of available public agency staff with the number of counties, many public agency staff were assigned to cover cases across more than one county. In part, higher public agency caseloads reflect the fact that adoption staffing positions were dramatically and suddenly scaled down in the public sector leaving other DHS staff to pick up adoption cases that had not or could not be shifted to the private sector. More important is the fact that there was a sudden growth in demand for POS monitoring for those adoption cases that were shifted to the private sector – and so public agency staff with direct adoption services cases often also handle POS responsibilities as well, which placed some of them out of caseload compliance. Nonetheless, when all of the adoption staff are assessed as a whole, the State achieved compliance for adoption direct services staff for Period One.

In Period One, much hard work by DHS went into addressing CPS caseloads. They began by developing accurate counts of CPS cases; data that was unavailable at the start of the period. By the end of the period, the hiring of a data manager with deep experience with CPS data and a strong commitment by the DHS central office had produced the first CPS data available to the field in more than two years. To further support staff in the field, the DHS central office authorized limited overtime – a precious resource in a time of very tight fiscal constraints – for supervisors and administrators to complete reviews of outstanding investigations. The DHS central office communicated with the DHS county offices to ensure adequate CPS staffing was put into place in anticipation of the commitment to meet the CPS caseload standard in Period Two. The results of all of these efforts will be assessed following Period Two. However, it is fair to say that one of the essential aspects of this reform is ensuring adequate staffing to thoroughly investigate allegations of child abuse and neglect – and the monitoring team recognizes the focus of DHS leadership and the field on this issue in Period One.

E. DEVELOPING THE CAPACITY FOR ASSESSMENT AND IMPLEMENTATION

Recognizing that the capacity to conduct quantitative and qualitative analysis and develop successful implementation plans are fundamental elements to effect reform, the parties agreed to focus in Period One on building the State’s infrastructure in these essential arenas. By the end of Period One, DHS had made strides in its ability to collect, analyze and report out data. Slower to come – as would be expected – was building a new capacity to conduct quality assurance as described by the Settlement Agreement. This new capacity includes the growth of a continuous quality improvement culture and team; special reviews of high risk populations of children; and child fatality reviews. Finally, Period One required the development of planning capacity in order to produce a series of implementation plans and that proved a struggle.

Accessing and Utilizing Data

At the start of this reform effort, the parties agreed that Michigan suffered from a lack of usable data to inform decision-making. In prior years, an investment had been made to build a comprehensive database known as the Services Worker Support System (SWSS) that conformed to the federal Statewide Automated Child Welfare Information System (SACWIS) database requirements – but that was only partially successful. That system was still so incomplete at the start of Period One that federal regulators declared Michigan to be non-compliant with federal standards. While that declaration of non-compliance has important potential fiscal and administrative implications, even more important are the complaints about SWSS from caseworkers and supervisors in the field. DHS field staff complain that SWSS is exceedingly labor intensive; that the data input is difficult and can consume hours for what should be simple reporting; and that it is difficult to utilize the database to manage daily work. This means staff often do the double-work of entering the data in SWSS but keep their own separate hand-counts for tracking, or local offices maintain their own ad hoc databases. Judges and attorneys have complained about the format and sequencing of the SWSS court reports – with the result that in many counties, staff enter the information into SWSS but then have to write separate court reports. DHS has met with the judges in order to begin addressing their concerns.

SWSS also requires specific skill sequences to do important tasks, such as enrolling a newly placed child in Medicaid or completing a Determination of Care form, triggering payment to a foster parent (or to a private agency to pay a foster parent). Familiarity with these skills varies from worker to worker with some really struggling, causing delay in the delivery of these critical services.

For years, SWSS was limited to foster care and adoption case management and a separate database was kept for CPS reporting (there was some SWSS CPS functionality but not for CPS data reporting). Three years before the Settlement Agreement, a new SWSS CPS functionality was brought online and the older CPS database was eliminated. The inherent difficulties of data conversion from the old database to the new one, allied with several glitches in the design, essentially eliminated the staff's capacity to access CPS data. Given how very essential that data is, this absence caused tremendous problems, from handicapping the DHS central office's ability to assess whether or not there were proper staffing allocations, to managers and supervisors being unable to assess timeliness and risk levels of open investigations, to local office staff keeping hand counts of their own CPS cases.

As difficult as SWSS has proved to be from the perspective of public agency staff, it is completely inaccessible to the private agencies. Instead, they fill out paper reports, forward those to their purchase of service (POS) monitors at DHS, and those POS monitors in turn are charged with the responsibility of entering that data into SWSS. As POS monitors have a wide variety of monitoring responsibilities aside from data entry, entering this information has not always been seen as high priority and so the data could be entered after weeks or months. Moreover, because the staff entering the data are not the staff doing the work, sometimes

information gets lost in translation leading to erroneous data entries – and ultimately inaccurate data. Private agencies have also had to rely on DHS staff to do the data entry to trigger the basic services referenced above – such as enrolling a child in Medicaid or completing the Determination of Care – and they report that sometimes it takes several phone calls to get those tasks done. Moreover, as with the DHS staff, the private agencies received no reporting from SWSS and the occasional points of data that were shared with them were reported as being inaccurate – not a surprise given the data entry barriers.

The limitations of SWSS and data reporting were not felt only among caseworkers. Critical central office functions often had to go without data or require staff in the local offices to produce laborious hand count reports. The lack of data made such tasks as staffing allocations based on caseloads, foster home recruitment planning, performance based contracting, and any type of quality assurance activity extremely challenging to execute. As a result, DHS often did without or used a more limited data set to try to accomplish these tasks.

The Settlement Agreement, therefore, commits to remedying this lack of information at several levels. At the broadest level, it commits to ensuring the State can report important, federally required child welfare data accurately and that the State ultimately achieves compliance with the federal database reporting requirements. According to DHS leadership, this commitment may require an overhaul of SWSS – or it may require abandoning SWSS in favor of a new database. In order to assess what needs to be done, DHS proposed in Period One, and the federal government agreed, to secure an independent assessment of its SWSS system. Through a competitive process, DHS contracted with Fox Systems to do that assessment – and that report is expected to be issued in Period Three. While the assessment of and solutions to the existing system challenges are explored, the federal government has restricted DHS' ability to modify SWSS, permitting only maintenance of the existing system to discourage investment in a system that might not be continued. But that restriction does handicap DHS' ability to respond directly to many of the challenges with the SWSS system identified above and requires alternative work-arounds in order for DHS to satisfy its federal and Settlement Agreement reporting requirements. The Settlement Agreement did anticipate these solutions might take some time and so targets the year 2012 for ultimate resolution.

At the next level, the Settlement Agreement commits to developing the data capacity sufficient to provide a wide range of child welfare processes and outcome measures. Several of those (e.g. the permanency tracking system or the relative home backlog tracking system) are referenced elsewhere in this report. Moreover, the Settlement Agreement recognizes DHS has to overcome the barrier of integrating private agency data into its overall data collection and reporting system. Consequently, the Settlement Agreement makes explicit the requirement to collect all Settlement Agreement relevant data from the private agencies; requires that contracts with those agencies make this data collection and reporting obligations explicit and clear; relies on the collection and reporting of such data to support the commitment to utilize performance based contracting; and commits to regular (at least quarterly) reporting on performance.

In order to achieve any of those goals, DHS first had to overhaul its internal capacity. Previously, virtually all database development and reporting had been outsourced to Michigan's Department of Information Technology (DIT). DIT had centralized all State technology functions and support for all state agencies. In the process, however, DHS lost its close connection to the databases and reports it needed to do its work. In Period One, DHS leadership took a two-pronged approach to address the gap. First, the DHS Director hired an experienced manager to oversee the Bureau of Child Welfare Improvement, and she in turn, over the course of Period One, assembled a data team with the relevant experience to produce the necessary child welfare specific data. Secondly, DHS leadership worked closely with DIT to reconstruct the service delivery system and build a structure that worked to close the gap. For the first time, DHS regularly accessed data from DIT's Data Warehouse which incorporates information from SWSS, as well as data from other parts of DHS and some other public agencies – and utilized that information to provide regular reporting.

This new team and new relationship with DIT began to bear fruit in Period One. By the end of the period, CPS reporting had resumed – a very significant accomplishment. This team has organized county level child welfare reporting and developed a template to produce critical information on the intranet for DHS managers, supervisors, and staff so they can see how they are performing. Focusing first on federally required child welfare outcome reporting, DHS and private agencies came to an agreement about a lengthy list of outcomes to be monitored. The county level reporting has been designed to use those same federal measures to help public managers and supervisors assess how they are performing and compare themselves against their peers. Period One witnessed the design of these systems and the building of the infrastructure to collect the information and produce the reporting in reader-friendly formats – but the fruits of these efforts will be seen and reported on in subsequent periods.

During Period One, DHS allocated 14 positions to the Data Management Unit, including one manager, four Business Analysts, eight Data Unit Reporting Analysts (two positions vacant during Period One), and a statewide SWSS Coordinator (vacant in Period One). According to DHS, the Data Unit was responsible for reviewing and analyzing all program areas of child welfare data as it relates to the Settlement Agreement: efficient receipt, clarification, assignment, production, and tracking of child welfare data reports; validating all child welfare data released within and outside DHS to ensure program statistics are communicated accurately and consistently; evaluating the intersection of state and federal policy and law with automated data systems to ensure compliance in data collection and reporting; providing subject matter expertise to IT staff for systems development and upgrade; and coordinating SWSS implementation among DHS, its state agency partners and the United States Department of Health and Human Services to ensure compliance within established timeframes. Based on numerous interviews, analysis of DHS position descriptions, incumbent resumes and internal DHS memoranda, the monitoring team concludes DHS had a sufficient number of staff to effectively carry out the functions reasonably expected of the Data Collection and Analysis Unit during Period One.

Implementing Quality Assurance

As referenced at the start of this section, the Settlement Agreement also incorporated the development of new quality assurance (QA) capacities including continuous quality improvement (CQI) staffing and activities, as well as the ability to deliver a series of special reviews of high risk populations and of fatalities.

DHS has proposed a set of far-reaching CQI activities that go beyond their commitments in the Settlement Agreement. CQI incorporates the concept that the information collected will be utilized for more than compliance purposes – traditional QA activity – but instead will be actively employed to feed information back to the point of service delivery to help staff and managers improve their performance. It also encourages recognition of agencies or units that excel to be used as living laboratories from which the rest of the system can learn.

By the end of Period One, the State had hired a CQI manager – fulfilling that commitment in the Settlement Agreement. The State did not, however, identify individuals with the right skill set to fill 12 analyst positions; succeeding in only filling two of them. A comprehensive quality assurance initiative requires experienced staff with a unique skill set and a commitment to the trajectory of the reform. The agency continues to recruit and hire for these critical and specialized roles and committed to filling all of them early in Period Two. The monitoring team will report on DHS' progress in its next report.

Once hired, five Quality Assurance Analysts (QAA) will be dedicated to each DHS child welfare operation in the five largest counties, and the remaining seven QAAs will be strategically placed to cover the remaining 78 counties. QAAs will work with county directors to develop local Quality Improvement Teams, which will provide ongoing feedback about ways to improve child welfare service delivery. But it will be challenging to balance these CQI activities along the other responsibilities also assigned to these staff, particularly the special reviews for high risk populations of children.

Completing all of the special reviews is clearly a high priority in the Settlement Agreement as this work focuses on children who are at high risk of having urgent safety and service needs. Specifically, the Settlement Agreement committed the CQI unit to planning, executing and reporting on a series of special reviews for five higher risk populations (total of 3,609 children):

- i. Alleged Maltreatment in Care: 367 children in care who were the subjects of an allegation of abuse or neglect in a residential setting or foster home, whether licensed or unlicensed, between June 2007 and September 2008, and who remain in the placement in which the maltreatment was alleged to have occurred;
- ii. Multiple Allegations of Maltreatment in Care: 23 children in foster homes who were the subject of three or more reports alleging abuse or neglect, the most

- recent of which was filed during or after July 2007, and who remain in the foster home in which the maltreatment was alleged to have occurred;
- iii. Multiple Placements: 2,569 children who have been in three or more placements (excluding home) within the previous 12 months;
 - iv. Residential Placements: 478 children who have been in residential care for one year or longer; and
 - v. Unrelated and Unlicensed Caregiver: 172 children who are in an unrelated and unlicensed caregiver placement in which the caregiver is not a relative of the child but has been approved as a placement resource because of prior ties to the child and/or the child's family.

In order to define each population, DHS had to sort through the data, structure the queries, and analyze the results. The initial analysis occurred in October 2008 but the lists were not refined and finalized until after Period One ended.

Early on it became clear that conducting the special reviews was going to take a great deal of thought and capacity. Although the parties had sought to define limited target populations, even after the lists were refined, the number of children and youth in these groups was much larger than expected. Triaging, DHS started with the highest risk among those populations of children, focusing first on the 23 children who were the subject of multiple allegations of maltreatment in foster homes. That work was ongoing at the end of Period One and will be the subject of future reporting by the monitoring team. DHS has committed to increasing its capacity to conduct these reviews in Period Two and has targeted completion of the reviews for the 367 children in the alleged maltreatment in care group by September 30, 2009.

Overall, DHS struggled to develop a viable plan for conducting all of these reviews. It proposed an initial team of reviewers in January 2009, but as the data developed it soon became clear this team could not complete all of this work by itself. The CQI analysts, who were to be critical members of the team, were, as explained above, coming onboard more slowly than anticipated, and the remaining members of the team had other full-time responsibilities and so could only participate in a limited number of reviews. Entering Period Two, DHS understands it will need to identify a different source of capacity and a different approach for tackling the large number of reviews that remain in the other four special review populations. At the end of Period One, the State was still engaged in planning in this area.

A further quality assurance activity described in the Settlement Agreement involves DHS' implementation of a process for reviewing the case handling of all children who die while in out-of-home placement, regardless of cause, and to integrate lessons learned from these reviews in ongoing continuous quality improvement efforts. Specifically, DHS committed to review all cases where children died while in care, using qualified and competent individuals to complete the reviews and ensuring that the reviewers are independent of the county in

which the fatality occurred. For all foster child deaths that occurred after March 31, 2008, child fatality reviews are due within six months of the date of death, and are shared under a protective order of the federal court with plaintiffs and the monitoring team. For all foster child deaths that occurred between March 31, 2005 and March 31, 2008, DHS agreed to complete reviews during Period One and share them with plaintiffs and the monitoring team under a protective order of the federal court.

Most child fatality reviews due to the monitoring team and plaintiffs were provided timely by DHS during Period One. Several reviews were not, reportedly because the central CSA Office of Family Advocate, which oversees the fatality review process for the agency, was unaware of the children's deaths for significant periods of time after the fatalities. The agency attributed the lapses to communication gaps between the Office of Family Advocate and county DHS offices, and timely notification and review remains an issue in some cases. Based on its first set of reviews, DHS reported that 70 children died of various causes while in foster care between March 31, 2005 and March 31, 2008, and 17 children died of various causes while in foster care between April 1, 2008 and March 31, 2009. The monitoring team subsequently learned during its verification work that another youth died between April 1, 2008 and March 31, 2009, whom DHS had not previously identified as being subject to review, bringing the total number of children who died in care between March 31, 2005 and March 31, 2009 to 88 children. Some of the children were medically fragile, and they died from a wide variety of causes including chronic medical conditions, terminal illnesses, accidents, and suicide. In all, of the 88 cases reviewed, 51 were referred to CPS for investigation of suspected child abuse or neglect. Of the 51, ten were confirmed cases of child abuse or neglect.

The reviews were conducted by a variety of parties. The Michigan Children's Ombudsman and her staff, consistent with their statutory authority, conducted seven of the reviews. The Michigan Public Health Institute, serving as one of the State's Citizen Review Panels, conducted 27 reviews. The CSA Office of Family Advocate had conducted five of the reviews prior to the Settlement Agreement, and oversaw the review process for the balance of the reviews due during the period. The reports vary in their breadth and depth. Some offer detailed findings and recommendations; others none. As DHS builds its continuous quality improvement efforts over the next year, the monitoring team will assess how DHS improves its child fatality review process, including its statewide tracking of child fatalities, and integrates its learning from these reviews into ongoing practice improvement for its work with children and families across the state.

Creating Effective Plans

DHS committed in the Settlement Agreement to produce a comprehensive Implementation Plan by December 15, 2008 but that process extended into Period Two. In addition, DHS committed to producing a series of other plans in Period One – a kinship licensing plan, a licensing training plan and a quality assurance plan. Several other plans were postponed to Period Two. In Period One, the results of the required wide range of planning activities was mixed – but on balance, DHS was not successful in creating effective plans.

Initially, the parties, with the monitoring team, agreed the Implementation Plan should be brief and focus on planning for activities that were most imminent. That work included those commitments coming due in Periods One and Two or which required critical infrastructure investments, training or other fundamental groundwork to be done in Periods One and Two in preparation for subsequent periods. An initial extension was granted in recognition of the fact that the planning could improve once DHS got some of its critical data capacity up and running and could feed that information into the planning process. As that data became available, it made its way into the drafting process. Nonetheless DHS' ability to utilize that data to identify the resources necessary to achieve the Settlement Agreement goals, set interim targets, or identify potential areas of strength or challenge remained elusive. Indeed, drafts of the Implementation Plan evolved into reporting on current activities and proposed short-term activities but lost specificity when it came to future activities. In an attempt to be more concrete, DHS agreed to focus on subsets of implementation activities – the development of the permanency planning specialist capacity, team decision-making implementation, and the creation of special investigative units focused on maltreatment in care – with the thought that those more specific plans could then be incorporated into the Implementation Plan.

The Implementation Plan production process spread out over many months – to the frustration of all. As the planning process evolved, more pressing concerns appeared to intrude and impact the scope of the plans. As public revenues in Michigan were dropping, the pressures on DHS to cut their budget became intense. In the face of being asked to cut existing resources, the DHS team struggled to resolve how to deliver on its promises in the Settlement Agreement – promises that relied in part on resources that looked to no longer be available. That struggle continued into Period Two.

With respect to other required planning processes, the results were mixed. The continuous quality improvement plan is ambitious and incorporates laudable goals – but is vague about what capacity will be needed to get there. Some of the other plans produced by DHS – kinship licensing and licensing training – initially appeared viable but had not produced satisfactory results by the end of Period One (see the relevant parts of this report), suggesting a need for mid-course corrections, which will require DHS to revisit these plans.

Of course, viable implementation plans are not the end themselves. They are a means to an end, improving lives of children and families—for example, achieving permanency for the large number of legally-free children; supporting kin caregivers to provide safe homes for children in placement; reducing the numbers of youth aging-out of care without permanency; insuring children's safety in care, etc. Staff at DHS and the private agencies are working hard – but they will need critical tools, like planning and resources, to achieve reform.

IV. ACHIEVING PERMANENCY FOR CHILDREN AND YOUTH

A major focus of the Settlement Agreement is improving permanency outcomes for children and youth in foster care. Michigan, like many states, has struggled to meet its commitment to children who have been removed from their families and who are placed temporarily in the State's custody.

A variety of factors over the years, including service gaps, resource contraction, high turnover among DHS leadership and field staff, and a pattern of making more children legally free than were adopted each year (see Demographics section of this report above) contributed to the mounting backlog of children who were awaiting permanency in July 2008, when the parties entered into their Settlement Agreement. These circumstances were longstanding and adversely impacted the State's ability to effectively implement the permanency provisions of the 1997 federal Adoption and Safe Families Act (ASFA) and Michigan's 1998 Binsfield legislation. Both laws contained major changes that shortened the timeframe for the achievement of permanency outcomes for children in foster care. Successful implementation of ASFA and Binsfield would have required the State to have the fundamental elements of its child welfare system soundly in place more than a decade ago, including a wide array of readily available services for birth parents and children, a well-trained and competently supervised workforce who have manageable caseloads, a robust pool of foster and adoptive parents, and effective data and tracking systems. Unfortunately, DHS lacked that capacity. As a result, as this Settlement Agreement began, Michigan faced one of the country's most daunting backlogs of children in foster care awaiting permanency: 5,052 children awaited family reunification for more than one year and 4,260 children had been legally free for adoption for more than one year. The children in these groups are referred to in the Settlement Agreement as members of the "backlog cohorts" and the State has committed to urgently achieve permanency for them.

Equally important are DHS' commitments to achieve timely and positive permanency outcomes for all children and youth entering foster care. The Settlement Agreement contains many provisions intended to strengthen DHS' casework practice and to expand the array of relevant services available to children, youth, and their families. DHS is working to create a new model of practice that is strengths-based and family-centered. The model will include important practice elements such as team decision-making, concurrent permanency planning, a youth in transition teaming construct, and an adoption process model. This is vitally important work and the monitoring team will report on DHS progress in developing and implementing its new practice beginning in Period Two.

A. FOCUSING ON WAITING YOUTH IN NEED OF PERMANENCY: THE BACKLOG COHORTS

As part of the Settlement Agreement, DHS agreed to achieve permanency for all children in the backlog cohorts by September 2011. There are also important interim benchmarks that must be met—the first is to achieve permanency for 50 percent of the children in both

backlog cohorts by September 2009. The backlog cohorts were defined as those children who as of September 28, 2008: (a) were legally-free for adoption for more than 365 days based on the termination of their parents' rights, or (b) had a goal of reunification and were in care for more than 365 days. For purposes of this report, the two cohorts of children are referred to as the legally-free cohort and the reunification cohort, respectively.

In order to prepare to meet the benchmark of 50 percent for permanency by September 2009, the end of Period Two, DHS agreed to develop and implement improved policies and procedures, build a new organizational structure, hire additional staff, and improve training during this initial period—all essential building blocks to achieve legal permanency for children within the backlog cohorts. In order to ensure that a coherent set of field directives were developed, implemented and monitored and they had the focus needed to reduce the permanency backlogs, DHS established and filled the position of Permanency Planning Coordinator in January 2009. Reporting to the Adoption, Guardianship and Permanency Manager within the Bureau of Child Welfare, the coordinator is responsible for overseeing implementation of all commitments of the Settlement Agreement related to positively resolving the backlog cohorts. The monitoring team met with the coordinator regarding DHS' strategy to implement a statewide backlog review process, the development of a gap analysis study, and the provision of technical assistance to the public and private agency field offices. The monitoring team was encouraged by the coordinator's recognition that her role is a broad one that must include communication and support for the field offices so that implementation issues can be understood and addressed. The first Permanency Planning Coordinator has since been promoted to the position of Adoption, Guardianship and Permanency Manager. She now supervises the recently appointed Permanency Planning Coordinator and their ongoing work continues uninterrupted.

DEFINING THE COHORTS

Even before the Settlement Agreement was finalized, DHS embarked on the process of determining which children would comprise two backlog cohorts. Utilizing its initial bare-bones data capacity – capacity that grew substantially over Period One – DHS used broad search terms within its SWSS system to identify the initial pool of children for the cohorts. Beginning in August 2008, DHS developed lists of children for each cohort, broke those lists down by county, and then sent the lists out to the counties for verification purposes. Those initial lists included any child who was then already in one or the other cohort – and any child who was projected to be joining either cohort if they stayed in care until January 1, 2009. The initial verification process involved data cleaning activities such as the identification of duplicate entries; identification of cases that had previously been closed but that closure had not registered on the database; and cases where the case management responsibility needed to be re-aligned to the assigned county. After several rounds of data review and verification, DHS established fixed cohorts that were finalized by September 28, 2008.

As Period One progressed and the county child welfare offices focused on children in the backlog cohorts, additional data cleaning issues surfaced – but on a much smaller scale than

they had initially. An issue surfaced in January when an unrelated programming change in SWSS created a barrier to registering the closure of adoption cases at finalization; the data system interpreted the opening of an adoption subsidy case as an open case. That challenge had not been solved by the end of Period One, which meant each adoption case had to be reviewed by hand to determine whether or not it was closed. The work to identify the underlying programming issue continued into Period Two.

Finally, there were two categories of over-inclusion which did not get fully sorted out until after Period One ended and other data cleaning issues continued to surface as the monitoring team did their verification work. Because the original cohorts were defined late in September 2008, there were children who exited care earlier in the month who were included in the cohort reporting and needed to be excluded as the data reporting was finalized after the period ended. Even more substantial were a group of children who had been included in the cohort tracking because they were projected to be entering the cohorts by January 1, 2009, but who in fact exited to permanency before they satisfied the criteria of awaiting reunification for more than a year or being legally-free for more than a year. Thus, they were excluded from the final counts for Period One. The verification work also revealed youth counted as exits in each cohort for Period One—particularly among the youth who exited without permanency—who had no contact with DHS for many months prior to the initiation of the backlog cohort groups and whose cases had been closed by the courts or could have been closed by the courts, but DHS identified them for closure only during the backlog cohort work.

The monitoring team expects data cleaning and over-inclusion issues to diminish and ultimately disappear in subsequent periods. Indeed, throughout the verification process, the team found the data to be more accurate over time.

While over-inclusion proved a challenge during Period One, DHS consistently asserted that it had guarded against under-inclusion precisely by defining the original data terms broadly. In its verification work, the monitoring team found no indication in Period One that a child had been excluded from the cohort who should have been included but will continue to monitor this issue in subsequent periods.

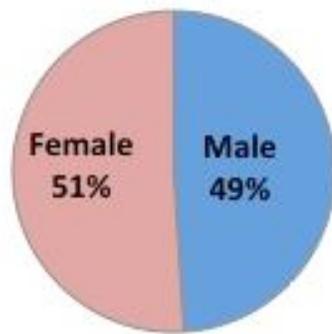
COHORT DEMOGRAPHICS

Following the Period One data verification, the baseline for the reunification cohort was 5,052 children and the baseline for the legally-free cohort was 4,260 children. After exits from care in Period One, the number of children in the reunification cohort had decreased to 3,277 children and the legally-free cohort to 3,287 children (See Appendix A for the number of children in each cohort by county). Together (as the cohorts are unique and a single child can be in only one cohort), there were a total of 6,565 children still in those cohorts at the end of Period One; 38 percent of all 17,115 children in foster care.¹⁴

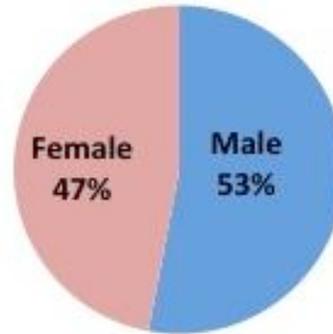
¹⁴ Michigan includes in its “in placement” count children who were in placement, have been returned home, and are still under the supervision of the agency pending official closure by the court. Consistently over time, this

The reunification cohort has slightly more female children and youth than male while the reverse is true for the legally-free cohort.

Gender of Children in the Reunification Cohort
as of 9/28/08

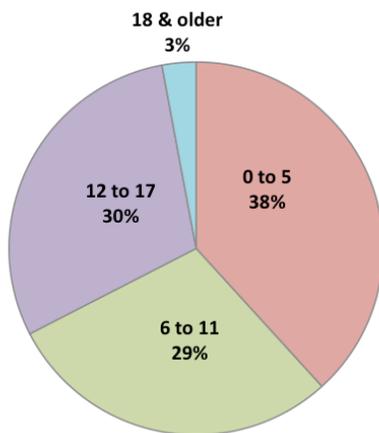


Gender of Children in the Legally-Free Cohort
as of 9/28/08

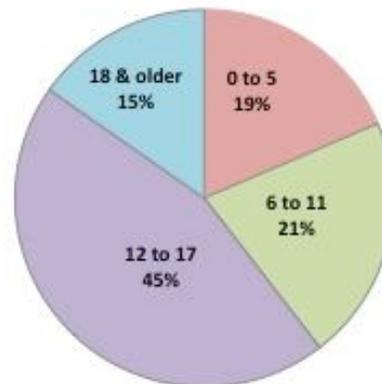


The largest group of children by age in the reunification cohort are five and younger. In the legally-free cohort, 60 percent of the youth are age 12 and older.

Age of Children in the Reunification Cohort
as of 9/30/08

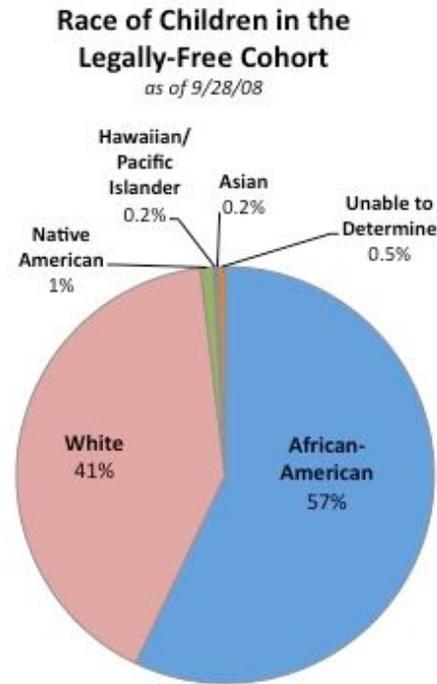
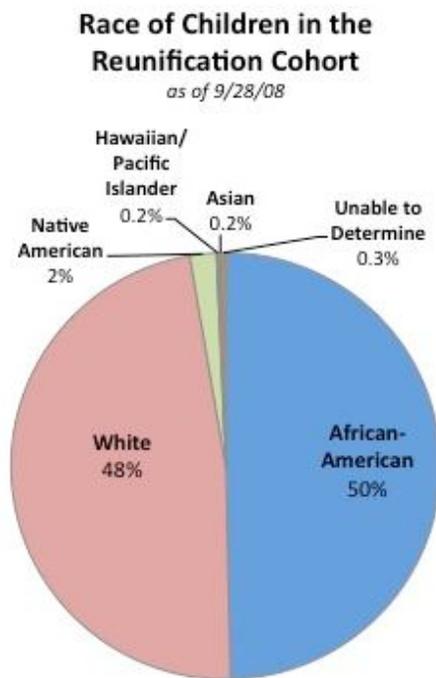


Age of Children in the Legally-Free Cohort
as of 9/30/08



A disturbing characteristic of both backlog cohorts is the over-representation of African-American children. Of the children in the reunification cohort, 50 percent are African-American, and in the legally-free cohort, African-American children represent 57 percent of the cohort. Similar to most other systems, as the length of stay in care increases, the percentage of African-American male children and youth also increases.

group comprises about 2,000 children. Where this group of “in home, in placement” children meet the cohort criteria, they were included in the baseline. They are not counted as an exit until the court has officially closed the case.



BACKLOG COHORT REPORTING

Beginning in December 2008, all 83 counties received from the CSA central office monthly backlog data reports for updating, review and analysis. The counties update these reports each month and send the information back up to the central office for tracking and analysis. That analysis was in its infancy during Period One but will need to grow in subsequent periods in order to translate this information into action as the reform progresses.

Backlog data was also shared with the courts, which the State Court Administrative Office (SCAO) began posting in January 2009 through their Web-based Michigan Court Application Portal (M-CAP) information system. This data sharing has fostered local meetings between the courts, DHS and private agencies and enabled backlog reduction strategies to be developed at the county level. Ongoing collaborations between DHS local offices, private agencies, and the courts will be critical to the attainment of permanency for children within the backlog cohorts.

Since February 28, 2009, DHS reports that county child welfare offices have been able to access their backlog data through the DHS intranet-based Info-view system with data that has been updated as of the preceding day. The reports can also be downloaded, which allows for local flexibility to sort and filter for particular characteristics. To support the field offices in their analyses of these cases, the Child Welfare Improvement Bureau's Data Unit will continue to analyze the characteristics of the backlog cohort (such as age, ethnicity, and length of stay) and the characteristics of the backlog cohort cases that are closed, and provide this information regularly to the county offices.

B. ASSESSING THE BACKLOG COHORT

During Period One, DHS initiated a tracking system to identify service gaps and barriers preventing permanency for children in their backlog cohorts. Preliminary findings revealed unmet needs in the following areas: parenting skills, child behavioral and mental health services, suitable housing, and substance abuse programs. Rural counties added concerns about the lack of access to transportation.

In addition to unmet service needs, the DHS backlog tracking system helped uncover other challenges. For example, staff need further clarification on how to conform children's permanency goals with federally approved permanency goals. The system surfaced delays in completing the eligibility process for families entering the subsidized adoption program. And it helped illuminate the shortage of adoptive homes for specific populations of children. This information gives DHS an early sense of the needs of the children in the cohorts as well as barriers to permanency. During Periods Two and Three, DHS will need to translate these findings into an action plan in order to build upon the progress already made in reducing the cohorts in Period One.

C. CREATING PERMANENCY PLANS FOR THE BACKLOG COHORT

In October 2008, each of the 83 county child welfare offices created a "Permanency Plan" to briskly assist children within the backlog cohorts. The plans were submitted to the DHS central office, addressing the unique situations in the respective counties and describing both macro-level strategies for managing the backlog cohorts, including administrative and case oversight processes, and micro-level strategies involving individual case management and supervision.

The monitoring team met with staff in both public and private child welfare offices across Michigan regarding local implementation of the plans. During the monitoring team's site visits, it became clear that managers and staff are aware of these Settlement Agreement commitments and the associated timelines for reducing the backlogs, and that caseworkers and supervisors are conducting more focused case conferencing. Staff described a wide range of issues that have been surfaced as a result of this focused attention, including the need to address overdue paperwork, respond to court orders for services, access timely and relevant services for children and their parents, and identify permanent families for children and youth.

As would be expected in the early stages of reform, staff – who consistently articulated a commitment to successfully achieve permanency for the children in their care – nonetheless expressed that they are somewhat overwhelmed by the enormity of the backlog work, while at the same time dealing with other Settlement Agreement commitments such as caseload reduction, relative licensing, and required trainings. To ensure that DHS field offices and private agencies can translate their commitment into positive outcomes for children, DHS leadership must provide ongoing support and technical assistance to both the public and

private agency field staff so that solutions can be devised for the issues that arise out of this important work.

D. DEVELOPING STAFF FOCUSED ON THE PERMANENCY BACKLOG COHORT

DHS committed to create 108 Permanency Planning Specialist (PPS) positions including supervisory and support personnel, at the signing of the Settlement Agreement, and to increase that number to a total of 200 PPS staff by September 2009. The PPS are defined in the Settlement Agreement as “limited-term, specialized assignment positions responsible for reviewing cases of and pursuing legal permanency for children in the backlog cohorts.” Initially, DHS chose to hire public staff to assume the role of the PPS. However, because these are term-limited positions, DHS reported that few qualified individuals applied for the PPS positions, as the agency was hiring permanent caseworkers at the same time. DHS then opted to identify 91 foster care workers in the five largest counties - Genesee, Kent, Macomb, Oakland and Wayne – and assigned them as the primary caseworkers for children and youth in the backlog cohorts. These foster care staff had existing caseloads and the process of transitioning to these new assignments was not smooth. Implementing this model required case transfers, subjecting children to worker changes.

DHS did provide support to the staff by creating 104 Permanency Planning Assistant (PPA) positions. These are case aide positions with non-direct case service responsibilities, such as document retrieval and transportation. The PPAs were assigned to the five largest counties and by February 2009, 76 PPA’s had been hired.

The parties, in consultation with the monitoring team, met early in Period Two and discussed the intent of the PPS provision in the Settlement Agreement. During those discussions, both DHS and plaintiffs agreed that the intent of the PPS provision was for the State to hire (or contract for) non-caseload carrying staff to serve in the PPS role. DHS hired no such staff during Period One. The parties acknowledged these staff should have the experience and the skills required to lead a process of focused case reviews in order to identify barriers and urgently achieve permanency for children and youth in the cohorts. As of the writing of this report, DHS has proposed an implementation model for this provision that plaintiffs have rejected. The monitoring team will be meeting with DHS to discuss the proposal further.

E. PERIOD ONE BACKLOG TRENDS

For Period One, DHS committed to organizing and resourcing the process for achieving permanency for children and youth in the backlog cohort groups – but there are no numerical targets to be met in the period. By September 2009 (the end of Period Two), DHS committed to achieve permanency for 50 percent of the children in each of the cohorts – in other words, ensure more than 4,600 children exit foster care into a permanent home. For this report, the monitoring team has focused on the pace and progress of DHS’ efforts—assessing where the

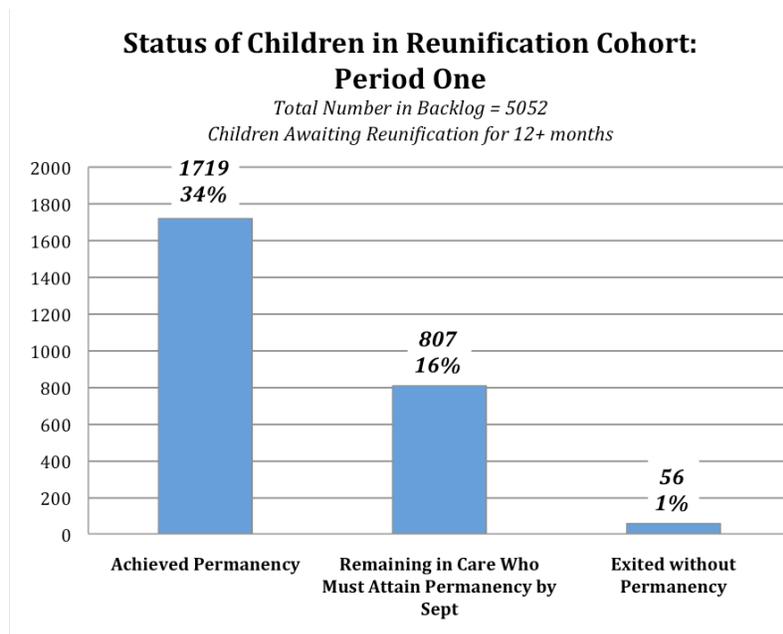
State has both exhibited strengths and encountered challenges in striving to meet its ambitious goals for Period Two.

Performance by DHS in achieving permanency for children and youth in the two backlog cohorts differed dramatically during Period One. There was a large surge in reunifications, putting DHS on track to meet the 50 percent target for that group by September 2009. At the same time, DHS experienced a slower start achieving permanency for children and youth in the legally-free cohort, putting DHS at risk of missing the Period Two target. Analysis at a county level reveals wide variations from the statewide pattern – with a significant number of counties exhibiting strong performance with respect to both cohorts; an imbalance in performance favoring one cohort or the other among the majority of counties (including the five largest); and an outlier group of six small counties that struggled with both cohorts.

Update on Children Awaiting Reunification

For children awaiting reunification, DHS is on course to meet or exceed the September 2009 target of moving 50 percent, or 2,526 children, within the reunification cohort to permanency. By the end of Period One, 1,719 children or 34 percent of the reunification cohort had achieved permanency – approximately nine percentage points ahead of an interim mark of 25 percent. Another one percent of the original cohort had non-permanent exits (e.g., aging-out, running away). In all, by the end of Period One, 35 percent of the children in the original reunification cohort had exited placement.

Eighty-three percent of these children’s cases were closed by the public agency and 17 percent by private agencies. In the original baseline, 26 percent were supervised by private agencies, so the outcomes are largely public agency driven in Period One.

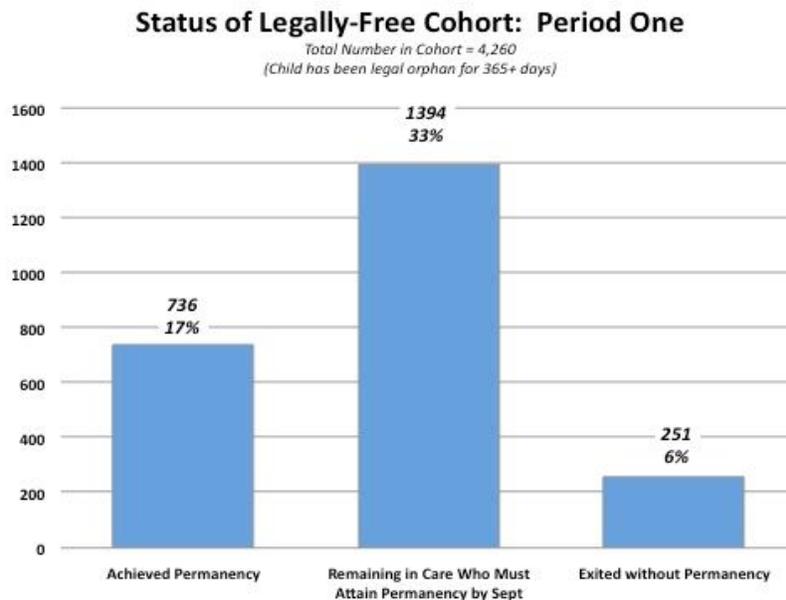


Virtually all (93 percent) of those children achieved permanency by returning home to their own families, with verification work suggesting that a few of these children went home not to the parent from whom they had been removed, but to their other parent, living separately from the first parent. Four children (0.2 percent) in the reunification cohort achieved permanency through adoption during Period One. The remaining 119, accounting for seven percent, achieved permanency through either guardianship – albeit not subsidized as that was not an option available during Period One– or permanent placement with a relative.

Fifty-six children from this cohort exited from care without achieving permanency, 49 of whom were from the five largest counties. Most (40) of these children “aged-out” of care with an additional 10 discharged as a result of “running away.” Five transferred to another agency, either entering the adult mental health, developmental disabilities or corrections systems, and one died.¹⁵

Update on Legally-Free Children Awaiting Permanency

For children in the legally-free cohort, DHS is at risk of missing its September 2009 target for achieving permanency for 50 percent of the group, or 2,130 children. By the end of Period One, 736 children, or 17 percent, had achieved permanency, about 8 percent below the interim mark of 25 percent. Another six percent of children and youth in the cohort exited care without achieving permanency. In sum, 23 percent of the original cohort of children and youth had exited the system by the end of Period One.



¹⁵ This youth was included in the child fatality review process described in this report.

Because responsibility for managing a legally-free child can be shared between the public and private agencies – if, for example, the public agency provides direct foster care services but delegates direct adoption services to the private agency – it is not possible to attribute clearly which children exited because of public agency efforts versus those who exited due to private agency efforts.

The overwhelming majority of children who exited from the legally-free cohort in Period One, 680 or 92 percent, attained permanency through adoption; another 6 percent, or 44, were placed with a relative; and less than two percent attained permanency through either guardianship or reunification.

Compared to the reunification cohort, a much larger group of these children exited care without permanency – 251 youth or six percent of the cohort. Most “aged-out” – 203 youth – followed by “running away” – 21 youth. Another 14 youth who were under the jurisdiction of another state had their cases closed at the instigation of the referring state. Ten transferred to another agency (adult mental health, developmental disabilities or corrections being the most common); and three died.¹⁶

Update on County Performance

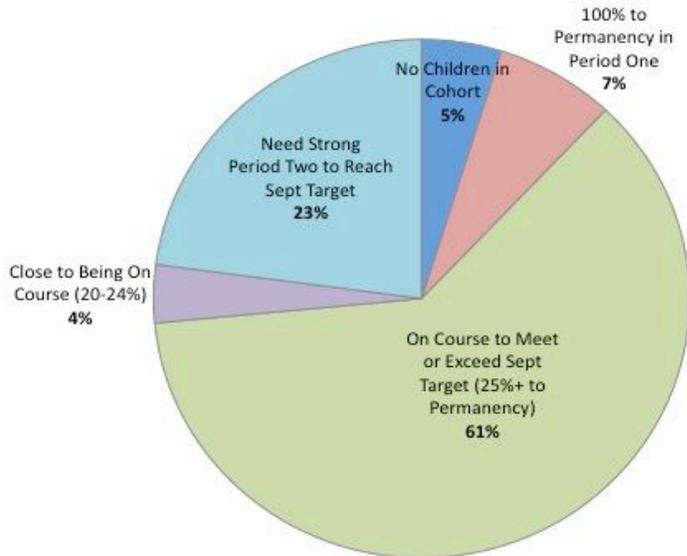
County-based child welfare practice and performance differ dramatically in Michigan, resisting generalization and one-size-fits-all solutions. At the start of Period One, every county in the State had at least one child in one of the cohorts. By the end of the period, three small counties had moved all of their cohort children to permanency. At the start of Period One, four counties had no children in the reunification cohort. By the end of the period, that number rose to 10 counties. Six counties had no children in the legally-free cohort at the start of Period One – but by the end of the period, that number doubled to 12 counties.

¹⁶ All of these children and youth are included in the child fatality review process described in the report.

Reunification Cohort: Performance by County

83 Counties

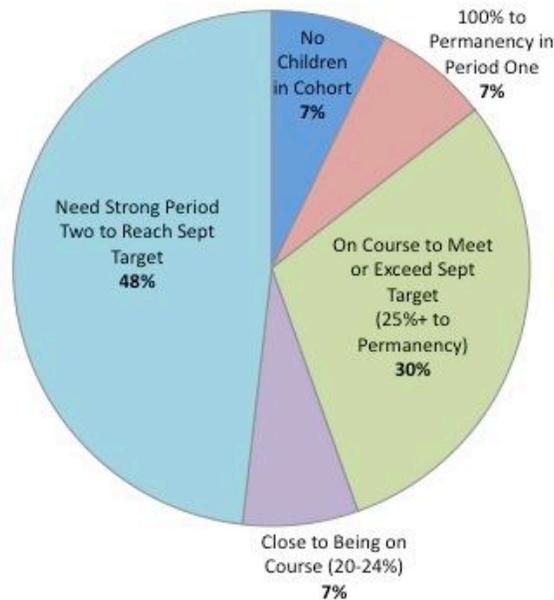
(Children with Goal of Reunification in Care for 365+ days)



Legally-Free Backlog Cohort: Performance by County

83 Counties

(Child has been legally free for 365 days or more)



The largest trend among the counties – for 33 counties or 40 percent – was to demonstrate strong performance with respect to one cohort, but lag with respect to the other. Preliminary analysis suggests that these counties built on existing strengths – in other words, counties with a history of reunification or adoption produced better results with an increased level of focus but need to develop their practice in the other area if they are to produce consistent

permanency results. It is very heartening to see 29 counties (35 percent) that performed well with respect to both cohorts. There was wide variety by size and location among those counties, including four of Michigan’s “Big 9” (the next largest set of counties after the Designated Counties). Fourteen counties made some progress with respect to both cohorts but did not outperform on either. Finally, six counties struggled with their performance with respect to both cohorts – all smaller counties.

For DHS, this stratification of performance among counties presents opportunities to utilize peer-to-peer learning – highlighting those counties with strong performances for lessons to be shared with those counties who might be struggling. It also allows a deeper level of diagnostics about what the barriers are in the counties that are struggling – and resources and attention can then be targeted to solving those challenges.

Analyzing trends with respect to backlog cohort performance alone is not a sufficient diagnostic tool to decide on stronger and weaker permanency practices. Some counties that may have had good practice to start with – lower rates of entry into care; richer arrays of family-friendly services; or cooperative court practices that streamline the reunification or adoption process, for example—may have fewer children in the cohorts, and it is important to identify those strengths. Consequently, the children they do have in their cohorts will be proportionally fewer but permanency for them may be more challenging—and perhaps resistant to quick resolution—so their cohort performance may lag in comparison to other counties.

Only county-by-county comparative analyses will help surface these differences – a practice that has previously proven elusive in Michigan as each county has largely operated in isolation from each other. With the Settlement Agreement supporting the development of new capacities, such as the new county level data sets available on the DHS intranet to all managers; the creation of continuous quality improvement capacity within the CSA; DHS leadership’s decision to tap into national expertise for technical assistance; and a central office with the promise of focusing more on supporting performance in the field, Michigan has the opportunity to learn from its own pockets of excellence and lift performance statewide.

F. SUPPORTING PERMANENCY THROUGH SUBSIDIZED GUARDIANSHIP

In the Settlement Agreement, DHS agreed to submit draft legislation to the Michigan Legislature for its consideration that creates a subsidized legal guardianship program. Guardianship creates another permanency path for children and youth who cannot be reunified with their birth families. DHS estimates that as many as 1,500 children currently in its custody may achieve permanency through subsidized guardianship, and as Michigan encourages relatives to become foster parents, this is a particularly important permanency alternative. Historically, many relatives have had difficulty with the concept of adopting a family member when they cannot be reunified with their parent. Legal guardianship allows relatives to make lifelong commitments to children and youth without participating in legal proceedings that involve the termination of a family member’s parental rights.

In July 2008, the Michigan Legislature and the Governor created the Guardianship Assistance Program (GAP), a State funded program that allocates \$4.6 million annually to provide a subsidy to 450 permanent guardians. A few months later, in October 2008, the federal government passed the Fostering Connections to Success and Increasing Adoptions Act, which included additional resources for a federally-funded relative guardianship assistance program. Initially, DHS anticipated using the federal funds to supplement the Michigan GAP program and expand the number of families who could become permanent guardians for children in foster care. But in implementing the law, the federal regulators required guardians to become licensed foster parents in order to be eligible for the federal guardianship subsidy and required the child to have lived with the family for at least six months after the guardian becomes a licensed foster parent. The state program did not contain those two provisions and DHS chose to reconcile the program requirements prior to implementation. DHS requested program instructions from the federal government concerning these provisions to ensure that the State and federal guardianship programs were implemented with consistent requirements. That process delayed implementation of the GAP program until April 27, 2009, after Period One closed. The monitoring team will report on Michigan's progress implementing the subsidized guardianship program following Period Two.

V. DEVELOPING CRITICAL SERVICES

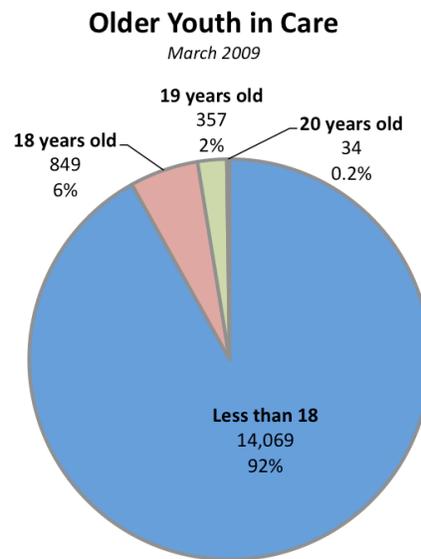
DHS recognized it would need to develop its continuum of services to improve outcomes for the children who rely on the agency for safety, permanency, and well-being. During Period One, the agency committed to implementing a range of services for older youth in care and leaving care; ensuring access to physical and mental health services for all children in placement; and assessing the needs of all of the children and families who rely on DHS for services.

A. BUILDING A MODEL OF PRACTICE FOR OLDER YOUTH

In many jurisdictions across the country, the specific needs of older teens in foster care are too often unaddressed. In the Settlement Agreement, DHS made a series of important commitments designed to redress this problem by bringing a heightened focus to adolescents' need for permanency and well-being, especially for youth growing up in and transitioning out of the foster care system. As DHS observes in its Children's Foster Care Manual, CFF 722-15, "Older youths exiting the [foster care] system encounter additional obstacles and many are not prepared to meet financial, health, social and educational challenges." The practice changes which DHS seeks to implement within the child welfare system are sweeping, and the agency leadership focused primarily in Period One on developing a vision for practice change and beginning to lay the groundwork for implementing this vision.

In the Settlement Agreement, DHS agreed to develop and implement a policy and the necessary resources to extend all foster youths eligibility for foster care placement until age 20 and to make available independent living services through age 21. In July 2008, DHS published an amendment to its Children’s Foster Care Manual, CFF 722-15, announcing that “foster care youths may remain in foster care until the age of 20.” DHS also announced, in L-Letter-09-021-CW, that all legally-free children are eligible for Limited Term and Emergency Foster Care Funding. During Period One, DHS calculated cost projections for increasing federal support for its older youth in out-of-home placement. Pursuant to federal legislation, beginning in October 2010, federal matching funds are available for youth ages 19, 20, or 21 (whichever age a state selects) for an extension of federal Title IV-E foster care maintenance payments, adoption assistance payments, and/or relative guardianship payments. DHS reports that prior to October 2010 Michigan will need to revise statute and policy in order to take advantage of these additional federal funds.

DHS reports that, as of March 31, 2009, there were 849 foster youth, age 18; 357 foster youth, age 19; and 34 foster youth, age 20.



In September 2008, DHS convened a committee comprised of public and private agency staff and two youth living in foster care, and charged the group to make recommendations to better integrate all supports to youth ages 14 and older in out-of-home placement. Meeting throughout the fall, the committee was asked to review best practices for Independent Living services and create a process and a procedure for effective practice with youth that addressed their need for permanency and well-being in order to develop a Youth Service Delivery Model. The committee provided recommendations to DHS. DHS then met with additional stakeholders, refined the committee’s recommendations and developed the Michigan Service Delivery Model for Older Youth in Foster Care. The model outlines a thoughtful and comprehensive approach to permanency and well-being for adolescents in foster care. The

monitoring team expects that implementation of this model will be the focus of DHS' efforts, and the subject of future monitoring, over the next year.

Independent Living Services

Additionally, in March 2009, DHS published an amendment to its Children's Foster Care Manual, CFF 950, describing a variety of independent living services available "until the youth is discharged from foster care, establishes independence or reaches 21 years of age." Youth do not need to be in foster care in order to continue to receive these services. These programs offer youth essential life skills that can help them cross the bridge from foster care to independence. The State identified 965 youth, between the ages of 16 and 20, who were receiving independent living services as of March 31, 2009.

Referrals to Michigan Works!

DHS also committed to refer all youth age 14 and older in foster care and youth transitioning from foster care to Michigan Works! agencies for participation in public programs designed to expand vocational skills and opportunities. The State convened a committee to develop the referral process—a group comprised of representatives from DHS and the Department of Energy, Labor, and Economic Growth, as well as the private child welfare agencies, the statewide Michigan Works Director and members of workforce development agencies. The group had nine face-to-face meetings and/or phone conferences between August 2008 and February 2009.

As a result of the group's work, shortly after the conclusion of Period One, the State published an L-Letter and Michigan Works referral form, with an immediate effective date. The L-Letter, which describes the referral process for foster youth, was sent to all committee members, public and private agencies, published on the DHS Web site, and distributed to the private agency membership groups. The monitoring team expects to assess implementation of this process over the next year.

Identifying Housing for Youth Aging-Out of Care

Many stakeholders have observed that a shortage of safe and affordable housing for youth exiting foster care without permanency leads to homelessness for too many young people. DHS committed to refer youth without an identified housing situation at the time of emancipation from foster care to the Michigan State Housing Development Authority (MSHDA) for rental assistance and services under the Homeless Youth Initiative (HYI). Between 2006 and January 2009, five MSHDA-funded private agencies across Michigan have provided 120 youth, ages 18-24, with transitional housing through the Homeless Youth Initiative. Historically, the Homeless Youth Initiative has not specifically identified youth aging-out of foster care or former foster youth as a priority population; the only requirement beyond age has been homelessness. In October 2008, DHS officials met with MSHDA to discuss developing a referral process specifically for foster youth. At that time, MSHDA

observed that funds were not available to develop new programs for foster youth beyond the current DHS Housing Resource Center in Wayne County, which provides 31 youth up to 24 months of voucher-supported housing. The agencies determined that although referrals could be made beyond Wayne County, they were not likely to be meaningful and therefore the referral process was not implemented. Pursuant to the Needs Assessment provisions of the Settlement Agreement, described below, the monitoring team has recommended, as a starting point, that DHS invest an additional \$1.5 million in FY2010 in new, independent, transitional and trans-permanent housing for exiting foster youth in the five largest counties. Such programs should be funded and operational by February 1, 2010.

In late November 2008, the United States Department of Housing and Urban Development issued a Notice of Funding Availability (NOFA) for the Family Unification Program (FUP) housing choice vouchers. MSHDA and DHS collaborated to request 100 housing choice vouchers for former foster youth and youth transitioning from foster care, but the grant was not funded. DHS took the additional step of requiring, as of January 1, 2009, State-supported homeless and runaway youth agencies across Michigan provide 25 percent of their placement services to youth who have transitioned from foster care and are in need of housing. These are preliminary steps, and the monitoring team expects the State to expand its resources in this and other areas in order to support the successful implementation of its Service Delivery Model for Older Foster Youth, building a stronger foundation for exiting adolescents to safely cross into adulthood.

Eliminating Detention as a Placement Option

The parties agreed to ensure that no child in DHS foster care custody is placed, by DHS or with knowledge of DHS, in a jail, correctional, or detention facility unless placed pursuant to a delinquency charge. DHS committed to notify the State Court Administrative Office and the Michigan State Police of this prohibition within Period One and provide written instructions to immediately notify the local DHS office of any child in DHS foster care custody who has been placed in a jail, correctional, or detention facility. The parties further agreed that if it comes to the attention of DHS that a child in DHS foster care custody has been placed in a jail, correctional, or detention facility, and such placement is not pursuant to a delinquency charge, DHS shall ensure the child is moved to a DHS foster care placement as soon as practicable, and in all events within five days, unless the court orders otherwise over DHS objection. DHS notified the State Court Administrative Office and the Michigan State Police of the foregoing commitments after Period One concluded.

Several judges, lawyers and family members advised the monitoring team that DHS, at times during and after the conclusion of Period One, requested detention from the courts for youth in foster care custody, particularly those who have a history of running away or have acute mental health needs, despite the absence of an underlying delinquency charge. The concerns were primarily but not exclusively focused on Wayne County. DHS is not able to determine at this point how many children and youth statewide were detained in breach of the commitments during Period One, nor in how many instances DHS sought detention despite

the lack of a pending delinquency charge. The monitoring team observed that detention was the third most frequently used re-placement option statewide for foster children who returned to placement during Period One, and brought to the attention of DHS the identities of four youth, in particular, as examples of children who appear to have been detained for some period of time in contravention of the Settlement Agreement. DHS concurred that all four youth were either improperly detained and/or remained detained after the delinquency charges were dismissed.

After review of the above noted cases, and a total of 27 other youth who were detained at the Juvenile Detention Facility in Wayne County, DHS issued a Management Directive Letter (MDL 09-007) to all Wayne County staff of the Children's Services Administration and staff of CPAs clarifying that no DHS office or contracted agency should recommend placement of a child or youth who is a neglect ward in the Juvenile Detention Facility (JDF). Included in the MDL was clarification that if a neglected youth is placed in the JDF pursuant to a delinquency petition, the youth should be moved immediately if the delinquency petition is dismissed. DHS leadership in Wayne County also undertook additional discussions with the Assistant Attorney General's Children and Youth Division to clarify the agency's position and representation needed in these matters. DHS leadership observed that a shortage of appropriate, accessible placements has contributed to the detention of children despite the absence of an underlying delinquency charge.

Several years ago, Michigan child welfare leaders, including members of the judiciary, key DHS leadership and other child advocates, assisted by a national expert in alternatives to detention, pioneered a model interdisciplinary approach to eliminate the detention of non-delinquent children and youth. Participants in that workgroup who spoke with the monitoring team, several of whom remain key public leaders in the child welfare system, continue to believe in the group's core values, most notably that a single day in jail or detention changes a child's life forever. By all accounts, the model approach implemented several years ago changed practice and led to the development of additional placement options in Michigan, most of which have now been shuttered. DHS may want to re-convene this model approach, and continue to work collaboratively with law enforcement, the courts and others to expand the service and placement array for youth. Over the next year, the monitoring team will closely analyze implementation of these commitments and report on Michigan's progress.

Next Steps for Supporting Older Youth

DHS spent much of Period One mining and assessing its data about youth in care, understanding where they are placed and the current state of practice supporting older youth while they are in care and as they leave. They had hoped to do more. For FY2009, DHS had requested and initially received \$1 million funding for a new program, Bridges Towards Responsible Adulthood, to support youth in transition from the child welfare system, but that funding was eliminated before the program could be implemented. On balance, during Period One, the State has taken some preliminary steps to focus on the specific needs of the older

youth population. The monitoring team hopes that in the future, additional progress will be made in providing for the permanence and well-being of adolescents.

B. ACCESSING HEALTH CARE

With the Settlement Agreement, DHS committed to ensuring access to physical and mental health services for children in placement and for older youth transitioning out of placement. Beginning in Period One, DHS agreed to ensure that each child entering foster care will be assigned a Medicaid number and the foster parent or other placement provider will receive a Medicaid card, or an alternative verification of the child's Medicaid status and number, within 30 days of the child's entry into care. This commitment grew from the plaintiffs' concern that children were not receiving adequate healthcare because of gaps in communication and delays in the insurance system. DHS was unable to ensure implementation of this provision in Period One. The agency is developing a systemic way to ensure enrollment of foster children in Medicaid and a methodology to track the timely receipt of Medicaid cards by caregivers, but implementation has been slow. The monitoring team will assess the performance of DHS at the conclusion of Period Two.

With respect to children's mental health needs, DHS committed to redirect at least \$3 million from its FY2009 budget to fund mental health services for youth in placement. In another example of DHS straining for resources to implement the reform, the agency did not do so in Period One. Following discussions with plaintiffs and the monitoring team, DHS advised that it will effect this redirection in FY2010 by expanding to additional counties a federal Section 1915(c) Medicaid program known as the Waiver for Children with Serious Disturbance (SEDW), which operated in 10 counties as of March 31, 2009.

The expanded SEDW is expected to be used in FY2010 as a vehicle for piloting a new identification and referral process for youth with mental health needs and expanding services to identified youth. The State Budget Office forwarded, as part of the June budget revision, a request to the Michigan Legislature for mental health funding of \$1.7 million in the FY2010 DHS budget. DHS is responsible for identifying the balance of funds needed, \$1.3 million, within its existing appropriation. These State General Funds, if authorized, will be passed to the Department of Community Health to provide the state match for the federal waiver program, which DHS expects will generate significant additional federal funding for Medicaid-supported mental health services to children in foster care. The monitoring team will continue to follow these developments closely in subsequent periods.

With respect to older youth, the federal government now makes significant funds available to the states, at their option, to extend health insurance coverage to youth aging-out of foster care. Michigan committed to do so, but DHS acknowledges the results do not yet meet the State's own expectations for its performance. DHS reports that 986 youth, age 18 or older, exited foster care between May and December 2008, but only 98, or 10 percent, were enrolled in Foster Care Transition Medicaid (FCTMA) upon exit. The ratio of youth enrollment

actually declined in the period January to March 2009, when 348 youth aged-out of foster care, but only 13 young people, or four percent, had open FCTMA cases. DHS reports the primary reason youth who age out of foster care are not enrolled in FCTMA is the lack of knowledge on the part of its staff, foster families and foster youth, due to DHS' challenges in communicating the reform to the county-based CSA offices and private agencies where work with children, youth and families occurs directly. This was confirmed in discussions and focus groups the monitoring team conducted with youth, families and staff.

DHS has committed to robust outreach efforts in Period Two to all parties to promote FCTMA for aging-out youth, including distribution of an L-Letter to all DHS and private agency employees regarding FCTMA. In addition, DHS administered a series of trainings on FCTMA for DHS and CPA staff and designated a staff person to conduct workshops statewide on FCTMA. DHS has recently begun to include FCTMA among the topics covered in the New Worker Training. The agency undertook a mass mailing on FCTMA to 1,000 youth, at their last known addresses, who aged-out of foster care between May 2008 and March 2009, and updated its Foster Youth in Transition Web site to include FCTMA information. DHS also plans to update SWSS, the DHS child welfare database, to automatically transition a youth from Medicaid to FCTMA when the foster care case closes. DHS reports that the statewide transition to DHS' new Bridges computer system will support the process of FCTMA being automatically activated. The monitoring team will follow implementation of these efforts closely over the next several months and will report on the State's progress in improving the enrollment of aging-out youth in FCTMA in the next report.

During Period Two, DHS will be hiring a medical director, building a health services plan, beginning to implement its new model of mental health services, and pressing forward on ensuring that aging-out youth have access to healthcare as they leave placement. DHS acknowledges much work remains to be done in this arena and the monitoring team will continue to watch closely the development of services in this arena.

C. WORKING TO ASSESS THE NEEDS OF FAMILIES AND CHILDREN

While the Settlement Agreement identifies a number of specific services the parties deemed necessary to improve outcomes for children and families relying on DHS for services, they also acknowledged the reform would benefit from a more in-depth study of the entire continuum of service needs. To that end, they embedded a Michigan Child Welfare Needs Assessment (Needs Assessment) process in the Settlement Agreement.

DHS asked the Michigan State University Child Welfare Resource Center to conduct the first Needs Assessment. They began in November 2008 and concluded the process as scheduled on May 15, 2009. As the parties agreed, the Needs Assessment evaluated the adequacy of existing services and placements, including the need for family preservation services, foster and adoptive placements, wraparound services, reunification services, and medical, dental and mental health services for children in foster care throughout Michigan, as well as the need

for funds.¹⁷ As part of the Settlement Agreement, DHS agreed to make available additional funds of at least \$4 million in FY2010 to develop the additional services and placements identified by the first Needs Assessment, and further additional funds of at least \$4 million to develop the services and placements identified by a second Needs Assessment in 2011.

Once complete, the Settlement Agreement further requires that the monitoring team review the Needs Assessment and issue recommendations. To that end, the monitoring team issued the following recommendations in July 2009:¹⁸

- DHS invest \$1.5 million in FY2010 in new, independent, transitional and trans-permanent housing for exiting foster youth in the five largest counties, which must be funded and operational by February 1, 2010.
- DHS invest \$1.5 million in services designed to support families and youth stepping down from residential care, including flexible funds, in-home supports and step-down levels of care, in the five largest counties. As a result of this investment, the monitoring team expects DHS should be able to reduce the number of youth placed in residential care settings in the five largest counties, and will assess this, as well as any barriers, in future reports. An allocation plan and budget for these new services is due to the monitoring team by September 30, 2009, and such services shall be available by January 1, 2010.
- DHS invest an additional \$1 million in new family preservation services in the five largest counties. An allocation plan and budget for these new services is due to the monitoring team by September 30, 2009, and such programs must be funded and operational by February 1, 2010.

The monitoring team will be reporting in subsequent periods on the progress of DHS in these areas.

VI. INCREASING SUPPORT TO CHILDREN LIVING WITH RELATIVE CAREGIVERS

In the Settlement Agreement, DHS committed to ensuring that “each county has a sufficient number and adequate array of foster homes capable of serving the needs of children coming into care for whom foster home placement is appropriate” and “that relatives of children in foster care and non-relatives with whom a child has a family like connection are identified and considered as potential foster home placements for children.” Period One focused on the State’s commitment to license kinship homes. Those commitments include:

¹⁷ See Michigan Child Welfare Needs Assessment <http://www.pcg4change.com/2008finalreport.pdf>

¹⁸ See Needs Assessment Recommendations at <http://www.pcg4change.com>.

- Establish and fill the statewide central office positions of relative licensing coordinator and foster home recruitment and retention director;
- Create and implement a plan to license existing relative homes, including ensuring the provision of initial and in-service training equal to that provided to non-relative foster parents;
- Designate sufficient licensing staff to review all current unlicensed foster homes and complete the licensing process for each family within 90 days;
- Create and fill, or provide sufficient funds to contract providers for such providers to fill, 40 relative licensing positions;
- Develop curriculum and provide training to all of the licensing staff;
- Designate sufficient training staff to provide the required training to relatives and to the licensing staff;
- Develop and implement safety, screening and home study processes for relatives who agree to provide a home to children newly entering care;
- Develop and implement a waiver process for situations in which placement with a relative is in a child's best interest and that home is safe but the relative cannot or will not be licensed;
- Develop and implement a process for the re-placement of any child currently in a relative foster home that does not meet licensing standards, unless exceptional circumstances have been documented and approved, as set forth in the Agreement;
- Develop a combined/coordinated family home assessment for relative providers, family foster care, and adoption;
- Ensure equity in payment of rates for children placed with licensed relatives as with their peers placed in licensed foster homes; and
- Continue equity in payment of rates for children who are permanent wards placed with relatives (licensed or not) as with their peers placed in licensed foster homes.

Structurally, licensing in Michigan is a two part process. The process begins with either a local public office or a private agency. Each of those recruits their own prospective foster homes; provides their own orientation to prospective foster parents; arranges for foster parent training; conducts the home study; and if they conclude the family is eligible for licensing, "certifies" that family to the DHS Bureau of Children and Adult Licensing (BCAL) for licensure. The only slight difference between that initial public and private agency process is that the private agency needs to rely on the public agency to do both the criminal background checks and the child abuse/neglect registry checks – but otherwise, the processes are the same. BCAL first becomes aware of a prospective foster home applicant (kin or non-kin) when the local office or agency submits a completed application for that home and BCAL registers the family on their system. Once the home is certified for licensure, BCAL takes over. The process of BCAL review changed over the course of Period One, as described below, but ultimately, it is BCAL who issues the actual license.

Most children (82 percent) in out-of-home placement in Michigan live either with their extended family in kinship care or in foster homes.

	Reported Placements		Placements Excluding Own Home	
Relatives*	6278	37%	6278	41%
Foster Care Families*	6215	36%	6215	41%
Own Parent Home*	1806	11%		
Institutions, Including Shelters	1217	7%	1217	8%
Independent Living	958	6%	958	6%
Unrelated Caregiver	211	1%	211	1%
Other**	231	1%	231	2%
AWOL	199	1%	199	1%
TOTAL	17,115		15,309	

*Includes in and out-of-state.

**Includes out-of-state facilities (20); detention, jail & court treatment (70); legal guardians (20); mental health hospitals (14); and other placements (107).

Kinship placements are made by DHS with a child’s grandparent, aunt, uncle or other relative. As a means of increasing supervision of children, access to services and support to families by accessing federal matching funds, the Settlement Agreement prioritized the licensing of kinship families – virtually all of whom had previously been unlicensed. As shown in the table above, that was a huge undertaking, with the potential to affect more than 6,000 children, or about 4,000 homes.

A. CONTINUING THE COMMITMENT TO KIN PLACEMENT

Michigan’s commitment to extended family as the placement of first resort began more than a decade ago and is supported by a growing body of research demonstrating that outcomes for abused and neglected children are generally better in kinship care. In general, kin are more likely to stretch themselves to keep siblings together; adolescents are less likely to run away; the placements tend to be more stable; and parental visitation is more easily facilitated. On the other hand, kin are generally more economically challenged than foster parents; their physical homes are more likely to need repair or renovation in order to be licensed; they tend not to be as compliant with case management or licensing oversight as they see themselves tending to their own family rather than adhering to regulations; and permanency can take longer, particularly in the absence of more kin-friendly permanency options like subsidized guardianship.¹⁹

¹⁹ See Zinn, *Foster Family Characteristics, Kinship and Permanence* (Social Service Review 2009); Winokur et al., *Matched Comparison of Children in Kinship Care and Foster Care on Child Welfare Outcomes* (Families in Society: The Journal of Contemporary Social Services, 2008); Zinn et al., *A Study of*

If a child welfare system is under strain, as Michigan's has been, kinship care can be misused. Such misuse can include laxity in original safety screenings for prior criminal convictions or abuse or neglect substantiations; tolerance of unsafe living conditions; or placement with a sick or infirm relative unable to properly supervise the child. In part, this may occur because the child protection worker is desperate for a placement and overwhelmed with a high volume of both investigations and removals. Once placed in a kinship home, if a system is under strain, children in those homes may not receive the same level of supervision and services as their peers in foster homes.

By committing to license relative homes in the Settlement Agreement, the parties sought to achieve a balance between preserving the virtues of kinship placements and avoiding the pitfalls. DHS and plaintiffs agreed that licensing provided an avenue to achieve equity between kinship and foster homes. Indeed, DHS' leadership was so committed to the concept that they began implementation even prior to the signing of the Settlement Agreement. They asked for, and the Legislature agreed to provide, \$2.5 million dollars in FY2008 and FY2009 to underwrite private agencies licensing 1,086 kinship homes.

DHS also committed to equalize payments for children in kinship care. Historically, kinship parents in Michigan average one-quarter the financial support for the children in their homes compared to children placed with foster parents. In order to receive even that level of support, kinship parents were encouraged to apply for public assistance and other services through DHS. It was only if a child was made legally-free that a kinship parent would begin receiving standard foster care payments. That left the majority (over 60 percent) of children in kinship placements without the support available to their peers in foster homes.

This commitment to financially support children in kinship care is significant because it provides much needed additional support to a vulnerable population. It also carries with it a significant cost, the full size of which is still being debated. To mitigate that cost and ensure the full burden did not fall on the State and counties alone but could be shared with the federal government, Michigan has focused on implementing licensure in a manner that comports with the requirements of the federal Title IV-E program to ensure that federal matching funds are available. The federal government requires licensing as a pre-requisite to paying a match for children who are Title IV-E eligible (and a higher proportion of relative children are Title IV-E eligible). Moreover, halfway through Period One, the federal government decided that in implementing the Fostering Connections to Success and Increasing Adoptions Act, which provided federal financial support for the first time for subsidized guardianships, it would require licensure for a period of at least six months as a pre-requisite for matching federal support.

Placement Stability in Illinois (Chapin Hall 2006); Courtney et al., *Youth Who Run Away from Out-of-Home Care* (Chapin Hall 2005); Cuddeback. *Kinship and Family Foster Care: A methodological substantive synthesis of research*. (Children and Youth Services Review, 2004).

B. IDENTIFYING THE RESOURCES TO SUPPORT LICENSURE

In Period One, DHS increased both the financial and staffing resources available to license foster and kinship homes.

Funding

For FY2008 and FY2009, the Legislature appropriated an additional \$375,000 to address home repairs and capital expenses associated with the initial licensure of a home or licensure renewal of an existing foster family home. Between April and September 2008, expenditures equaled \$58,473. As public and private agency staff grew more familiar with the resource and the processes to access it, expenditures increased to \$155,039 between October 2008 and April 2009. The most common expenses were: windows, beds, septic/well repair, home repairs, smoke alarms and carbon dioxide detectors.

Staffing

With regard to staffing, DHS has fulfilled its commitment to expand its central office capacity and establish and fill the position of Relative Licensing Coordinator and hire a statewide Foster Home Recruitment Director. There was turnover in both of these positions during Period One as staff hired into these roles were then deployed to other roles, but going into Period Two, both posts were filled – and the monitoring team will continue to report on these positions in future reports.

DHS also committed to hiring 40 full-time staff dedicated to the relative caregiver backlog cohort. The Settlement Agreement did not specify whether those were to be public or private agency staff. DHS opted to create a hybrid position to fulfill two important initiatives set forth in the Settlement Agreement—the relative licensing role, and the one focused on increasing the federal share for child welfare costs by hiring staff as Title IV-E specialists. Consequently, they hired more than 80 of these eligibility specialists utilizing a job description that included both the relative licensing support function and the funding eligibility function—and attributed 50 percent of the relative licensing role to those 80 staff in order to fulfill this commitment.

At the end of Period One, it was not clear whether this approach will achieve the goals the parties intended by embedding this additional resource in the Settlement Agreement. In practice, with regard to these eligibility specialists, local managers have staff juggle these two sets of responsibilities differently – and in interviewing some of these staff across the State, some report they spend a great deal of time screening new relative caregivers and doing the required background checks while others have been more consumed with the Title IV-E audit scheduled for Period Two. It remains to be seen if this hybrid approach will yield the results DHS anticipates, so the monitoring team will continue to assess this area in subsequent

periods, with a heavy emphasis on whether this role is helping DHS achieve the ultimate results – namely, a sharp uptick in the number of relative homes licensed.

In early caseload data provided from August 2008, the private agencies reported having 125 staff engaged full or part-time in licensing activities. By the end of Period One, that number had risen to 201. The private agencies report being creative in engaging existing staff in doing licensing activities outside of their regular roles and in hiring contractual staff to focus on licensing responsibilities. It is too early to tell if these additional investments on the part of the private agencies will result in substantial increases in the number of licensed homes – foster and kin – moving forward.

Training

In the Settlement Agreement, DHS agreed that effective October 24, 2008, all DHS and private provider staff responsible for relative licensing and for conducting home studies, licensing inspections, annual evaluations and other activities related to the licensing or monitoring of foster homes or residential care facilities would complete licensing training. This provision proved more challenging to execute than expected. As of the end of Period One, DHS still needed to develop both a reliable master list of all staff engaging in licensing activities as well as a tracking system to identify which of those staff were still in need of training. In the absence of certain knowledge about the size of the pool of staff that needed to be trained, DHS did not have the information they needed to analyze whether they had the capacity to train all the staff who needed to be trained. Data provided to the monitoring team suggests demand routinely exceeds capacity – and yet a few training slots go unfilled in every session. In all, DHS was not able to ensure that all staff providing licensing services were trained.

As the arm of DHS that issues licenses, historically BCAL has also assumed responsibility for training licensing supervisors and workers in the certification process, and they continued to do so throughout Period One. BCAL offers two trainings for licensing workers and supervisors: a three-day classroom training session on the certification process and a two-day classroom training on investigating complaints in foster homes. Both trainings are conducted by the same two experienced child welfare licensing consultants assigned to BCAL central office who also review all of the certification packets for new homes requesting licensure.

Certification training is offered ten out of twelve months of the year in Lansing, typically with a class size of 25. Participants are tested at the beginning and the end of each class and must achieve a score of 70 percent on the post-test in order to successfully complete the training. Complaint investigation training is offered every other month in Lansing for approximately 25 participants. A test is given at the beginning and end of each class and participants must achieve a score of 70 percent on the post-test in order to pass the class.

As illustrated in the table below, DHS licensing training data suggests that the demand for licensing training routinely exceeds the number of available training slots and yet some training slots go unfilled each month because confirmed participants are unable or fail to

attend. In all, DHS reported that 101 staff completed certification training, and 41 staff completed complaint investigation training during Period One.

LICENSING TRAINING			
Certification Training <i>(no training in Dec 08)</i>	Requested	Confirmed	Attended
October-08	47	25	21
November-08	42	26	21
January-09	36	27	17
February-09	42	26	21
March-09	37	24	21
Totals	204	128	101
Complaint Training <i>(no training in Oct-Nov 08, Jan 09, or Mar 09)</i>			
	Requested	Confirmed	Attended
December-08	40	28	20
February-09	41	29	21
Totals	81	57	41

Moving forward, there are gaps in communication and execution between BCAL, Human Resources, the foster care program office, the CWTI, the field offices and the private agencies that will need to be solved in order for DHS to meet the terms of this provision. The first challenge to be solved will be creating a reporting and/or tracking system to identify the staff who provide licensing services. Such a master list does not exist. After Period One ended, DHS provided the monitoring team with a list of 368 staff providing licensing services from both the public and private agencies – but that list still appears to be incomplete as the monitoring team identified an additional 104 staff performing licensing functions from the caseload data. Once a complete master list is assembled (and a process created for ensuring it is kept up to date), DHS will need a device to integrate that information with BCAL’s training database (which is kept separately from CWTI’s training database) in order to identify which staff have already been trained and which staff still need to be trained. The monitoring team checked some samples of identified licensing staff against the BCAL licensing training list and was able to determine from those samples that DHS had not trained all of the licensing staff but cannot report on the full extent of compliance with this provision because a tracking system does not yet exist. Finally, DHS will need to revisit the issue of licensing training capacity and compare the need against resources. The two existing BCAL staff have a challenging portfolio between the upsurge in licensing requests reported elsewhere in this report and their training responsibilities. The monitoring team would hope to see an increase in the numbers of licensing staff trained in future periods.

Developing an Integrated Family Home Assessment

As the State promised in the Settlement Agreement, DHS created an integrated Family Home Assessment (FHA) as a substitute for the previously separate forms utilized for foster homes and adoptive homes and so spare the delay of having foster parents go through a separate home assessment in the event they became adoptive parents. The new FHA was also intended to expand to include licensing of relatives. The new format brought some implementation challenges – it takes longer to complete and was not yet distributed electronically as of the end of Period One – but with time and familiarity, it should streamline the assessment process.

BCAL reported they had to engage in outreach in order to get corrections made or collect missing information with respect to 60 percent of the FHAs they reviewed in January 2009. Some of that back and forth resulted from the new format but some of it was the product of a change in BCAL's own review process. Although not a component of the Settlement Agreement, concurrent with its implementation, BCAL opted to change its licensing process and assigned two centralized staff in Lansing (the same two staff assigned to conduct licensing training) to read every FHA and the supporting documentation submitted for licensure. Previously, BCAL had relied on supervisory level approval at both the public and private agencies to certify the completion of each licensing packet. This additional level of centralized review at BCAL generated fresh inquiries about individual agency processes that had previously been unquestioned and contributed to further delays.

BCAL Staffing

BCAL leadership reported they were initially reluctant to add more staff to do reviews before they had some sense of what the volume was going to be. Prior to the new process, experienced licensing staff in the field reported a four to six week turnaround on licensing approvals. Initially, BCAL committed to the same timeframe with the implementation of their new process and, by bringing in extra staff from the field, were able to get through an initial backlog of packets timely. By the end of Period One, it was becoming increasingly clear that BCAL needed additional capacity in order to improve licensing processing timeframes. The monitoring team will assess this area during Period Two to see what adjustments are made.

C. REACHING OUT TO EXISTING RELATIVE CAREGIVERS

Initial implementation of kinship licensing started early in 2008 – but challenges arose. DHS staff were still struggling with high caseloads, and DHS leadership turned to the private sector to take on the responsibility of licensing relatives. Traditionally, because children in kinship care did not receive standard foster payments, their placement did not generate an administrative overhead rate for the private agencies – so virtually all of those homes and

children were supervised by the public agency. With no pre-existing relationship with these kinship foster parents and more limited experience with kinship care, it was difficult for most private agencies to engage those families. Relatives expressed some bewilderment about why they were now being required to be licensed – and had to be subject to probing questions and reviews by private agency staff who were strangers to them. Moreover, the private agencies reported struggling to make the economics of the licensing payment system work to cover their costs. Some figured it out – primarily through using part-time or contract staff; a few decided against continuing to participate.

DHS made a concentrated effort between March and September 2008 using State staff to reach out to a target group of relative families—identifying a group of more than 800 families where the child was not legally-free and was likely to remain in care for more than a few months—to inquire about the families’ openness to licensure. Staff reported back that the majority did not want licensure, and DHS went back to the drawing board to try to figure out if they were not messaging the benefits of licensure correctly or not marketing it well to their own staff or if there was some other barrier. Concluding that they had not expressed their determination to license relative homes clearly enough and worried about examples of unsafe relative homes that had been brought to their attention, they issued an L-Letter in October 2008 that required all relative homes be licensed and that children be moved from those homes if those homes could not be or refused to be licensed within the required timeframes.

The reaction was immediate. Concerned judges, advocates, and field staff thought this new L-Letter presaged a retreat from the State’s longstanding commitment to relative care. Judges also saw a handful of examples of families who were being told children long in their care would be removed if the families did not cooperate with licensure. The majority of staff in the field waited and held off on moving children, asking for clarification about the policy. Staff continued to place children coming into care with kin as subsequent analysis by DHS for children entering care in Period One showed that 52 percent were placed with kin, virtually unchanged from the rate of 54 percent during the same period the previous year.²⁰

DHS issued an updated L-Letter in March 2009 that pointed to a provision in the Settlement Agreement that allowed for a waiver from licensure for at least 10 percent of the relative home population. A waiver process had been developed – but knowledge about the waiver process had spread only slowly. After the issuance of the revised L-Letter and outreach by CSA leadership, word spread quickly that mandatory removal of children was not DHS’ policy, and managers and judges were able to reinforce that it was not necessary to remove children from safe relative homes because of licensing challenges.

While the 10 percent waiver threshold has now been well publicized, less understood is a broader provision in the Settlement Agreement which recognizes that there might be a need

²⁰ The monitoring team also asked DHS to analyze replacement data to determine if the new relative licensing policy was triggering an increase in children in relative placement being moved. That data was not yet available as of the writing of this report but will be required for Period Two.

for an even higher percentage of waivers. The 10 percent threshold resulted from concerns that the Settlement Agreement be interpreted consistently with the Indian Child Welfare Act (ICWA), and so not to mandate licensure in Native American communities unless those families and communities sought it. Besides ICWA, at the time of the Settlement Agreement, the parties recognized they lacked the data to know what percentage of all relative families might qualify for a waiver process. The compromise was to set a trigger at 10 percent – and if the percentage of waivers rose beyond that threshold, the monitoring team would have to review those additional waivers to ensure they were being granted consistent with the Settlement Agreement. At the end of Period One, the State was far below the 10 percent waiver threshold. Indeed, only one waiver had been sought and granted.

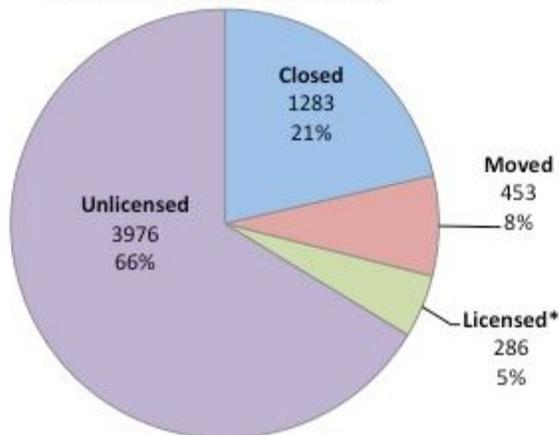
The Settlement Agreement requires that 50 percent of the pool of existing relative homes be reviewed for licensure by September 30, 2009. The Settlement Agreement did not set a numerical target for Period One so the data that follows is for informational purposes to describe DHS' performance with respect to the commitments that did become effective in Period One—largely building the necessary infrastructure to tackle the formidable work ahead.

DHS reported the backlog of unlicensed relative homes at the beginning of Period One as 4,023 homes housing 5,998 children residing in 78 (of the 83) counties. As the parties agreed, DHS did develop both a plan for licensure and a tracking system for this population. DHS can report on the demographics of both kin caregivers and the children in their care as well as progress made with respect to licensure. DHS is working towards identifying this information within their main SWSS database. One challenge DHS is attempting to resolve is that once a relative home is licensed it is coded generically as a licensed foster home in the database, making it difficult to differentiate it from non-relative licensed foster homes. That database challenge had not been resolved by the end of Period One and will be something the monitoring team continues to track in subsequent periods.

The Settlement Agreement contemplates three possible outcomes for the 4,023 relative homes: licensure, waiver, or replacement. The Settlement Agreement did not account for homes that would naturally cycle out as a result of exits from care, exits encouraged by the focus elsewhere in the Settlement Agreement on the permanency backlog cohorts. As illustrated in the chart below, largely through exits, 34 percent of the relative backlog cohort had resolved by the end of Period One, putting DHS on track to resolution of 50 percent by September 2009, the end of Period Two. At the county level, 67 of the 78 counties with children in the relative home backlog cohort were on track to meet or exceed the 50 percent mark by September 30, 2009, including all of the largest 14 counties.

Relative Home Backlog Cohort

34% of all homes resolved in Period One
Target = 50% resolved by 9/30/09
Total = 4023 homes or 5998 children



**There were an additional 43 children whose homes had been licensed but they subsequently had their cases closed or they moved (they are included in the move/closure statistics.)*

Focus groups with foster parents and interviews with a wide variety of stakeholders suggest why a limited number of existing relative homes were licensed in Period One. They report that the pool of existing relatives did not expect to be licensed, had been caring for their children without licensure, and so were not prepared for the implementation of a new process mid-stream. Many expected the children in their care to be reunified imminently and so did not see the point of having medical exams and interviews and engaging in the range of other activities required for licensure. After all, the perception is if the children were really going home soon, any financial benefit as a result of licensure would likely be minimal as compared to the burden of the process. The data above supports that expectation for many families.

Additionally, there was the group of homes where the relative family already received equal financial benefit—because the children in their care are legally-free—and they saw no incentive to pursue licensure. The data also supports this observation. At the end of Period One, 1,605 or 40 percent of the remaining 3,976 children in unlicensed homes were legally-free.

It is possible that many of the homes in either of these groups would qualify for waivers – but the waiver process was implemented in March 2009 – so it remains to be seen whether large numbers of families will receive waivers over the course of Period Two.

While the circumstances of the kinship caregivers or the children in their homes provide one source of explanations for why so few of these relative homes became licensed, the other set of reasons given for the relatively small number of licenses relate to DHS infrastructure and capacity building. There were relatively few licensing staff in place at the start of Period One and those who were in place were already overwhelmed with other responsibilities. The public agency offices at the county level were encouraged to utilize the private sector as much

as possible to support the licensing of these backlog cohort homes – but had mixed results with this outreach.

The private agencies agreed to assume responsibility for 1,018 children, or 17 percent of the entire cohort. There is some debate about whether more could or should have been referred, but private agency licensing staff who were interviewed reported they took as many as they could as fast as they could given the capacity they either had or could develop quickly. In all, DHS reports that 48 private agencies participated in the effort to license this existing pool of relative homes but only about half of those agencies, 23 or 48 percent, handled 10 or more homes. Twenty-nine of these agencies succeeded in getting one or more of these homes licensed during Period One; so 19 agencies licensed none. Those that were successful had a much higher rate of licensure than was achieved by the public agency, licensing homes for 48 percent or 161 children of the total 334.²¹ DHS reports that the most successful agency during Period One achieved licensing for relative homes providing care to 19 children.

Given this data, it is evident that the public agency retained responsibility for licensing the overwhelming majority (almost 5,000 children or 83 percent) of these existing relative homes. More will be covered in the Period Two report when DHS' responsibility for achieving the numerical target of 50 percent reviewed comes due – and investments in licensing infrastructure, development of additional data capacity, and the further dissemination of policy in this area bears fruit.

D. SUPPORTING NEW KIN PLACEMENTS

In addition to licensing the backlog of existing relative homes, the public and private agencies also were expected to license new relative placements for children entering care in October 2008. During Period One, virtually the same percentage of children were placed with relatives as during the same six month period the year prior, continuing DHS' historic commitment to kinship placement. In all, the State placed 1,343 children in 856 relative homes between October 2008 and March 2009. By the end of Period One, 47 of those children were no longer in placement (three percent) and another 168 had been moved to a new placement (13 percent).

Michigan agreed to an ambitious 90-day timeframe for licensing from time of entry through issuance of the license. Given that timeframe, results for children newly entering foster care from January through March 2009 will be reported in Period Two. For the 685 children who newly entered foster care between October and December 2008, five percent or 32 of their relatives' homes had been licensed by the end of Period One. For children who newly entered foster care in October 2008, the rate increases to 13 percent, which stands to reason as those homes had more time to become licensed during Period One. For these new relative placements, DHS worked to shape caregivers' expectations from the beginning of the

²¹ There are some indications that the homes referred to the private agencies could be more readily licensed.

placement to understand that licensure was now a normal part of agreeing to assume responsibility for their relative child. The CSA central office encouraged local leadership to equip child protective service workers with licensing checklists and asked them to brief new relative foster parents on the licensure process. DHS asked managers to deploy the newly hired Title IV-E funding specialist staff to engage in immediate screening of those new relative placements and do criminal and child registry background checks. Most counties set up a referral process to try to quickly identify a private agency to begin the licensing process.

Interviews with local public and private staff indicate that implementation of these new practices was uneven. Some reported that CPS staff were routinely informing new relative caregivers of the licensing requirements and Title IV-E staff were successfully screening. Others reported that previous practice lingered, leaving some new relative placements not as fully screened as leadership had hoped and subsequent background checks and physical inspections surfaced issues that would surely be barriers to that home being licensed.

DHS reports they referred virtually all of these new cases to private agencies. Each county child welfare office was responsible for reporting to the CSA central office those referrals and any outcomes to be entered into the master tracking system. The private agencies continued to assert through the end of Period One that DHS' data needed updating and their efforts were being under-reported – and it does appear there were some glitches that need to be worked out but the quality of the data did improve over Period One. The tracking system itself was not yet ready for automation during Period One, which made data entry and analysis onerous – but DHS planned to move to a more automated system as they grew both their central office foster home licensing capacity and their data unit.

E. NEXT STEPS FOR LICENSURE

Coordinating Licensing Efforts

As is the case in most areas of child welfare practice in Michigan, every county and private agency operates independently when it comes to recruitment, licensing, and retention of foster homes – with elements of competition and tension among them. With very rare exception, each agency (public or private) does its own recruitment campaigns, offers its own orientation sessions, does its own foster parent training, engages in its own certification activities, investigates complaints regarding its own providers, and then is responsible for supporting its own foster parents. There are undoubtedly virtues to this individualized approach. Some agencies may be better at recruiting some types of families and the differences in culture among agencies allow a diversity of potential experiences for prospective families. Nonetheless, given the collective challenge of licensing thousands of kinship homes and the slow start in that arena; the Settlement Agreement's express commitment to a new approach for investigating maltreatment in care; and the existing financial crisis which demands leveraging each dollar for maximum benefit – it may prove

beneficial for DHS to revisit this approach and look for more opportunities to provide recruitment activities, training and support services across local offices and private agencies.

On balance, with regard to Period One, DHS does appear to have increased its capacity to license homes – both relative and foster homes – in both the public and private sectors and so fulfilled its initial commitment. Many of these staff were only beginning to get trained and to learn how to do this work as the period ended. For Period Two, the monitoring team expects staff to be trained, the additional capacity be harnessed to achieve better results, and some creative analysis and implementation of new approaches to licensing by central office to encourage improved results in both the public local offices and private agencies. The monitoring team will continue to assess DHS' capacity to license and, most importantly, the results of those investments in the coming periods.

APPENDIX A

Number of Children in Permanency Backlog Cohorts (9/28/08)						
COUNTY	Reunification	Legally Free		COUNTY	Reunification	Legally Free
ALCONA	4	1		LAKE	5	10
ALGER	3	0		LAPEER	10	3
ALLEGAN	36	15		LEELANAU	7	9
ALPENA	16	7		LENAWEE	35	32
ANTRIM	20	13		LIVINGSTON	13	15
ARENAC	10	3		LUCE	1	5
BARAGA	0	2		MACKINAC	2	1
BARRY	6	1		MACOMB	270	283
BAY	17	33		MANISTEE	6	2
BENZIE	5	0		MARQUETTE	16	18
BERRIEN	96	86		MASON	10	5
BRANCH	20	16		MECOSTA	14	13
CALHOUN	89	72		MENOMINEE	11	3
CASS	19	16		MIDLAND	14	37
CHARLEVOIX	27	0		MISSAUKEE	1	1
CHEBOYGAN	21	9		MONROE	26	43
CHIPPEWA	10	3		MONTCALM	9	8
CLARE	2	8		MONTMORENCY	0	1
CLINTON	55	38		MUSKEGON	80	83
CRAWFORD	28	7		NEWAYGO	11	13
DELTA	1	12		OAKLAND	527	295
DICKINSON	13	10		OCEANA	8	0
EATON	27	12		OGEMAW	4	7
EMMET	7	5		ONTONAGON	1	2
GENESEE	361	418		OSCEOLA	4	3
GLADWIN	0	2		OSCODA	1	0
GOGEBIC	21	4		OTSEGO	12	8
GRAND TRAVERSE	20	12		OTTAWA	31	26
GRATIOT	7	17		PRESQUE ISLE	5	1
HILLSDALE	35	13		ROSCOMMON	5	9
HOUGHTON	2	2		SAGINAW	58	144
HURON	13	7		ST CLAIR	85	60
INGHAM	117	173		ST JOSEPH	53	46
IONIA	10	21		SANILAC	7	18
IOSCO	6	11		SCHOOLCRAFT	0	1
IRON	2	3		SHIAWASSEE	63	21
ISABELLA	15	17		TUSCOLA	18	22
JACKSON	89	86		VAN BUREN	28	19
KALAMAZOO	43	115		WASHTENAW	27	79
KALKASKA	8	8		WAYNE	2009	1493
KENT	277	138		WEXFORD	3	5
KEWEENAW	4	0		TOTAL	5052	4260

APPENDIX B

Foster Care & Adoption Caseloads

(*reports needing 1 staff person for uncovered caseload)

DHS Caseloads	Foster Care Direct					Adoption Direct		
	Apr-09	#	1 to 25 Children	1 to 30 Children		#	Std	1 to 25
Alcona-Iosco	3	3	100%	3	100%	0	NA	NA
Alger	1	1	100%	1	100%	0	NA	NA
Allegan*	7	7	100%	7	100%	1	1	100%
Alpena-Presque I	4	2	50%	3	75%	0	NA	NA
Antrim	3	3	100%	3	100%	0	NA	NA
Arenac	3	2	67%	2	67%	0	NA	NA
Baraga H K	5	5	100%	5	100%	0	NA	NA
Barry	3	3	100%	3	100%	1	1	100%
Bay	6	6	100%	6	100%	2	1	50%
Benzie-Manistee	1	1	100%	1	100%	0	NA	NA
Berrien	18	12	67%	13	72%	2	0	0%
Branch	5	5	100%	5	100%	0	NA	NA
Calhoun	15	15	100%	15	100%	2	0	0%
Cass	4	0	0%	3	75%	0	NA	NA
Char-Em	4	3	75%	3	75%	0	NA	NA
Cheboygan-Mac	4	1	25%	2	50%	0	NA	NA
Clare	2	2	100%	2	100%	0	NA	NA
Clinton	7	6	86%	6	86%	1	0	0%
Crawford	4	4	100%	4	100%	0	NA	NA
Delta	2	2	100%	2	100%	0	NA	NA
Dickinson	6	5	83%	6	100%	0	NA	NA
Eaton*	4	2	50%	4	100%	0	NA	NA
Genesee	52	45	87%	49	94%	9	4	44%
Gladwin	1	1	100%	1	100%	0	NA	NA
Gogebic	3	1	33%	1	33%	0	NA	NA
Gd Trv-Llnw*	5	5	100%	5	100%	2	0	0%
Gratiot	3	3	100%	3	100%	0	NA	NA
Hillsdale	5	5	100%	5	100%	1	0	0%
Huron	1	1	100%	1	100%	0	NA	NA
Ingham	20	11	55%	19	95%	1	0	0%
Ionia	3	1	33%	2	67%	0	NA	NA
Iron	1	0	0%	0	0%	0	NA	NA
Isabella	7	7	100%	7	100%	0	NA	NA
Jackson	8	7	88%	8	100%	2	2	100%
Kalamazoo	16	12	75%	16	100%	1	1	100%
Kalkaska	3	3	100%	3	100%	0	NA	NA
Kent	11	9	82%	9	82%	1	1	100%
Lake	2	1	50%	1	50%	0	NA	NA
Lapeer	2	2	100%	2	100%	0	NA	NA

DHS Caseloads	Foster Care Direct					Adoption Direct		
	Apr-09	#	1 to 25 Children		1 to 30 Children		#	Std
Lenawee	8	7	88%	8	100%	0	NA	NA
Livingston	5	3	60%	4	80%	0	NA	NA
Luce	1	1	100%	1	100%	0	NA	NA
Macomb	61	58	95%	61	100%	4	3	75%
Marquette	3	3	100%	3	100%	0	NA	NA
Mason	2	1	50%	2	100%	0	NA	NA
Mecosta-Osc	7	7	100%	7	100%	1	0	0%
Menominee	1	1	100%	1	100%	0	NA	NA
Midland	7	4	57%	4	57%	2	0	0%
Monroe	9	9	100%	9	100%	1	1	100%
Montcalm	2	1	50%	1	50%	1	0	0%
Mont-Osc	1	1	100%	1	100%	0	NA	NA
Muskegon	12	10	83%	12	100%	1	0	0%
Newaygo	4	4	100%	4	100%	0	NA	NA
Oakland	60	59	98%	59	98%	5	5	100%
Oceana	1	1	100%	1	100%	0	NA	NA
Ogemaw	3	3	100%	3	100%	0	NA	NA
Ontonogan	1	1	100%	1	100%	0	NA	NA
Otsego	3	3	100%	3	100%	0	NA	NA
Ottawa	6	6	100%	6	100%	1	1	100%
Roscommon	2	2	100%	2	100%	0	NA	NA
Saginaw	22	22	100%	22	100%	6	5	83%
Sanilac	4	4	100%	4	100%	0	NA	NA
Shiawassee	6	6	100%	6	100%	0	NA	NA
St. Clair	13	4	31%	13	100%	1	0	0%
St. Joe's	10	8	80%	9	90%	2	1	50%
Tuscola	6	6	100%	6	100%	1	1	100%
Van Buren	5	3	60%	4	80%	1	0	0%
Washtenaw	11	10	91%	10	91%	1	1	100%
Wayne - Ctrl Ops	4	4	100%	4	100%	6	6	100%
Wayne - N Ctrl	96	95	99%	96	100%	0	NA	NA
Wayne- WW	68	57	84%	64	94%	0	NA	NA
Wayne - SC	59	47	80%	57	97%	0	NA	NA
Wex-Miss	4	4	100%	4	100%	0	NA	NA
TOTAL	761	659	87%	723	95%	60	35	58%

Private Agency Caseload Reporting	Foster Care 1 staff person has a caseload of 25 or 30 children					Adoption 1 staff has a caseload of 25 children		
	April-09	Staff	# 1:30	% 1:30	# 1:25	% 1:25	Staff	# 1:25
Adoption Option Inc.	1	1	100%	1	100%	4	4	100%
Adoption Options Worldwide, Inc.	NA	NA	NA	NA	NA	4	4	100%
Adoption Specialists	NA	NA	NA	NA	NA	3	3	100%
Alternatives for Children and Families, Inc.	11	11	100%	11	100%	6	5	83%
Bethany Christian Services	36	36	100%	34	94%	15	11	73%
Black Family Development	1	1	100%	1	100%	NA		
Catholic Charities Lenawee County	1	1	100%	0	0%	2	2	NA
Catholic Charities Genesee & Shiawasee Counties/CSS of Flint	3	3	100%	3	100%	4	3	75%
Catholic Charities of UP/Catholic SS of Marquette	NA	NA	NA	NA	NA	NA	NA	NA
Catholic Charities West Michigan/CSS of Grand Rapids	20	19	95%	19	95%	11	8	73%
Catholic Family Services - Saginaw	NA	NA	NA	NA	NA	2	2	100%
Catholic Social Services Oakland/St. Francis Family Center	7	7	100%	6	86%	6	6	100%
Catholic Social Services Washtenaw County	NA	NA	NA	NA	NA	1	1	100%
Catholic Social Services Wayne County	9	9	100%	9	100%	3	3	100%
Child and Family Services Capital Area	7	7	100%	7	100%	4	4	100%
Child and Family Services NE Michigan	1	1	100%	1	100%	5	5	100%
Child and Family Services NW Michigan	16	16	100%	16	100%	7	7	100%
Child and Family Services SW Michigan	2	2	100%	2	100%	NA	NA	NA
Child and Family Services Upper Peninsula	3	2	67%	2	67%	3	2	67%
Childhelp	4	4	100%	4	100%	NA		
Children's Center of Wayne County	14	14	100%	14	100%	7	7	100%
DA Blodgett for Children	30	30	100%	28	93%	10	10	100%
Don Bosco Hall	3	3	100%	3	100%	NA	NA	NA
Eagle Village, Inc.	2	2	100%	2	100%	3	3	100%
Ennis Center for Children	21	21	100%	21	100%	9	6	67%
Evergreen Children's Services	6	6	100%	6	100%	4	4	100%
Family and Childrens Services	6	6	100%	5	83%	3	3	100%
Family Adoption Consultants	NA					4	4	100%

Private Agency Caseload Reporting	Foster Care 1 staff person has a caseload of 25 or 30 children					Adoption 1 staff has a caseload of 25 children		
	April-09	Staff	# 1:30	% 1:30	# 1:25	% 1:25	Staff	# 1:25
Family Counseling/Children's Services Lenawee County	4	4	100%	4	100%	3	3	100%
Family Service and Children's Aid of Jackson	3	3	100%	3	100%	2	2	100%
Federation of Youth Services	4	4	100%	4	100%	NA	NA	NA
Forever Families, Inc.	NA	NA	NA	NA	NA	2	2	100%
Girlstown Foundation	5	5	100%	5	100%	NA	NA	NA
Hands Across the Water	1	1	100%	1	100%	4	4	100%
Holy Cross Children's Services	20	20	100%	20	100%	NA	NA	NA
Homes for Black Children	5	5	100%	5	100%	3	3	100%
Judson Center	12	12	100%	12	100%	4	4	100%
Listening Ear/Crisis Center	4	4	100%	4	100%	NA	NA	NA
Lutheran Adoption Services	NA	NA	NA	NA	NA	18	14	78%
Lutheran Child/Family Service of MI	24	22	92%	22	92%	NA	NA	NA
Lutheran Social Services of Michigan	45	45	100%	45	100%	NA	NA	NA
Lutheran SS of Wisconsin & UP	1	0	0%	0	0%	1	0	0%
Methodist Children's Home Society	4	4	100%	4	100%	3	3	100%
MI Indian Child Welfare Agency	NP	NP	NP	NP	NP	NA	NA	NA
New Light Child and Family Institute	2	2	100%	1	100%	NA	NA	NA
Oakland Family Services	6	6	100%	6	75%	5	5	100%
Orchards Children's Services	20	20	100%	20	100%	9	9	100%
Pathways MI	4	4	100%	4	100%	1	1	100%
Sault Tribe of Binogii Placing Agency	5	5	100%	5	100%	4	4	100%
Spaulding for Children	7	7	100%	6	86%	2	1	50%
Spectrum Child and Family Services	8	8	100%	7	88%	5	4	80%
St. Vincent Catholic Charities	5	5	100%	5	100%	6	6	100%
Starfish Family Services	2	2	100%	2	100%	NA	NA	NA
Starr Commonwealth	11	10	91%	8	73%	NA	NA	NA
Teaching Family Homes	2	2	100%	2	100%	NA	NA	NA
Vista Maria	7	7	100%	7	100%	NA	NA	NA
Wayne Center	2	2	100%	2	100%	NA	NA	NA
Wedgewood CS	4	4	100%	4	100%	NA	NA	NA
Wolverine Human Services	8	8	100%	8	100%	NA	NA	NA
Youth Guidance Foster Care	2	2	100%	2	100%	1	1	100%
TOTAL	431	425	99%	413	96%	193	173	90%

NA=Not applicable (does not provide this service); NP= Data not provided

**APPENDIX C
CASELOAD METHODOLOGY**

Section VI.E of the Settlement Agreement describes the parties’ goal of “right sizing” caseloads for the public and private agency staff who provide services to the children and families in Michigan’s child welfare system and the supervisors who directly oversee those staff. While it is a relatively simple concept – each staff person should be assigned the optimal number of cases to make it possible to do good work – translating that to the real world in which there are a wide variety of different types of cases as well as a wide variety of work situations is more complicated. This appendix is designed to lay out in detail the methodology for how caseloads are counted and compliance assessed.

The agreement addresses seven categories of child welfare work:

- Child protective services investigations (applies only to public staff)
- Child protective services ongoing (public only)
- Foster care direct services (public and private)
- Adoption direct services (public and private)
- Foster care and adoption purchase of service monitors (public only)
- Licensing (public and private)
- Supervisors (public and private)

The discussion here focuses on six of the seven types of work with discussion of supervisors deferred to the future as the first supervisor caseload target date is January 2010. Although only two of these roles – foster care and adoption direct – are reportable in Period One, this discussion also covers the four other types of work because of the common practice in Michigan of mixing different types of work on the same person’s caseload.

In negotiating the Settlement Agreement, the parties decided on a final target – the maximum size caseload a staff person would carry if that person did only that type of work full-time. They also established interim standards for each category with interim deadlines in recognition that it will take time to reach the final goal for each caseload type. The agreement phases in caseload compliance between October 2009 and January 2012.

Type of Work	First Measurement		Target	
Foster Care Direct	Oct-2009	95% of staff have no more than 30 children each while 60% have no more than children each	Oct-2011	95% of staff will have no more than 15 children each
Adoption Direct	Feb-2009	60% of staff have no more than 25 children each	Oct-2011	95% of staff have no more than 15 children each
CPS Investigations	Apr-2009	60% of staff have no more than 16 investigations each	Oct-2011	95% of staff have no more than 12 investigations each

Type of Work	First Measurement		Target	
CPS Ongoing	Apr-2009	95% of staff have no more than 30 families each	Oct-2011	95% of staff have no more than 17 families each
POS	Oct-2009	60% of staff have no more than 55 children to monitor	Oct-2011	95% of staff have no more than 45 children to monitor
Licensing	Oct-2009	60% of staff will have a workload that will be defined in the future	Oct-2011	95% of staff will have a workload that will be defined in the future
Supervisors (CPS/FC/A)	Jan-2010	50% of supervisors will oversee no more than five caseworkers	Jan-2012	95% of supervisors will oversee no more than five caseworkers

Once a target is achieved, the Settlement Agreement expects the target standards will be maintained from that date forward.

In Michigan, some workers do only one type of work – for example, they are full-time child protective services investigators or full-time licensing staff. But many staff are charged with more than one kind of work. For example, some staff split their time between providing foster care direct services and licensing. A public agency staff person could provide both adoption direct services and adoption purchase of service monitoring.

Some staff work part-time doing one of these seven types of tasks but then spend the rest of their time doing other unrelated work. For example, the Title IVE eligibility specialists spend half their time doing licensing work and half their time doing funding eligibility work. A private agency staff member could spend part of their time providing preventive services and the rest of their time providing foster care services. A small number of staff in the public system, especially in the more rural counties, spend part of their time doing child welfare work and part of their time doing adult services work.

Some staff do not work full-time at all – they might work part-time as employees or as contract staff hired to do only a particular task. As a result, the caseload methodology has to take the number of hours they work into account. Finally, if a staff person does any one of the seven tasks listed above, they are included in the caseload analysis.

If a worker does only one kind of child welfare work full-time, it is relatively simple to determine when that worker has a full caseload. But in any of the other situations described above, it gets a more complicated to determine whether or not that person has a caseload that meets the terms of the Settlement Agreement. Therefore, the monitoring team met with DHS leadership several times between October 2008 and March 2009 to review the existing caseload data and to establish a preliminary set of rules for caseload counting. Once those rules were drafted, they were shared with plaintiffs for their review and they concurred.

Although what follows describes the basic methodology for counting caseloads that will be utilized for all reporting periods, some elements of the methodology will continue to evolve as more data becomes available and more of the caseload interim targets become due. Any adjustments that need to be made to the methodology will be reported in future periods.

Defining Each Caseload Type

The first step in the process of establishing a methodology for counting caseloads is to achieve agreement on the definition for each individual type of work.

Child Protective Services Investigations

Child protective services (CPS) investigators are assigned to investigate allegations of abuse or neglect. In Michigan, CPS investigations are conducted by the public sector. The CPS process usually begins with a call from the public or any mandated reporter (teacher, doctor, nurse, social worker, etc.) concerned about the safety of a child. The procedure for screening these calls alleging abuse or neglect varies somewhat in Michigan from county to county. In most counties, there are staff who do not carry a caseload but answer the phone and screen calls and write up the initial referral. These staff are not included in the caseload counts precisely because they are protected from carrying a caseload. The staff who receive the referrals from the screening staff and proceed to investigate are included. The agreement defines a full-time CPS investigative caseload at an interim standard of 16 cases with an ultimate target of 12. With regard to CPS, a case is defined as a family. So whether a family involved in an investigation has one child or five children, either size family would count as one case. But if a report involves children from two or more families, the report generates two or more cases.

Once an investigation is conducted, a decision is made about whether the allegation of abuse or neglect can be substantiated, meaning there was a preponderance of evidence that a child or children were the victims of maltreatment. As a part of every investigation, the worker utilizes a mandatory safety and risk assessment tool. If the finding is that the allegation cannot be substantiated and the risk assessment instrument does not indicate future risk of harm, then the investigation is closed. An investigation case can also be closed after confirmation that the alleged abuse or neglect occurred, if the investigator determines that although the maltreatment occurred, the level of risk is low (based on the risk assessment tool), and the family is not in need of services. Before a case is closed, it is reviewed by a supervisor who must approve the investigation and findings.

However, if the family needs services in order to ensure the children are safe, a case is opened. It can be opened as a CPS ongoing case if the children remain in the home and the family receives services and supervision in the community. It can be opened as a foster care case if the determination is made that the only way to keep the children safe is to remove them from their home. The third possibility is that a case can be opened if the judge opts to leave a child or children in the home, but is sufficiently concerned about safety to make that child or children wards of the state. In the case of in-home state wards, DHS may decide either

to make that child the responsibility of a CPS ongoing worker or a foster care worker, depending on that child's circumstances (if the child has siblings in placement, the case almost always moves to foster care) and local practice. If the child is placed, DHS policy requires referral to a foster care worker, but there can be a period of dual case management while any remaining investigative issues are resolved and pending the court finding. DHS policy encourages quick resolution of the investigation and limits the period for dual case management except under narrowly defined circumstances.

CPS Ongoing Cases

CPS ongoing cases, handled by the public sector, are cases where there has been a determination by the investigator that the family needs services in order to maintain the child(ren) safely at home. The private sector may provide contracted services to the child or family but case management remains with the state. The interim caseload standard for these in-home cases defines a full caseload as 30 with a final target of 17. A case is defined as a family, as with CPS investigations.

The agreement assumes that some Michigan staff handle only this type of case. While there are a few instances in which a staff person focuses only on CPS ongoing cases, it is more typical in Michigan that some CPS investigators handle a mixed caseload of both investigations and ongoing in-home cases. This combination constitutes a "mixed" caseload for purposes of the agreement and so requires a different caseload counting methodology, which is discussed below in the section on mixed caseloads.

Foster Care

Foster care responsibilities are divided between the public and private sectors in Michigan. For the purposes of caseload counting, it is irrelevant whether the case is with the public or private sector – the standard is the same. A case for foster care purposes is a child under court supervision. Most children under court supervision are in placement but some children may be in their own homes either because, as described above, a judge may opt to place a child in the custody of the state, or a child may be returned home from placement but is court ordered to remain under supervision for a period of time. In all three circumstances, the child is almost always considered as part of a "foster care" caseload (except in those instances where a child is placed on a CPS on-going caseload).

One specialized sub-population of foster care is youth placed in Supervised Independent Living (SIL). If the young person has an open case with DHS, the foster care caseload standard applies to the staff person providing case management services to that youth.²²

²² In some SIL placements, case management is provided by staff on-site. Other SIL placements follow the institutional placement model and case management is with a foster care caseworker who is not on-site and may or may not work for the same agency.

For the purposes of counting foster care caseloads, every child is considered a case. The initial interim standard for foster care caseloads is a two prong standard, limiting almost all (95%) staff to no more than 30 children, with a significant subset (60%) limited to 25. The final target for a full-time FC worker is 15, in keeping with the Child Welfare League of America (CWLA) standards.

Adoption

As with foster care caseloads, a “case” in adoption is a child and the standard for both the public and private sectors is the same. The interim standard began at 25 children in February 2009 and then scales down until it reaches the target of 15 children per full-time staff person. Pursuant to the Settlement Agreement, a child must be assigned an adoption worker within 14 days of the date the child’s goal changed to adoption.

For the purposes of caseload counting, a child can be counted twice, as both a foster care and adoption case, because in Michigan the foster care worker retains responsibility for visitation and services while the adoption worker is responsible for all the specialized adoption tasks. A child becomes the sole responsibility of the adoption worker only at the very last stage of the pre-adoption process, when the court formally recognizes a child’s placement as the projected adoptive family, after which, if all goes well, the adoption is finalized within three to six months. But essentially most of the adoption work occurs prior to this point, which is why the caseload count for adoption work begins from the point of assignment.

Purchase of Services Monitors

The purchase of service (POS) monitoring role is an outgrowth of Michigan’s partnership with the private sector. Even as case responsibility is contracted out to the private sector, the state retains legal responsibility for the child – and exercises part of that responsibility by assigning a POS worker to provide oversight and support. The role of a POS worker has evolved in different ways in different counties. In some counties, the courts require POS workers appear at every court proceeding while in other counties, the private sector is permitted to assume full court responsibility. POS workers review service plans, check on permanency progress, visit the child every three months, and enter all of the required SWSS information into the state database for all the children managed in the private sector. These data entry responsibilities constitute a substantial part of their workload.

Because full-time POS staff do not have direct case management responsibility, the caseload standard is higher, beginning at 55 children (a case is a child) and then scaling down to 45 children. In Michigan, it is possible that the same child could be counted on the caseload of a POS worker, a foster care worker and an adoption worker if responsibility for foster care or adoption (or both) rests with the private sector – and so that one child counts as three cases for the purposes of caseload counting.

While the standard in the agreement addresses the caseload of a full-time POS worker, in the field, there are relatively few full-time POS staff. Instead, the POS responsibility is often shared among staff with direct foster care, adoption or other responsibilities. Consequently, most POS caseloads fall into the category of mixed caseloads described below.

Licensing

The section on caseload standards for licensing does not define what constitutes a case for a licensing staff member. The training section of the agreement refers to the very wide range of responsibilities that licensing staff can have (Section VI.C). They engage in recruitment; answer inquiry calls; assess prospective foster families, inspect their homes and do all of the other work necessary to complete the full application to certify that a family should be licensed and forward that application packet to BCAL. They provide training to prospective foster parents and in-service training to licensed foster parents; investigate complaints that are lodged against existing foster homes; and provide support to existing foster parents. In Michigan, this licensing work is done by both public and private sector staff – and the caseload standard is the same.

Before settling on a methodology for counting licensing caseloads, DHS leadership are first going to conduct a workload analysis to collect information on the range of responsibilities associated with licensing work. DHS will collect this information over the course of Period Two and then meet with the monitoring team to propose a methodology for counting licensing caseloads. After sharing the findings of that process with plaintiffs and receiving their feedback, the monitoring team will then finalize a methodology for counting licensing caseloads. The goal is to reach agreement on a licensing caseload counting methodology by September 2009 prior to the October 2009 target date for the initial licensing caseload count.

Mixed Caseloads

In the agreement, each type of caseload responsibility is dealt with individually, with a provision at the end of the caseload section providing a process to reach agreement for addressing the issue of mixed caseloads. The language in this section suggests the issue could be resolved in a single time period. However, the monitoring team's review of the early caseload data and visits to the field suggest that the process for counting mixed caseloads and setting targets should evolve with the development of Michigan's reform.

To begin, there could be two broad types of mixed caseloads. The first type of mixed caseload would involve staff engaged in providing child welfare services only part-time who spend the rest of their time on other non-child welfare duties, such as adult services or cash assistance services. Even prior to signing the Agreement, DHS leadership report that they had begun to phase out this type of mixed caseload – and the directive to the field now requires keeping child welfare and non-child welfare responsibilities separated by staff, and private sector contracts require staff be devoted solely to child welfare services. A review of the April 2009 caseload data suggests that while there is occasional co-mingling of adult and child welfare

work responsibilities, it is rare. Consequently, the monitoring team's task with respect to this issue is simply to verify that this directive is being followed in practice, which the team will do as part of its ongoing monitoring responsibilities.

The second type of mixed caseload involves staff assigned more than one type of child welfare responsibility. The monitoring team's review of the caseload data confirms that mixed child welfare caseloads in the public sector are very common. Over the course of Period One, management encouraged some specialization by type of work – in particular, separating child protective services work (investigations and ongoing) from foster care, adoption, licensing, and POS work. As a result, the monitoring team saw less mixed caseloads across those two broad categories over the course of Period One but mixed caseloads within each of those categories remains quite common. With regard to the private sector, less data was available during Period One but the data available revealed that there was some mixing of types of child welfare work – foster care and licensing, for example.

Also common in the private sector – but rare in the public sector – are part-time and contract staff. For these staff, the limits of their caseloads are determined by the amount of time they work. If they work half time then they are capped at 50% of a full caseload for a full-time worker. Given the wide variation of work situations, each part-time or contract staff person is calibrated against what is called a full-time equivalent (FTE—a common human resources term). A person who is full-time has an FTE of 1.0 and then anyone who works less than full-time becomes a fraction of 1.0. So if the staff person works half-time, they work 0.5 FTE; one day per week, 0.2 FTE; four days a week, 0.8; and so on. FTEs play a critical role in determining caseload compliance as described below.

Both sectors have staff who are responsible part-time for one or more of the seven types of work identified in the Settlement Agreement and who also spend the rest of their time doing another form of children's services work – juvenile justice, guardianship reviews (non-custodial), funding eligibility, immigration, or preventive services, to name a few examples. For purposes of the Settlement Agreement caseload standards, these staff are treated as if they were part-time. They are assigned an FTE for the relevant portion of their children's services work. So, for example, a Title IVE eligibility specialist who is assigned 50% of their time to do eligibility work and 50% of their time to licensing work is a 0.5 FTE for the purposes of determining caseload compliance.

In addition to determining an FTE for each worker, each type of case – CPS investigations or ongoing, foster care or adoption direct, POS or licensing – is assigned a "weight." Like 1.0 is an FTE, a full caseload of one type of case would also be 1.0. But because each type of case is different, the weight for each type of case is different – and the weights change over time because the definition of a full caseload changes over time. So, for example, a full caseload for foster care is 30 children at the start of the Agreement but then it drops to 25, 22, and so on, down to 15. For the purposes of measuring compliance with the first standard of 30 children, each foster care case is assigned a weight of 0.03 (1 divided by 30) but at the final target, each foster case will be assigned a weight of 0.067 (1 divided by 15). Adoption cases start at 25

children, so each adoption case is assigned a weight of 0.04 (1 divided by 25.) POS cases are assigned a weight of 0.018 (1 divided by 55) and licensing cases (which still need to be defined) will be assigned a weight of 0.028 (1 divided by 36). A full caseload adds up to 1.0 weight total.

So to count a caseload, you have to start first with the worker and assess that worker's FTE. Then you have to count all of the relevant cases on that worker's caseload by weight. The weight has to be equal to or less than the worker's FTE to be in compliance. So, for example, a full-time foster care worker (who does nothing else) has 25 cases. That person has a 1.0 FTE and a 1.0 weight – so that person meets the caseload standard. But if that person works half-time, she has a 0.5 FTE and if she has 25 cases, she has a weight of 1.0 – and because her weight is larger than her FTE, she is out of compliance. On the other hand, if she works half-time (0.5 FTE) and she has a caseload of 12 cases ($0.04 \times 12 = 0.48$), her weight of 0.48 is less than her 0.5 FTE and so she is in compliance.

To summarize:

- 1) FTE: determine how much time that person works doing one of the child welfare services listed in the agreement. If they are full-time, they have an FTE of 1.0 and if they are part-time, contract, or spend only part of their time on one of those services, they have an FTE that is less and is determined by what portion of their time is spent doing the relevant child welfare services work.
- 2) Weight: multiply each type of case on their caseload by the right weight.
- 3) Compare: if the weight is equal to or less than the FTE, that person counts as being in compliance. But if the weight is more than the FTE, that person is out of compliance.

Counting compliance with each of the standards in the Agreement involves looking at the compliance rates for all workers who do that type of work, whether they do that full-time or part-time and then seeing what percentage of that total number of workers doing that type of work have caseloads that meet the standard. When a worker carries more than one type of case, they count towards compliance for every type of case they carry. So if a worker has both CPS investigations and CPS ongoing cases and her caseload weight adds up to 1.0 or less, she counts as a staff person with a caseload meeting both standards. However, if she carries the same type of mixed caseload, but has a caseload weight that is 1.1 or higher, she counts against meeting both standards. Therefore, when the monitoring team reports on compliance, they are reporting on all staff doing that type of work, whether they are doing it full or part-time.