



STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING

RICK SNYDER
GOVERNOR

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January 22, 2015

The Honorable Peter MacGregor, Chair
Senate Appropriations Subcommittee on DHS
Michigan State Senate
Lansing, Michigan 48933

The Honorable Earl Poleski, Chair
House Appropriations Subcommittee on DHS
Michigan House of Representatives
Lansing, Michigan 48933

Dear Senator MacGregor and Representative Poleski:

This report is provided pursuant to the Department of Human Services' (DHS') Fiscal Year 2015 Appropriations Act, PA 252 of 2014, Article X, Section 279 (2). This section requires that DHS submit a report detailing measurable performance indicators, desired outcomes, and an assessment of the quality of services provided by the department during the previous fiscal year.

DHS contracts with 58 foster care agencies and 64 adoption agencies to provide foster care and adoption services throughout the state. All foster care and adoption contracts identify performance measures that align with the federal outcomes. The outcomes of service intervention are to achieve safety, permanency and well-being for each child under the care and supervision of the department. The United States Department of Health and Human Services (HHS) produces a bi-annual Adoption and Foster Care Analysis Report (AFCAR). During the first half of fiscal year 2014, the department and its contracted providers were not meeting the national standard for safety and missed meeting the national scoring standard for timeliness to permanency of reunification by .1 percent. However, the department and its contracted providers were meeting or exceeding the national standard in the areas of timeliness to adoptions, achieving permanency for children and youth in foster care for long periods of time and placement stability. To date, the AFCAR for the second half of fiscal year 2014 has not been released by HHS.

In regards to adoption services, the following two performance outcomes were part of the adoption contracts for fiscal Year 2014:

1. *Fewer than 5% of placements for adoption will end in disruption.*

Based on preliminary data for fiscal year 2014, there were 2,160 adoptions finalized in Michigan from the child welfare system. Preliminary data indicates that there were nine disrupted adoptions for fiscal

year 2014 or .004% of placements which is substantially less than the performance outcome of fewer than 5% of placements will end in disruption.

2. *By September 30, 2014, 77% of adoptions for children with a goal of adoption on September 30, 2013, shall be finalized.*

On September 30, 2013, there were 2,536 children legally-free for adoption with a goal of adoption. In order to meet the performance outcome of 77% of adoptions for the number of children with a goal of adoption on September 30, 2013, Michigan needed to finalize 1,953 adoptions during fiscal year 2014. Based on preliminary data, Michigan finalized 2,160 adoptions in fiscal year 2014, which exceeded the goal by 207 finalized adoptions and resulted in 85% of the number of children with a goal of adoption on September 30, 2013, being adopted.

Licensing rules, foster care and adoption policies set expectations of quality practice that promote the delivery of quality service. Foster care service delivery is primarily assessed through monitoring and oversight of policy, licensing rules and contracts by BCAL. During fiscal year 2014, 150 contracted child placing agency interim/renewal inspections were completed. By and large, these reviews revealed agencies that complied with the expectations of quality practice and service delivery. Agencies that demonstrated willful and substantial non-compliance with licensing rules, foster care or adoption policies were recommended for revocation or were required to complete a corrective action plan and were placed on a provisional license. Of the 150 agencies reviewed:

- Two contracted child placing agencies were placed on a 1st provisional license.
- Two contracted child placing agencies were placed on a 2nd provisional license based on continuing violations with licensing rules and policy.

The department and its contracted providers, in conjunction with members from the house of representatives and senate, are currently participating in workgroups to review the feasibility of establishing performance-based funding which includes identification of measurable performance indicators and outcomes.

If you have any questions, please contact Nancy Rostoni, Foster Care Manager, at (517) 388-3910.

Sincerely,



Susan Kangas
Chief Financial Officer

cc: Senate and House Appropriations Subcommittees on DHS
Senate and House Fiscal Agencies
Senate and House Policy Offices