



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES
LANSING

RICK SNYDER
GOVERNOR

MAURA D. CORRIGAN
DIRECTOR

March 23, 2012

The Honorable Bruce Caswell, Chair
Senate Appropriations Subcommittee on DHS
Michigan State Senate
Lansing, Michigan 48933

The Honorable David Agema, Chair
House Appropriations Subcommittee on DHS
Michigan House of Representatives
Lansing, Michigan 48933

Dear Senator Caswell and Representative Agema:

Section 230(1) of Public Act 63 requires the Department of Human Services (DHS) to convene a work group of all interested parties to evaluate the feasibility of combining the Bureau of Children and Adult Licensing with the Child Welfare Contract Compliance Division into one unit. Section 230(2) directs DHS to submit a report by April 1, 2012 to the Senate and House Appropriations Subcommittees on the Department budget, the Senate and House Fiscal Agencies, and the Senate and House Policy Offices on the findings of the work group.

DHS convened a workgroup with representatives from private child-placing agencies and child caring institutions. The efforts of this work group resulted in a recommendation to establish a new single monitoring model described below. DHS supports the recommended model and has taken the necessary steps to secure approval from Children's Rights, Inc., because the model impacts specific sections of the Modified Settlement Agreement and Court Order. As of the writing of this report, DHS has not yet received final approval to move forward with implementation.

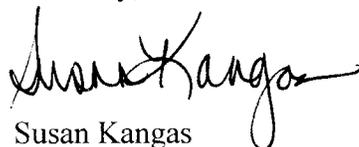
Consolidated Child Welfare Monitoring Model

DHS would consolidate the contract review functions of the current Child Welfare Contract Compliance Division within the Bureau of Children and Adult Licensing. This new model would combine annual licensing inspections and contract reviews into a single regulatory process to assess compliance with administrative rules, licensing statute, contract performance, DHS policy, and the Modified Settlement Agreement and Court Order requirements related to child safety, well-being and permanency. All licensing and contract non-compliance allegations would be investigated by the Bureau of Children and Adult Licensing. Private and public child-placing agencies and child caring institutions would be held to the same measures. The Bureau of Children and Adult Licensing would also provide consideration to the adjustment of the annual licensing and contract review schedules for those nationally accredited agencies in good standing.

The new model would also include a distinct consultative function, separate from regulatory functions, which focus solely on continuous quality improvement through the provision of information and data.

Please contact James B. Gale, Director of the Bureau of Children and Adult Licensing, at 517-241-5462 with any questions regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Kangas", with a stylized flourish at the end.

Susan Kangas
Chief Financial Officer

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