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STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING

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January 23, 2014

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

The Honorable Peter MacGregor, Chair
House Appropriations Subcommittee on DHS
Michigan House of Representatives
Lansing, Michigan 48933

Dear Senator Caswell and Representative MacGregor:

This report is provided pursuant to the Department of Human Services' (DHS') Fiscal Year 2014 Appropriations Act, PA 59 of 2013, 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 65 foster care agencies and 65 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. At the conclusion of FY 2013, DHS and its contracted providers were not meeting the national standard for safety or timeliness to permanency of reunification. 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.

In regards to adoption services, the following two performance outcomes were part of the adoption contracts for FY 2013:

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

In FY 2013, there were 2,357 adoptions finalized in Michigan from the child welfare system. Between October 1, 2012 and September 30, 2013, 19 adoption placements disrupted (.8%). This percentage is substantially less than the performance outcome of fewer than 5% of placements will end in disruption.

2. *By September 30, 2013, 77% of adoptions for children with a goal of adoption on September 30, 2012, shall be finalized.*

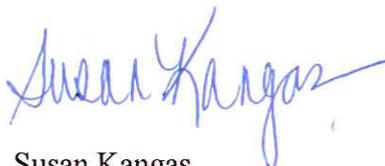
On September 30, 2012, there were 2,651 children legally-free for adoption with a goal of adoption. In order to meet the performance outcome of 77% of adoptions for the number of children with a goal of adoption on September 30, 2012, Michigan needed to finalize 2,041 adoptions during FY 2013. For FY 2013, Michigan finalized 2,357 adoptions, which exceeded the goal by 316 finalized adoptions and resulted in 89% of the children with a goal of adoption on September 30, 2012, 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 the Bureau of Children and Adult Licensing (BCAL). During FY 2013, 122 contracted child placing agency interim/renewal inspections were completed. The majority of 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 and foster care or adoption policies were recommended for license revocation or were required to complete a corrective action plan and were placed on a provisional license. Of the 122 agencies reviewed:

- One contracted child placing agency was recommended for revocation, however closed their license through a settlement agreement.
- Five contracted child placing agencies were placed on a 1st provisional license.
- One contracted child placing agency was placed on a 2nd provisional license based on continuing violations with licensing rules and policy.

If you have any questions, please contact Steve Yager, director, Children's Services Administration, at (517) 241-9859.

Sincerely,



Susan Kangas
Chief Financial Officer

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