

Family Preservation Programs Report

(FY2017 Appropriation Bill - Public Act 268 of 2016)

February 15, 2017

Sec. 523. (1) *By February 15 of the current fiscal year, the department shall report on the families first, family reunification, and families together building solutions family preservation programs to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office. The report shall provide an estimate of total costs savings as a result of avoiding placement of children in foster care for families who received family preservation services and shall include information for each program on any innovations that may increase savings or reductions in administrative costs.*



Michigan Department of
Health & Human Services

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Family Preservation Programs Report

When evaluating the savings and cost effectiveness of family preservation programs, it is critical to note that recipients of these services are identified by family unit. Alternatively, recipients and costs associated with foster care services are per child. It is evident that the cost of foster care per service unit far exceeds the cost of family preservation services. In addition, the programs provide administrative cost savings due to a reduction in need for caseworker resources. The following information demonstrates costs for each program:

Families First of Michigan

Families First of Michigan (FFM) serves families that have at least one child at imminent risk of placement in out-of-home care. Families with children in out-of-home care are eligible for referral to the program when it is determined that reunification is not appropriate without intensive services and the Family Reunification Program is not available. In FY 2016, FFM served 2,026 families. In the 12 month period following these Families First interventions, 89.3 percent of the families avoided placement in out of-home-care or further children's protective services involvement.

Fiscal Year 2016

| <u>Program</u> | <u>Service Unit</u> | <u>Cost Per Service</u> |
|-----------------------|----------------------------|--------------------------------|
| FFM | per family | \$ 4,788 |

FFM Estimated Savings by Avoiding Foster Care Placement

The annual foster care cost per child is \$29,586. During FY 2016, FFM prevented removal for 2,026 families. The average family served by FFM is composed of a parent and two or more children. Based on a formula of 2 children per 2,026 families served and of the 89.3 percent of families that avoided placement in out of-home-care, the annual estimated cost savings of avoiding placement into foster care is \$107,042,148.

| <u>Program</u> | <u>Service Unit</u> | <u>Cost Per Service</u> |
|-----------------------|----------------------------|--------------------------------|
| Family Reunification | per family | \$ 6,768 |

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Family Reunification Program (FRP)

The Family Reunification Program (FRP) provides services to families when a plan for return of the children has been established and the foster care worker has initiated reunification with the family and the court. In FY 2016, FRP served 1,031 families. In the 12 month period following replacement in the family home and FRP case closure, 85 percent of families did not have children removed from the home and placed in out-of-home care.

Fiscal Year 2016

FRP Estimated Savings by Avoiding Repeat Foster Care Placement

The annual foster care cost per child is \$29,586. During FY 2016, FRP served 1,031 families. The average family served by FRP is composed of a parent and two or more children. Based on a formula of 2 children per 1,031 families served, the annual estimated cost savings of reunification is \$51,834,672.

Families Together Building Solutions (FTBS)

The Families Together Building Solutions (FTBS) program provides services for low-risk families that require less intensive service to reduce the risk of placement. FTBS is a short-term in-home service utilizing strength-based, solution-focused techniques. In FY 2016, FTBS served 2,283 families. In the 12 month period following case closure 94 percent of families did not require out-of-home placement.

Fiscal Year 2016

| <u>Program</u> | <u>Service Unit</u> | <u>Cost/Unit</u> |
|--------------------------------------|---------------------|------------------|
| Families Together Building Solutions | per family | \$ 2,597 |

FTBS Estimated Savings by Avoiding Foster Care Placement

The annual foster care cost per child is \$29,586. During FY 2016, FTBS served 2,283 families. Based on a formula of 2 children per 2,283 families served and of the 94 percent of families that did not require out-of-home-care, the annual estimated cost savings of avoiding placement into foster care is \$126,983,112.