Administrative Rule Analysis

Mary Ann Cleary, Director
Phone: (517) 373-8080
http://www.house.mi.gov/hfa

CHILD PLACING AGENCIES

Department: Human Services
Agency: Division of Child Welfare Licensing
Rule Set No.: 400.12101 – 400.12713

Complete to: 9-30-14

BACKGROUND & SUMMARY OF PROPOSED RULES SUBMITTED TO JCAR

Licensed child placing agencies, including local Department of Human Services (DHS) offices, private agencies, and some local government entities, are responsible for case management services, supervision, and treatment for youth ordered out of home based on a court order and under the supervision of the DHS. They are also charged with recruitment and retention of foster homes and for adoption services. Child placing agencies have to comply with these rules, which are intended to ensure youth placed within that agency are safe and well cared for. During FY 2012-13, there were 214 child placing agencies, both public and private, that would be impacted by these rule changes.

The proposed revisions intend to either align rules with current standards and policies or create new rules.

General Provisions:
The definition of a foster child replaces "foster home" with "out of home placement based on a court order or who has been reunified with a parent or guardian but continues under the wardship and supervision of the court or is temporarily placed by a parent or guardian for a limited time in a foster home as defined by section 1 of 1973 PA 116, MCL 722.111 or has been released by a parent to the department or a child placing agency pursuant to section 22 of 1939 PA 299, MCL 710.22." and "placed with or committed to the department for care and supervisions by a court order under section 712A.2 of 1939 PA 288, MCL 712A.2"

The proposed rules add the provision that DHS may deem rule compliance and licensing certification through accreditation by a nationally recognized accrediting body. Accreditation would only apply for deemed status if inspection is less than 12 months old, the organization provides a copy of the accreditation report, and the organization's license is on regular status.

Agency Services:
The proposed rules codify the requirement that nongovernmental child placing agencies conduct an annual financial audit; that the chief administrator, supervisors, and social service workers meet certain education requirements; that outlines staff responsibilities; and the detail what is included in personnel records.

The proposed rules codify the workload ratios required under the Children's Rights settlement agreement (Dwayne B. v. Snyder) and expands those workload ratios for all foster children (as defined by these rules) under the supervision of child placing agencies. The children who would

now fall under these workload ratios would include delinquent youth under DHS supervision, children placed voluntarily into foster homes by parents or guardian, and post adoption youth.

Foster Home Certification:
The proposed rules codify or clarify compliance with Elliott-Larsen Civil Rights Act; background checks for foster home applicants; assessments of sufficient beds and sleeping space, pets, guns and other weapons, and water hazards; statement that a foster child shall not be required to attend religious services or follow specific religious doctrine; documentation required before placing a child into a borrowed home; notification requirements for special evaluations; and 7 year record retention.

The proposed rules add the requirements that a social service worker assess and record description of any substance abuse treatment received, current substance use, existence of social support system and alternative care providers, spirituality or religious beliefs; and at least 1 adult member of the foster household maintains certification in first aid through the American Heart Association or American Red Cross.

Foster Care Services:
The proposed rules codify the requirements to include specific education, health, vocational, mental health goals and parental involvement and assessment in the initial service plan and codifies the child and parental visitation requirements when there has not been a termination of the parental rights.

Independent Living Services:
The proposed rules codify the requirement that independent living records includes the child's birth certificate.

Adoption Evaluation Services:
The proposed rules codify the requirements that the adoptive evaluation be completed within 90 days and that it include a review of existing social supports and alternative care providers.

Adoption Placement Services:
The proposed rules codify the requirements that a social services worker complete a written evaluation of each child available for adoption within 60 days of referral; that the adoptive parents are provided the placement history of the child; and that the adoption agency forward the adoption records 1 year after finalization to DHS for permanent record retention.

The proposed rules add a new provision allowing an agency to approve an overnight pre-placement of a child with a family being considered to adopt the child.

Inter-Country Adoption:
The proposed rules separate out the inter-country adoption rules into its own part. Most of the inter-county revisions are for clarity. The proposed rules do add the requirement that the agency have a specific fee policy including what services are covered by these fees, what fees are refundable, and how those fees are to be paid.

FISCAL IMPACT OF PROPOSED RULES

The primary fiscal cost on the state and local units of government relate to the workload ratios for cases that currently do not fall under the review of the Children's Rights settlement agreement, including delinquent youth under DHS supervision, children placed voluntarily into foster homes by parents or guardian, and post adoption youth. The fiscal cost to the state could vary between $2.0 million to $2.5 million, and the fiscal cost to local units of government should be minimal.

DHS supervises approximately 750-800 delinquent youth, meaning DHS would need between 50 and 55 juvenile justice social services workers to meet the workload ratios. The most recent DHS FTE report for the pay period ending July 19, 2014 notes 29 juvenile justice local field staff, meaning DHS may have to hire additional social service workers to be in compliance with these proposed rule changes. The fiscal cost to the state could vary between $2.0 million and $2.5 million.

The size of the population of children placed voluntarily into a foster home is unknown, so any personnel costs for DHS, private child placing agencies, and local units of government is indeterminate.

Nearly all of the adoption services are performed by private child placing agencies, and without a rate increase, the new staff needed to meet the 15:1 ratio for post adoption services will have to be absorbed through the private agencies' current operating budgets.

The proposed child placing agency rules note that the agency's foster parent training includes American Heart Association or American Red Cross certification, so those costs will most likely be the responsibility of the child placing agency.

Any training costs related to these rule changes could be incorporated into the public and private agency licensing staff's annual training requirements.

It's likely that current appropriations for DHS information technology services and projects can support any needed IT changes.

Fiscal Analyst: Kevin Koorstra