

House Appropriations Subcommittee on Human Services

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Children's Services Administration

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Mission

MDHHS provides services and administers programs to improve the health, safety and prosperity of the residents of the state of Michigan.

Children's Services Administration Priorities



Keep Kids Safe Action Agenda Pillars



Prevention

Upstream focus to **prevent abuse** before it occurs.

Access to **community-based interventions**.

Connect families to **resources and supports** to promote safety and well-being.

Focused support for family thriving.

Intervention

Unyielding **child safety focus**.

Unbiased assessments and engagement.

Sensitive to **avoid conflation of poverty with neglect**.

Strength-based interventions.

Family focused, family-driven.

Stability

Engage **broad array of stakeholders** to support children and families.

Value **consistent and reliable resources** for families.

Leverage creativity to address family specific challenges.

Wellness

Trauma-informed, family focused.

Person-centered planning to meet unique needs.

Access to **quality physical and behavioral health supports**.

Achieve **educational outcomes**.

Access to **safe and stable housing**.

Workforce

Entrusted to take action to ensure safety and support for families.

Value for professionalism and expertise.

Encourage **innovation**.

Avoid deficit thinking.

Value **public/ private partnerships**.

Support **wellness and a positive work-life balance**.

Modified Implementation, Sustainability and Exit Plan (MISEP)



Structural Changes as a Result of the Agreement

Resources provided by the legislature allowed for significant structural reforms to ensure system improvements, including:

- Developed the Division of Continuous Quality Improvement.
- Established a fully operational statewide Centralized Intake Unit.
- Created a Maltreatment in Care Division.
- Implemented additional oversight of congregate care facilities.

Federal Oversight: Michigan Child Welfare



- Context: Of 25 states sued by Children's Rights, only four have exited their agreements.
- 2006: Children's Rights, Inc. filed a federal class action lawsuit to reform Michigan's foster care system.
- 2008: Settlement agreement signed and approved as a court-enforceable consent decree.
- Ongoing: Court-appointed monitors verify compliance and report progress to the federal court.

Modified Implementation, Sustainability and Exit Plan (MISEP)



- Five versions of the settlement agreement since 2008.
- January 2024 amendment: Streamlined focus on key requirements.
- Items categorized as “To Be Achieved” and “To Be Maintained” are reported each period.
- MISEP allows movement between sections and rolling exit of eligible commitments.
- Original 2008 consent decree included more than 250 reportable items due to considerable progress by MDHHS.
- Total commitments: 42 (21 actively reported)

MISEP Court Hearings – Key Updates



- July 2025 Hearing (January-July 2024):
 - Six areas met or exceeded performance standards.
 - The Department was commended by Judge Edmunds and Children’s Rights.

- February 3, 2026: Covers July-December 2024
 - Six areas met or exceeded standards.
 - One area moving to Structures & Policies phase.
 - Two areas exiting the agreement.

Plan to Improve Permanency Within 12 Months



- Focused on Ingham, Jackson, Kent, Muskegon, Oakland and Saginaw Counties.
- Goal: Increase permanency rates within the first 12 months in foster care.
- Key Strategies:
 - Permanency resource monitors are dedicated to 12-month permanency.
 - County teams will identify and remove barriers.
 - Team Decision-Making (TDM) meetings focused on permanency.
 - Permanency dashboard tracking outcomes, barriers and strategies.
 - Executive Strike Team led by Director Hertel to review data and guide progress.

Permanency Results & Key Drivers



- Cohorts:
 - 2023: 316 children, 9.5% achieved permanency.
 - 2024: 363 children, 22.9% achieved permanency.
- 2024 Outcomes: 68 reunified, 11 adopted.
- Drivers of Improvement:
 - Permanency resource monitors focused on permanency.
 - Proactive county approaches removing barriers.
 - Early engagement with parents via attorneys.
 - Shorter time between court hearings.
 - More frequent Team Decision-Making (TDM) meetings.
- Anticipate permanency term will exit MISEP in July 2026.

Recent CSA Accomplishments



Achievement of timely commencement and completion of investigations.



Increased medical care and coverage at entry into foster care.



Increased child immunizations.



Improved screening of Children's Protective Services investigations.



Increased timeliness of service plans.



Fully met all requirements for generation of accurate and timely data.

MISEP: Moving Forward



- MDHHS's goal is to exit court oversight.
- Identify areas of need and develop action plans.
- Execute plans effectively and consistently.
- Demonstrate traits of a well-functioning child welfare system.
- Maintain ongoing commitment to improving outcomes for Michigan

Ensuring Sufficient Beds & Programs

Child Caring Institutions (CCI)



Child Care System: Fewer Waits, Greater Stability



- System is increasingly coordinated, responsive and intentional in supporting youth placements across regions.
- Placement availability and referral decisions are better aligned through improved utilization and collaboration.
- Fewer youth entering congregate care due to increased use of appropriate, community-based alternatives.
- Decline in short-notice discharges, indicating improved placement matching and stability for youth.

Child Care System: Fewer Waits, Greater Stability, Continued



- Contracted bed waitlist reduced (high of 68, low of 40), reflecting improved access and flow.
- Monthly transfers between CCIs have decreased from 27 to five per month, reducing placement disruptions.
- Capacity is actively managed statewide despite workforce challenges and seasonal fluctuations.
- Continued investment in workforce stability and provider partnerships is critical to sustaining progress and expanding access.

CCI Referral Framework



- Fiscal Year 2025 Updated Rate Model:
 - The updated rate model includes payment for all contracted beds, incentive payments for accepting referred placements and support for avoiding placement disruptions.
- Contract updates include:
 - 5.14% or higher increase for all previous rates.
 - Guaranteed bed payments to provide funding predictability.
 - Alignment of contracted beds with children's service needs.

Keeping Youth Close to Home: Transforming Michigan's Juvenile Justice System



Current State of Michigan's Juvenile Justice System



- Local courts maintain jurisdiction over juvenile justice cases and have the authority to determine wardship status and make placement decisions for justice-involved youth.
- MDHHS reimburses counties for eligible juvenile justice services through the Child Care Fund using a statutory cost-share reimbursement model.
- The Justice for Kids and Communities Act and The Juvenile Justice Residential Facilities Advisory Committee Recommendations (RAC) help advance a coordinated statewide approach and improved residential treatment placement.
- The focus is on supporting all youth and aligning state resources with appropriate placement needs, while preserving judicial authority.

Supporting Youth Through Community-Based Services



Justice for Kids and Communities Bill Package aligned the Child Care Fund with:

- Statutory reimbursement changes strengthen fiscal incentives:
 - 75% State reimbursement for community-based services
 - Reduced reliance on detention and residential placement
 - Diversion Funding for local counties
 - Required validated risk and mental health screening and assessment
- Residential placement is reserved for youth assessed as high risk who require specialized treatment services.

Supporting Counties with Technical Assistance



- Statewide technical assistance launched with national experts:
 - National Youth Screening & Assessment Partners (NYSAP)
 - Validated screening implementation
 - Diversion policy templates
 - Training on appropriate use of screening information
 - Quality assurance guidance
 - Robert F. Kennedy National Resource Center Diversion Alternatives Training:
 - Clarifying decision points
 - Strengthening community partner roles
 - Expanding community-based diversion alternatives

Aligning In-State Capacity With Youth Needs

- MDHHS implemented a centralized **Bed Management Tool**.
- Provides real-time statewide visibility into:
 - Available beds
 - Treatment types
 - Average length of stay

Identifying Existing Capacity

1

- Statewide **bed-need survey**, as recommended by the RAC:
 - Uses youth risk and treatment need data
 - Shifts from county-by-county decisions to statewide analysis

Identifying Needs

2

- Competitive, targeted procurement for:
 - Specialized treatment beds
 - Short-term residential options
 - Step-down and reentry-focused placements

Procuring the Right Treatment Beds

3

Michigan Youth Treatment Center & Building In-State Capacity



- Shawono Center closure (December 2024) and services moved to Michigan Youth Treatment Center (MYTC) in Macomb County to:
 - Better serve youth and meet their treatment needs
 - Improve ability to maintain staffing and resources
 - Increase family involvement in treatment process
- Admissions to MYTC began through a phased intake starting June 2025 to ensure safe, high-quality implementation

Strengthening Long-Term Residential Treatment Capacity



- Residential treatment capacity depends on strategic appropriations.
- Trained juvenile justice-specific workforce.
- Identifying bed needs and procuring beds on a continuous basis.
- Operational capacity.
- Data collection and analysis.
- Oversight and quality assurance.

Questions & Discussion



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