

NATIONAL COALITION FOR CHILD PROTECTION REFORM

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For release:
Wednesday, May 27, 2009
10:30AM

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**MICHIGAN SQUANDERS MILLIONS ON RATE INCREASES FOR
WAREHOUSING CHILDREN IN INSTITUTIONS,
WHILE PREVENTION, FAMILY PRESERVATION FUNDING IS SLASHED,
NATIONAL ADVOCACY GROUP SAYS
DHS Director's budget contradicts his own "Task Force"**

The full report discussed in this press release is available online at:
www.nccpr.org/reports/michigantwo.html
NCCPR's previous report and other Michigan material is available online at
www.nccpr.org/reports/michiganinfo1976.html

LANSING (May 27): Even as the Michigan Department of Human Services enacts steep cuts in already meager funds for child abuse prevention and family preservation, and proposes more such cuts next year, DHS Director Ismael Ahmed proposes to lavish big rate increases on powerful "providers" of the very worst form of "care" for vulnerable children – institutionalization, a national child advocacy group said today.

Still more money is being squandered misinterpreting the terms of a class-action lawsuit settlement, according to Richard Wexler, executive director of the National Coalition for Child Protection Reform.

"The cuts in current funding imposed by Executive Order and the budget proposed by DHS Director Ismael Ahmed for FY 2010 directly contradict the recommendations of the so-called Child Welfare Improvement Task Force named by and co-chaired by Ahmed himself," Wexler said.

“Ahmed’s Task Force calls for intensive efforts to take fewer children from their families and rely less on foster care and institutionalization,” Wexler said. “But Ahmed’s *budget* takes money from the pockets of poor people in desperate need and hands it over to the state’s ‘foster care-industrial complex,’ the network of powerful well-connected private child welfare agencies who live off of being paid for every day they hold children in substitute care.”

Wexler released NCCPR’s second comprehensive report on Michigan child welfare, *Tapeworm in the System*, at a news conference in Lansing Wednesday. The first report, *Cycle of Failure*, was released in February. The group also has released a *Michigan Rate-of-Removal Index* revealing wide variations among counties in the propensity of DHS offices and courts to tear apart families.

Wexler said that the budget proposed by Ahmed and Gov. Jennifer Granholm cuts at least \$38 million from programs that prevent child abuse, ameliorate the worst effects of poverty, so it’s less likely to be confused with “neglect,” and keep children from having to be torn from everyone loving and familiar and thrown into foster care. “These cuts are over and above anywhere from \$19 million to \$40 million or more in cuts in the same sorts of programs, enacted by Executive Order earlier this month,” Wexler said.

But, he said, the cuts are not required by the state’s dismal economy or its budget deficit. “The same proposed FY 2010 budget actually lavishes \$22 million in rate increases on the foster care-industrial complex for what is both the most expensive and the most harmful form of care – institutionalization.

“There is a lot of talk about the addiction problem in child welfare,” Wexler said. “But the biggest addiction problem in child welfare is not substance-abusing parents, though that problem is serious and real. The biggest addiction problem in child welfare is big, powerful private agencies with their pretty campuses, their glossy brochures and their blue-

chip boards of directors. These agencies are *addicted* to their *per diem* payments for holding children in foster care.

“They are putting their addiction ahead of the children,” Wexler said. “And DHS is their ‘enabler.’”

The budget also spends more than \$78 million on a child abuse investigator/foster care worker hiring binge.

“Only a small portion of that hiring actually is required by a consent decree Michigan signed with the group that so arrogantly calls itself ‘Children’s Rights,’” (CR) Wexler said. “By and large, while the consent decree requires that DHS lower caseloads, it doesn’t say how to do it. DHS could lower caseloads by spending the same money to expand safe, proven programs to keep families together, instead of tearing them apart and stashing the children in foster care. Unfortunately, that has proven to be beyond the imagination of both DHS and CR.

“While we strongly favor spending more on child welfare, Michigan could vastly improve child welfare without one dime of spending beyond what is proposed in the budget. All DHS needs to do is spend smarter – diverting the money from institutionalization and foster care into better alternatives.

“It could do even more by moving to curb the obscene rate at which foster children are institutionalized,” Wexler said. “According to data DHS itself has sent to the federal government, on any given day more than 15 percent of Michigan foster children are institutionalized – that’s far above the national average and nearly double the rate of Illinois, which is recognized as a national leader in keeping children safe.”

Wexler said this month’s budget cuts and Ahmed’s proposed budget “suggest that the Task Force he created and co-chaired was a sham, designed to divert everyone’s time, energy and attention from Ahmed’s real agenda – giving the foster care-industrial complex whatever it wants.” Wexler said the Task Force did a good job; indeed, he said, “they seem to have

taken many of their recommendations from NCCPR's previous report. But those who worked on the Task Force in good faith, especially the many young people who served on it, were betrayed."

As for the representatives of the big private agencies on the Task Force, Wexler said they probably went along with the recommendations "because they know the Task Force report doesn't matter. The only document that counts is the budget."

Wexler said that "a small but telling measure of the contempt DHS has for programs to keep families together can be seen in the governor's Executive Order, which refers to a key reform initiative, Family Group Decision Making as 'Family group *discussion* making.' You'd think they could at least get the name right."

The report released Wednesday zeros in on what NCCPR says is Michigan's misuse and overuse of institutionalization, whether in so-called "residential treatment centers," "the special Hell of parking-place shelters" where children are left for the first days after they are taken from their homes, or other forms of "latter-day orphanages."

"The research on the harm of institutionalization is so overwhelming that it takes five single-spaced pages just to summarize and cite it," Wexler said. "Two comprehensive reviews of the literature have found that residential treatment, in particular, is a failure, preparing children largely to live out their lives in other institutions – homeless shelters, psychiatric centers, and jails," Wexler said. "When children in RTCs do succeed, it is almost always in spite of being institutionalized, not because of it."

"Even Shay Bilchik, the former head of the giant trade association for institutions themselves, the Child Welfare League of America, admitted that they lack 'good research' showing residential treatment's effectiveness and 'we find it hard to demonstrate success.'"

"But common sense says as much. Suppose we were building a system from scratch and somebody said: 'I've got a great idea! Let's take young people we claim have the most difficult problems and the worst behavior, and throw them all together in one place – just at

the time in their lives when they are most influenced by their peers’? If anyone suggested that, people might well wonder about *his* mental health. Yet that is the bizarre, jury-rigged system we have now; a system that puts the providers first and the children last.”

Wexler said that often, children who are institutionalized never needed to be taken from their birth parents in the first place. But when birth parents really can’t raise their children, institutionalization still is the wrong answer for many reasons, not least because it virtually shuts down the next best option – adoption.

“The North American Council on Adoptable Children points out that 93 percent of Michigan foster children who are adopted are adopted by their extended families or their foster parents,” Wexler said. “When these children aren’t living with families, their chances of adoption plummet.”

For those children who need intensive help that really works, “there is nothing an institution can do that can’t be done better through Wraparound and similar programs that move the system instead of the child,” Wexler said. “Those programs also cost less than institutionalization.

“And while the foster care-industrial complex loves to pay lip service to such alternatives, institutions make widespread use of alternatives impossible – because institutions are scarfing up all the money.

“The recent budget cuts and Ismael Ahmed’s proposed budget make the disparity even worse.”

Wexler said “the foster care-industrial complex is as predictable as it is harmful to children.” He handed out a checklist of “excuses” he promised reporters would hear in defense of Michigan’s high rate of institutionalization – “and why those excuses don’t wash.

“They’ll say they’ve already tried foster homes with these children – and then insult and demean the children by declaring that they ‘blow out’ of foster homes; a phrase heard all the time among institutional providers. In fact, when foster homes fail it’s only because the

foster parents – or the children’s relatives – didn’t get the support they needed to make the placements work; and that’s because the money that could be used to provide that support has been squandered on institutionalization.

“The reasoning of the foster care-industrial complex is circular, and it is cruel: Deny families the support they need to make a placement work, then justify your institution’s enormously-expensive existence on grounds that the children couldn’t stay in families.

“They’ll say they’re not institutions because they have nice grounds and pretty ‘cottages’ – so they’re supposedly ‘home-like.’ But it’s not the buildings in a child’s life that make a home, it’s the people. Children know the difference between “home like” and home.

“They’ll say that anyone who doesn’t want to institutionalize children just wants to save money. That is the most offensive argument of all. The rank hypocrisy of people whose existence depends on keeping their beds filled so they can rake in *per-diems* for every child they hold in their institutions accusing anyone else of being motivated by money is astounding.

“In fact, when it comes to helping children, the better the option, the less it costs. That’s why Michigan can do vastly more for vulnerable children, without spending more money, if it would only get the foster care-industrial complex under control.”

Wexler noted that some people, including some associated with the Task Force complained about the “tone” of NCCPR’s previous report. Some have called that report “inflammatory.”

“Task Force members and others can say whatever they want about the tone or our reports, just as long as they continue adopting the substance as their own,” Wexler said. He noted that it was this same hard-hitting advocacy that helped push DHS and CR to back off from a plan to force grandparents to comply with pages of hypertechnical licensing requirements in order to continue to care for their grandchildren as kinship foster parents.

“Had that requirement been enforced, thousands of children might have been expelled from the homes of loving grandparents,” Wexler said.

“Readers can decide for themselves if the tone is ‘inflammatory.’ But while there are many good people in Michigan child welfare, for decades this system has been harming many of the children it is supposed to help. Isn’t it time to light a fire under it?”

Funding for this publication was provided by The Atlantic Philanthropies and the Open Society Institute. NCCPR also receives funding from the Annie E. Casey Foundation. We thank the Foundations for their support, but acknowledge that the views expressed in this publication are those of NCCPR alone and do not necessarily reflect the opinions of our funders.