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## Memorandum

**To:** Livingston County Board of Commissioners  
**From:** Deborah Shaw, Juvenile & Probate Court Administrator  
Sallie Kuhne, Acting Director, MDHHS – Livingston County  
**Date:** July 8, 2024  
**Re:** Resolution Authorizing the Submission of the FY 2025 Child Care Fund Annual Budget

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The Child Care Fund (CCF) is a shared funding mechanism between the State of Michigan and local Courts/Counties for juvenile justice and child welfare services. The attached resolution authorizes the submission of the FY 2025 Child Care Fund Budget to the Michigan Department of Health and Human Services in the combined amount of \$3,509,190 (\$2,609,190 total CCF Budget + \$900,000 chargeback for MDHHS out-of-home placement = \$3,509,190).

In December 2023, the Michigan Legislature passed the bipartisan Justice for Kids and Communities package to increase community safety and reduce recidivism through deployment of research-based practices and programs statewide. To fund the adoption of best practices, the CCF reimbursement rate for community-based services is raised to 75% in FY2025.

The new reimbursement model removes the “intensive” requirement of services and instead requires matching services to identified risk and need areas, treatment goals, and measuring the fidelity and outcome of programs, and includes the use of diversion. This expansion of the CCF both enables the shift of some previously ineligible general funded juvenile court staff (3.6 FTE) and expenses into the CCF (garnering the 75% reimbursement) and requires the implementation of new evidence-based programming, data collection and analysis including:

- Adopt a validated risk screening tool to guide diversion and consent calendar decisions.
- Adopt a validated risk assessment tool to use before disposition.
- Adopt a detention screening tool to inform the use of secure detention.
- Utilize research-based juvenile-specific probation standards.
- Employ a local quality assurance specialist to support the county with implementing research-based practices.
- Develop a data collection plan to ensure screening and assessment tools and community-

based interventions are implemented with and adhere to fidelity.

The CCF reimbursement rate for out-of-home expenses (foster care, detention and residential placement) for both juvenile justice and child welfare families remains at 50%. Daily rates for detention and residential placement continue to rise as the state attempts to mediate the bed crisis, now ranging from \$190 to \$1,050 per day.

With the implementation of “State Pays First” in FY 2019, costs incurred for out of home care for a child who is under the care and control of the State are first paid by the State. When a child is supervised by the Court, the County/Court “pays first” for out of home costs incurred. Financial reports are exchanged each month for reimbursement (the “chargeback”) and are reconciled at the end of the fiscal year.

The Child Care Fund Annual Budget forms no longer includes a place to record the estimated amount of the County’s obligation for DHHS supervised Out-Of-Home placements (\$900,000).

The Court’s efforts to decrease use of detention and residential placement have successfully reduced the number of delinquent youth placed out of home each year. As such, despite the skyrocketing costs, the amount budgeted for out-of-home costs remains the FY 2024 reduced amount:

	MDHHS	Court	Combined	GF Obligation
Out of Home Care	\$900,000	\$355,990	\$1,255,990	\$627,995

**MDHHS Community-Based Service (CBS) Components** are designed to prevent removal from home, to effectuate an early return home from placement and to achieve permanency for children in a safe and timely manner. All costs for community-based services are first paid by the County/Court and included in the monthly financial reports and reconciliation with the State. There are no new requirement for MDHHS components, however they do garner the increased reimbursement rate of 75%.

1. **MDHHS Family Supportive Services** are targeted at specific but various family issues and provides goods and services that are not available or eligible from other family assistance programs. Examples of services include, but are not limited to, life-skills education, financial counseling, mentoring, tutoring, summer camp tuition, court-ordered transportation, drug/urine screening, program attendance incentives, child-parent assessments, counseling, and various expenditures that are court ordered.
2. **MDHHS Supervised Visitation Coaches** develops a plan with the family for visitation sessions. The parent coach will work with the family to advocate and encourage routine and structure, provide support and understanding regarding separation and reunion within the family, cultivate a nurturing environment to encourage the family plan, provide instruction and information that involves behavior modeling, and offer demonstrations and supervision of areas such as childcare, non-abusive child management skills, and childcare techniques.

3. Wraparound – MDHHS Component – services are provided by the Livingston County Community Mental Health Authority, supported through blended funding and a community that embraces collaboration and shared responsibility. Wraparound is a family-centered, strength based, holistic and team-oriented process used to work with high risk, multi-system children and families to address children’s complex needs, reduce out-of-home placement (including psychiatric hospitalization) and support their community success.

**Court Community-Based Services, Programs and Practices** includes screening and assessment, diversion, probation, intensive probation, existing and new evidence-based services, programs and approaches shown to enhance community safety and meet youth/family needs by ameliorating risk factors and reducing recidivism.

1. Multi-Systemic Treatment (MST) is provided in partnership with Highfields, Inc. Through intensive intervention, MST works to eliminate or significantly reduce the frequency and severity of the youth's problematic behavior(s), empower parents with the skills and resources needed to independently address the inevitable difficulties that arise in raising children and adolescents and empower youth to cope with stressors such as family, peers, school and neighborhood problems.
2. Wraparound – Court Component – see description above.
3. Formerly Intensive Treatment Services component provides for the staff, programs, contracts, training, and supplies to provide diversion, consent and probation services that ameliorate criminogenic risk factors, enhance protective factors and hold juveniles accountable for harm done. Individualized case plans protect community safety by providing services to support the success of youth and their families in avoiding future system involvement. In the coming year, new evidence-based programs will be implemented that include early intervention and address the highest risk for recidivism factors we see in our youth (education, aggression and poor frustration tolerance, lack of pro-social activities, and substance abuse).
4. Court Appointed Special Advocates (CASA) program, provided in partnership with LACASA Center, recruits, trains and supports volunteers who are appointed by the Court to advocate for the best interests of abused and neglected children in child protective proceedings. As an independent voice for children, CASAs investigate, facilitate, and advocate on behalf of the children until they are in a safe, permanent home. The United Way provides \$25,000 in donated funds to defray the County’s costs of this program.

	MDHHS Component	Court Component	75% Reimbursement	Donated Funds	GF Obligation
Community-Based Services	\$240,000	\$2,013,200	\$1,689,900	\$25,000	\$538,301

**Impact of FY 2025 Legislative Changes on General Fund:**

Legislative reform enables the shifting of previously general funded expenses into the Child Care Fund (resulting in 75% reimbursement) and the requirement to add additional evidence-based juvenile justice practices (also reimbursed at 75%).

- 3.6 existing FTE are shifted from the general fund to the CCF including 100% of the juvenile probation department; an additional 0.05 FTE each of the juvenile court administrator and court finance officer, and 0.85 FTE of juvenile court support staff positions (\$553,125 x 0.75 reimbursement = \$414,844 net general fund savings).
- Shift previously ineligible operational expenses from general fund into the Child Care Fund (\$30,123 x 75% = \$22,592 net general fund savings).
- Deductions
  - Shift 0.10 FTE chief account clerk from CCF to general fund (\$9,709 addition to general fund).
  - Sunset of the Raise the Age Grant which provided three years of temporary funding to cover the non-CCF eligible costs of increasing the jurisdictional age from 16 to 17 (\$110,000 allocation in FY 2024).
  - Elimination of Fees and Reimbursements (\$123,822 collected in 2023).

**FY 2025 Budget Summary:**

	Total	County Portion
Out-Of-Home Placement – DHHS Chargeback	\$900,000	\$450,000
Out-Of-Home Placement - Court	\$355,990	\$177,995
CBS - MDHHS Components	\$240,000	\$60,000
CBS – Court Components	\$2,013,200	\$478,301
Subtotal	\$3,509,190	\$1,166,296
Sunset of Raise the Age Grant funding		\$110,000
Elimination of Juvenile Delinquency Collections		\$123,822
Net GF Reduction		(427,727)
Total FY 2025 Obligation		\$972,391
Total FY 2024 Obligation		\$1,430,585
Net GF Savings		\$458,194

Of note, changes may be required as SCAO and MDHHS finalize rules and expectations in the coming years.

Thank you for your time and attention to this matter.