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Memorandum

To: Livingston County Board of Commissioners
From: Deborah Shaw, Juvenile & Probate Court Administrator
Date: July 14, 2025
Re: Resolution Authorizing the Submission of the FY 2026 Child Care Fund Annual Budget

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 2026 Child Care Fund Budget to the Michigan Department of Health and Human Services in the combined amount of \$3,537,314 (\$2,837,314 total CCF Budget + \$700,000 chargeback for MDHHS out-of-home placement = \$3,537,314).

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. In FY2025, to fund the adoption of best practices, the CCF reimbursement rate for community-based services was raised from 50% to 75%.

The 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 staffing crisis, now ranging from \$200 to \$1,050 per day.

The new reimbursement model both expands eligibility for reimbursement, including previously ineligible diversion programming, and requires the implementation of new research-based screening and assessments, programming, probation standards, data collection and analysis.

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 or in community-based MDHHS programming, the County/Court “pays first” for 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 include a place to record the estimated amount of the County’s obligation for DHHS supervised Out-Of-Home placements (\$700,000).

In response to the State’s extremely long waitlists, youth are now more likely to be placed as court wards as opposed to becoming state wards. As such, despite the skyrocketing costs, the amount budgeted for out-of-home costs remains the FY 2024 reduced amount, but funds are shifted from the MDHHS component to the Court component.

	MDHHS	Court	Combined	GF Obligation
FY 2025 Out of Home Care	\$900,000	\$355,990	\$1,255,990	\$627,995
FY 2026 Out of Home Care	\$700,000	\$555,990	\$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 requirements for MDHHS components for neglect-abuse wards, however they do garner the increased reimbursement rate of 75%.

MDHHS Community-Based Service includes **MDHHS Family Supportive Services**, which targets specific 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, transportation, drug testing, program attendance incentives, child-parent assessments and counseling. A second Community-Based Service is **Supervised Visitation Coaches**. develops a plan with the family for visitation sessions. The parent coach works 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 in non-abusive child management skills and childcare techniques.

A third MDHHS Community-Based Service component is **Wraparound**. Wraparound is 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, clerical and management support, existing and new research-based services, programs and approaches shown to enhance community safety

and meet youth/family needs by ameliorating risk factors and reducing recidivism. In addition to staffing, program components include Multi-Systemic Therapy, Wraparound (see description above), individual, family and group counseling, drug testing, and skill-building programs to reduce risk factors, enhance protective factors and increase community connectedness and community safety.

A second Court Community-Based Service is the **Court Appointed Special Advocates (CASA)** program. Provided in partnership with LACASA Center, the program 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. United Way provides \$24,000 in donated funds to defray the County’s costs for this program.

	MDHHS Component	Court Component	75% Reimbursement	Donated Funds	GF Obligation
Community-Based Services	\$240,000	\$2,041,324	\$1,710,933	\$24,000	\$546,331

Child Care Fund rules continue to evolve as the State Court Administrative Office and Michigan Department of Health and Human Services develop their expectations regarding juvenile justice reform.

Thank you for your time and attention to this matter.