

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**CHILDREN'S SERVICES AGENCY**

**CHILD CARE FUND**

(By authority conferred on the department of health and human services by sections 6 and 117a of the social welfare act, 1939 PA 280, MCL 400.6 and 400.117a.)

**PART 1. GENERAL PROVISIONS**

**R 400.2001 Definitions.**

Rule 1. As used in these rules:

(a) "Caseworker" means the primary case manager that meets the educational and experiential requirements as set forth by Supreme Court Administrative Order No. 1985-5, 422 Mich cxi (1985), as modified by Administrative Order No. 1988-3, 430 Mich xcix (1988) and by order of May 19, 2009, effective September 1, 2009, 483 Mich civ (2009), or by department policy.

(b) "County department" means the county office of the department of health and human services created in each county by section 45 of the social welfare act, 1939 PA 280, MCL 400.45, or the tribal entity found within that county.

(c) "County department of health and human services subaccount" means the account authorized by the county board of commissioners or tribal entity responsible for the expenditure of child care funds by the county department.

(d) "Court" means the local or tribal court with jurisdiction over juvenile matters.

(e) "Department" means the department of health and human services.

(f) "Direct service" means service provided to a specific client rather than to a general target group.

(g) "Donated funds" means a gift of money made available to the county child care fund for services for out-of-home placement or in-home care in child welfare or delinquency matters.

(h) "Donor" means the entity, person, or persons providing the donated funds.

(i) "In-home care option" means the expenditure of child care fund dollars for services that are determined by the department to be alternatives to out-of-home care or to provide an early return home for children placed out of the home.

(j) "Intensive service" means that the caseworker-to-case load ratio is not more than 1 to 20 and that there is not less than an average of 1 face-to-face contact per week during the period a case is open for service.

(k) "Judicial costs" means costs related to or connected with the administration of justice which include, but are not limited to, the following:

(i) Filing fees.

(ii) Charges for service of summons and complaint.

(iii) Attorney fees.

(iv) Competency evaluations.

(v) Court reporter charges.

(l) "Published policies and business processes" means those policies and business processes contained in "The Child Care Fund Handbook," and department policy.

(m) "State ward charge-back" means the amount of dollars the department bills a county for the cost of care for state wards.

(n) "Title IV-E" means the funding source established by title IV, part E of the social security act, 42 USC chapter 7, subchapter IV, part E, that provides federal financial participation in the costs of foster care maintenance payments for children who would be eligible for aid to dependent children if living in the parental home or with an acceptable relative.

History: 1987 AACCS; 2020 MR 10, Eff. May 20, 2020.

#### **R 400.2002 Exemption from rule.**

Rule 2. (1) Upon written request of the court or county department, the department shall grant an exemption from an administrative rule only if there is clear and convincing evidence that the alternative to the rule complies with the intent of the administrative rule from which exemption is sought.

(2) The decision of the department, including the qualification under which the exemption is granted, shall be entered upon the records of the department and a signed copy shall be sent to the court or county department. This exemption may remain in effect for as long as the court or county department continues to comply with the intent of the rule or may be time limited.

History: 1987 AACCS; 2020 MR 10, Eff. May 20, 2020.

#### **R 400.2003 Court staff providing direct services; minimum qualification.**

Rule 3. The court shall document that staff providing direct services to children, or supervising staff who provide direct services to children, for which service costs are reimbursed from the state child care fund meet the minimum qualifications established in the juvenile court standards and administrative guidelines for the care of children established by Supreme Court Administrative Order No. 1985-5, 422 Mich cxi (1985), as modified by Administrative Order No. 1988-3, 430 Mich xcix (1988) and by order of May 19, 2009, effective September 1, 2009, 483 Mich civ (2009), or by department policy.

History: 1987 AACCS; 2020 MR 10, Eff. May 20, 2020.

#### **R 400.2004 County department staff providing direct services; standards.**

Rule 4. The county department shall document that staff providing direct services to children, or supervising staff who provide direct services to children, for which service costs are reimbursed from the state child care fund meet the standards set forth in R

400.4116, R 400.4117, R 400.4118, R 400.4119, R 400.4120, R 400.4121, R 400.12205, R 400.12206, and R 400.12207.

History: 1987 AACCS; 2020 MR 10, Eff. May 20, 2020.

**R 400.2005 Rescinded.**

History: 1987 AACCS; 2020 MR 10, Eff. May 20, 2020.

**R 400.2006 Purchase of contractual services; requirements.**

Rule 6. Contractual services purchased through basic grant or in-home care money must conform to the requirements published in the Child Care Fund Handbook.

History: 1987 AACCS; 2020 MR 10, Eff. May 20, 2020.

**R 400.2007 Case records.**

Rule 7. (1) The court and county department shall document eligibility for each child claimed for state child care fund reimbursement by the program and accounting records.

(2) Documentation of eligibility must be retained as directed by the Child Care Fund Handbook.

History: 1987 AACCS; 2020 MR 10, Eff. May 20, 2020.

**R 400.2008 County child care fund expenditure reimbursement; eligibility.**

Rule 8. (1) To be eligible for state child care reimbursement, a county or tribal entity shall annually submit a plan and budget, on forms provided by the department that conform to the requirements established in published policies and business processes. Each annual plan and budget shall be certified by the presiding judge of the court, director of the county department, and chairperson of the county board of commissioners or county or tribal executive.

(2) To be eligible for state child care fund reimbursement, expenditures made from the court subaccount for out-of-home care must be pursuant to sections 2, 5, 8, and 25 of chapter XIA of the probate code of 1939, 1939 PA 288, MCL 712A.2, 712A.5, 712A.18, and 712A.25.

(3) All of the following provisions apply to expenditures made from the county department subaccount for out-of-home care for these expenditures to be eligible for state child care fund reimbursement:

(a) The care is ordered by the court and the child is supervised by the county department.

(b) The care is voluntary, and all the following provisions apply:

(i) The child is under 18 years of age.

(ii) A written, signed agreement has been received from the child's parent, legal guardian, or other custodian.

(iii) The agreement specifies the amount of financial support required from the parent.

(iv) Financial need is not the sole reason for the request for out-of-home care.

(c) A county department supervising children funded through the child care fund shall document that it is approved as a child placing agency under 1973 PA 116, MCL 722.111 to 722.128.

History: 1987 AACCS; 2020 MR 10, Eff. May 20, 2020.

#### **R 400.2009 In-home care.**

Rule 9. The in-home care option of the child care fund may be used for children under the jurisdiction of the court to provide for early intervention to treat problems of delinquency and neglect. In-home services are reimbursable in the following situations:

(a) In-home care is provided as an alternative to removal from home and placement in detention or other out-of-home care and all the following provisions have been met:

(i) A complaint has been received and accepted by the court or the youth has been ordered to participate in the in-home care program at the dispositional hearing.

(ii) The expenditure of child care fund money for in-home care is not for judicial costs.

(iii) The services are intensive.

(iv) The parent or parents and the youth or designee, or both, have agreed in writing to receive in-home services or a preliminary hearing has been held.

(v) The court shall document that court staff responsible for case plan development and monitoring meet the qualifications established in the juvenile court standards and administrative guidelines for the care of children established by Supreme Court Administrative Order No. 1985-5, 422 Mich cxi (1985), as modified by Administrative Order No. 1988-3, 430 Mich xcix (1988) and by order of May 19, 2009, effective September 1, 2009, 483 Mich civ (2009).

(b) In-home care programs use case service payments in support of probation services, which can be shown, by the county, to have a relationship between those payments and the days of out-of-home care in the county. These case service payments are not to be made to pay for basic family needs otherwise available through public assistance programs.

(c) The in-home care early return option is used to accelerate the early return of a youth from family foster care, institutional care, or any other out-of-home care if all the following provisions are met:

(i) The case plan identifies an early return goal.

(ii) The case plan identifies all the parties and services.

(iii) The expenditure of child care fund money for in-home care is not for judicial costs.

(iv) Either the parent or parents, guardian, or custodian, and the youth have agreed, in writing, to receive in-home services. If the youth is younger than 14 years of age or unable to consent to receive services, or both, a hearing must be held and the court must order the youth into a program.

(v) The court documents that court staff or designee responsible for case plan development and monitoring, or both, meet the qualifications established in the juvenile court standards and administrative guidelines for the care of children established by Supreme Court Administrative Order No. 1985-5, 422 Mich cxi (1985), as modified by Administrative Order No. 1988-3, 430 Mich xcix (1988) and by order of May 19, 2009, effective September 1, 2009, 483 Mich civ (2009).

(d) The county department may provide for in-home care services from its subaccount for substantiated Category 1 and 2 protective services cases, if expenditures are not for judicial costs. The case plan must identify all parties and services and one of the following must apply to the service or services:

(i) The service or services are ordered as an alternative to out-of-home care.

(ii) The service or services prevent the need to petition the juvenile court for removal or prevent placement in voluntary foster care.

(iii) The service or services will accelerate the return of a youth from out-of-home care.

(iv) The court documents that court staff or designee responsible for case plan development and monitoring, or both, meet the qualifications established in the juvenile court standards and administrative guidelines for the care of children established by Supreme Court Administrative Order No. 1985-5, 422 Mich cxi (1985), as modified by Administrative Order No. 1988-3, 430 Mich xcix (1988) and by order of May 19, 2009, effective September 1, 2009, 483 Mich civ (2009).

(v) In-home care programs use case service payments in support of in-home care services, which can be shown by the county's or court's relationship between those payments and the days of out-of-home care in the county.

(e) Case service payments are not made to cover basic family needs otherwise available through public assistance programs.

History: 1987 AACCS; 2020 MR 10, Eff. May 20, 2020.

#### **R 400.2010 Basic grant programs; reimbursement eligibility.**

Rule 10. To be eligible for state reimbursement, basic grant programs must be provided to youth who are within or are likely to come within the jurisdiction of the court as defined by sections 2a and 2b of chapter XIIA of the probate code of 1939, 1939 PA 288, MCL 712A.2a and 712A.2b. In addition, basic grant programs must comply with all the following provisions to be eligible for reimbursement:

(a) The programs are described in the annual county plan and budget and conform to the department's published policies and business processes as provided in the Child Care Fund Handbook.

(b) The court shall document that court staff or designee responsible for individual case plan development and monitoring, or both, meet the qualifications established by Supreme Court Administrative Order No. 1985-5, 422 Mich cxi (1985), as modified by Administrative Order No. 1988-3, 430 Mich xcix (1988) and by order of May 19, 2009, effective September 1, 2009, 483 Mich civ (2009).

(c) The county department shall document that county department staff responsible for individual case management and monitoring meet the requirements for staff

supervising children in foster care as specified in R 400.12205, R 400.12206, and R 400.12207.

(d) The county department or court shall document that contractual providers who develop or monitor case plans meet the requirements for staff supervising children in foster care as established in rule I of the juvenile court standards and administrative guidelines for the care of children established by Supreme Court Administrative Order No. 1985-5, 422 Mich cxi (1985), as modified by Administrative Order No. 1988-3, 430 Mich xcix (1988) and by order of May 19, 2009, effective September 1, 2009, 483 Mich civ (2009).

(e) The county department and court shall maintain individual case record documentation as specified by the department in published policies and business processes as provided in the Child Care Fund Handbook and shall make the individual case record documentation available to the department for review and monitoring.

History: 1987 AACCS; 2020 MR 10, Eff. May 20, 2020.

### **R 400.2011 Rescission.**

Rule 11. R 400.21, R 400.22, and R 400.23 of the Michigan Administrative Code, appearing on pages 2984, 2985, and 2986 of the 1979 Michigan Administrative Code, are rescinded.

History: 1987 AACCS.

## **PART 2. ELIGIBLE EXPENDITURE CLASSIFICATIONS**

### **R 400.2021 Definitions.**

Rule 21. As used in this part:

(a) "Case Services payments," formerly known as nonscheduled payments, means payments to individuals or organizations for items specified and defined in the department's published policies and business processes that are not included in the state-established per diem rate.

(b) "County-operated facility" means a facility licensed or approved as a child caring institution or a court-operated facility, or both, to provide group care, shelter care, or detention administered and staffed by county employees.

(c) "Intensive rate" means payment in excess of the state-established rate for specialized abuse/neglect foster care that must receive special approval as specified in the department's published policies and business processes.

(d) "State rates" means rates established and published by the department for all the following:

- (i) Payment for foster family care and independent living costs.
- (ii) Payment for a private child care institution.
- (iii) Payment for a private child placing agency.

(e) "Subsidy payment bed hold" means payment to assure the availability of bed space for placement referrals.

History: 1987 AACCS; 2020 MR 10, Eff. May 20, 2020.

**R 400.2022 County child care fund expenditures; eligibility for reimbursement.**

Rule 22. (1) Unless otherwise indicated, for county child care fund expenditures within the limits of the annual child care fund ceiling to be eligible for state child care fund 50% reimbursement, all payments must provide a direct service and be case-specific, identifiable to an individual child, and must not be for a judicial cost or an administrative cost. However, certain administrative costs as defined by the department in published policies and business processes are reimbursable.

(2) State child care fund reimbursement may be allowed unless otherwise accessible and available by other public assistance programs necessary to achieve the goals and outcomes for in-home care or out-of-home care. Reimbursement must not be made for costs associated with an otherwise eligible child or family, or both, if the reason for the unavailability of public assistance is due to intentional program violations and disqualification of any public assistance.

History: 1987 AACCS; 2020 MR 10, Eff. May 20, 2020.

**R 400.2023 Reimbursable family foster care expenditures and costs.**

Rule 23. (1) The following child-specific direct supervision or purchased placing agency family foster care expenditures are reimbursable within state-established rates or approved intensive rates:

(a) Care provided in the following locations:

- (i) Foster family homes.
- (ii) Foster family group homes.
- (iii) Legal guardian homes.
- (iv) Homes of related persons.

(b) Initial clothing, clothing maintenance, and supplemental clothing allowances within state rates as specified in the department's published policies and business processes.

(c) Items necessary for a child's educational experience that are not available without additional cost through the public-school system.

(d) Medical, dental, psychological, and psychiatric service and materials, subject to the limitations in R 400.2022.

(e) Unusual transportation costs incurred by the foster parents or payments to a public carrier for transportation for treatment and service as part of a case plan.

(f) Transportation costs incurred by a foster child's parents if the case plan documents that assistance is needed to assure contact between the parent and child. The maximum reimbursable rates must conform to the requirements published in the department's policies and business processes.

(g) Other costs for behavioral incentive that are designed to encourage and support desirable behavior, and that are documented in a service plan.

- (h) A once-a-year allowance for a gift at holiday time for each child in foster care.
- (2) All the following are reimbursable non-child-specific family foster care costs:
  - (a) Payment to foster parents for the cost of foster parent training. Reimbursable costs include all the following:
    - (i) Cost of transportation.
    - (ii) Child care.
    - (iii) Tuition.
    - (iv) Training supplies.
  - (b) Subsidy payments to foster parents if supported by a contract.
  - (c) Relief payments to foster parents of an approved group or shelter home program if supported by a contract.
  - (d) Respite payments to foster parents of an approved group or shelter home program if supported by a contract.
  - (e) Recreation payments to foster parents of an approved group or shelter home program as defined and restricted by the department's policies and business processes.
  - (f) Supply payments to foster parents of an approved group or shelter home program for personal items for children in the program.

History: 1987 AACCS; 2020 MR 10, Eff. May 20, 2020.

**R 400.2024 Reimbursable costs of institutional care.**

Rule 24. All the following are reimbursable costs of institutional care:

- (a) The operating costs of a county-operated facility approved to provide detention, group care, or shelter care, as defined by the office in published policies and business processes, which is limited to the governing policy provided by the office in published policies and business processes. These costs are restricted to the following expenditures for services and goods necessary to provide direct services to the youth placed in the facility:
  - (i) The cost for direct care, administrative, and support staff who devote 100% of their time to the youth placed in the facility.
  - (ii) The cost of supportive services on a prorated basis if supported by documentation.
  - (iii) Prorated space costs if the entire facility is not utilized as a child care institution.
  - (iv) A once-a-year allowance for a gift at holiday time for each ward in institutional care.
- (b) The cost of care in an out-of-state institution that has filed documentation, with the state or the court, of having a valid license to provide care and the details of the rates and service provided.
- (c) The cost of care provided in another county's child care facility if the facility has established and published the same per diem rate for all county and state placements.
- (d) Subsidy payments to a facility operated by another county to assure the availability of bed spaces if approved in the annual plan and budget.
- (e) The cost of care in a certified medical or psychiatric hospital.
- (f) The cost of care, at the state-established rate, in a facility licensed as a private child care institution.



(g) The cost of care, exclusive of the education costs, at a boarding school licensed under section 1335 of the revised school code, 1976 PA 451, MCL 380.1335.

(h) The cost of case service payments for services or materials not included in state-established rates.

History: 1987 AACCS; 2020 MR 10, Eff. May 20, 2020.

**R 400.2025 Out-of-country placements; cost not reimbursable.**

Rule 25. The cost of out-of-country placements is not reimbursable.

History: 1987 AACCS.

**R 400.2026 Reimbursement for in-home care service costs.**

Rule 26. The cost of in-home care service as approved in the county annual plan and budget is reimbursable.

History: 1987 AACCS.

**R 400.2027 Reimbursement for costs for independent living.**

Rule 27. The cost, at the state rate, for independent living is reimbursable.

History: 1987 AACCS.

**R 400.2028 State expenses.**

Rule 28. The following county child care fund expenditures are 100% reimbursable from the state child care fund:

(a) Reimbursement to a private child caring agency for the cost of foster care, exclusive of administrative costs, for a child released to the agency under section 29 of chapter X of the probate code of 1939, 1939 PA 288, MCL 710.29.

(b) Basic grant costs as approved in the county annual plan and budget as set forth in R 400.2010.

History: 1987 AACCS; 2020 MR 10, Eff. May 20, 2020.

### **PART 3. ACCOUNTING**

**R 400.2031 Standards and requirements.**

Rule 31. In addition to the accounting standards and requirements specified in section 117c of the social welfare act, 1939 PA 280, MCL 400.117c, and section 1 of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421, the following provisions apply:

(a) All expenditures and disbursements from the court subaccount for which state reimbursement is claimed must be recorded in the county child care fund in the expenditure accounts specified in the publication entitled "Accounting Procedures Manual for Local Units of Government in Michigan" issued by the department of treasury.

(b) All expenditures and disbursements from the county department subaccount for which state reimbursement is claimed must be recorded in the county child care fund in the expenditure accounts specified in the department accounting manual.

(c) All revenues and receipts to the court subaccount related to child care costs for which state reimbursement is claimed shall be recorded in the child care fund and be classified in the revenue accounts as specified in the publication entitled "Accounting Procedures Manual for Local Units of Government in Michigan" issued by the department of treasury.

(d) All revenues and receipts to the county department subaccount related to child care costs for which state reimbursement is claimed must be recorded in the child care fund and be classified in revenue accounts as specified in the department accounting manual.

(e) County child care fund expenditures submitted for state reimbursement must be recorded separately from expenditures that are not eligible for state reimbursement.

(f) A record of the cost for each child must be maintained for direct supervision or purchased placing agency family care, another county's institution, private institution, medical and psychiatric hospital, boarding schools, in-home care, and independent living.

(g) Money received for a child's care up to the cost of care must be reported on the monthly financial report forms provided by the department.

(h) Money received for a child's care more than the cost of care must be placed in a trust for the child.

(i) The accounting records of the probate court subaccount of the child care fund must be retained in compliance with the publication entitled "Record Retention General Schedule #15 Circuit Courts" issued by the state supreme court administration office.

(j) The accounting records of the county department subaccount of the child care fund must be retained in compliance with the department's child care fund policy and made available for state audit.

(k) The county shall document that the expenditure of child care fund money reported for state reimbursement for goods or services from a third party complies with county policy with respect to contract and bidding requirements.

(l) The county shall document that all supplies and equipment for which state reimbursement is received are identified as county property and controlled in compliance with the inventory and control policies of the county.

History: 1987 AACs; 2020 MR 10, Eff. May 20, 2020.

#### **PART 4. REPORTING**

**R 400.2041 Definition.**

Rule 41. As used in this part, "offset" means the process the department uses to determine the dollar amount to bill a county for state ward charge-back or the remittance of state aid for the reimbursement of department child care fund expenditures.

History: 1987 AACCS; 2020 MR 10, Eff. May 20, 2020.

**R 400.2042 Reporting county child care fund expenditures.**

Rule 42. County child care fund expenditures submitted to the department for reimbursement shall be reported monthly to the department on the forms provided by the department.

History: 1987 AACCS.

**R 400.2043 Reporting county basic grant expenditures.**

Rule 43. County basic grant expenditures submitted to the department for reimbursement shall be reported monthly on forms provided by the department.

History: 1987 AACCS.

**R 400.2044 Department approval of county annual plan and budget.**

Rule 44. The department shall approve, within 30 calendar days after receipt, a properly completed annual plan and budget that complies with the requirements of section 117c of the social welfare act, 1939 PA 280, MCL 400.117c.

History: 1987 AACCS; 2020 MR 10, Eff. May 20, 2020.

**R 400.2045 Rescinded.**

History: 1987 AACCS; 2020 MR 10, Eff. May 20, 2020.

**R 400.2046 Offset of uncontested county child care fund reimbursement and state ward charge-back liabilities.**

Rule 46. The department shall offset county child care fund reimbursements and uncontested state ward charge-back liabilities monthly.

History: 1987 AACCS.

**R 400.2047 Department reports to counties.**

Rule 47. The department shall provide counties with monthly child care fund expenditure/reimbursement reports and monthly child care fund-state ward charge-back/offset reports.

History: 1987 AACCS.

**R 400.2048 Department responsibilities to counties.**

Rule 48. (1) The office department shall be responsible for providing all necessary information to counties to meet the requirements of these rules and child care fund policy.

(2) The department shall provide county-level assistance for county plan and budget development, program eligibility monitoring, and compliance.

History: 1987 AACCS; 2020 MR 10, Eff. May 20, 2020.

**R 400.2049 Monitoring county population projections.**

Rule 49. The department shall monitor county population projections produced by the department of technology, management and budget. The department shall provide to those counties that are projected to exceed or decline below the 75,000 population mark a 15-month period within which to develop a basic grant program or to change to the county juvenile officer grant payment system as provided in section 3 of 1919 (Ex Sess) PA 22, MCL 400.253.

History: 1987 AACCS; 2020 MR 10, Eff. May 20, 2020.