

DEPARTMENT OF SOCIAL SERVICES
OFFICE OF CHILDREN AND YOUTH SERVICES
CHILD CARE FUND

(By authority conferred on the department of social services, in conjunction with the office of children and youth services, by section 117a of Act No. 280 of the Public Acts of 1939, as amended, being S400.117a of the Michigan Compiled Laws)

PART 1. GENERAL PROVISIONS

R 400.2001 Definitions.

Rule 1. As used in these rules:

(a) "Aid to dependent children in foster care" means the funding source established by the adoption assistance and child welfare act of 1980, 42 U.S.C. S1305 et seq., to provide 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.

(b) "Annual child care fund ceiling" means the initial annual legislative appropriation of the state child care fund.

(c) "County department" means the county department of social services created in each county by section 45 of Act No. 280 of the Public Acts of 1939, as amended, being S400.45 of the Michigan Compiled Laws.

(d) "County department of social services subaccount" means the account authorized by the county board of commissioners for the expenditure of child care funds by the county department.

(e) "Court" means the juvenile division of the probate court.

(f) "Department" means the Michigan department of social services.

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

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

(i) "Intensive service" means that the worker-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.

(j) "Juvenile court subaccount" means the account authorized by the county board of commissioners for the expenditure of child care funds by the juvenile court.

(k) "Office" means the office of children and youth services of the Michigan department of social services.

(l) "Own home" means the residence of the child's parent or parents, relative, or legal guardian where the child is found, from which the child was removed by the authority of the court, or in which the child will be placed on a permanent basis.

(m) "Published policies and procedures" means those policies and procedures contained in the office publications entitled "The Child Care Fund Handbook," the "Annual Child Care Fund Plan and Budget Guidelines," and department manual material.

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

History: 1987 AACCS.

R 400.2002 Exemption from rule.

Rule 2. (1) Upon written request of the juvenile 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 juvenile court or county

department. This exemption may remain in effect for as long as the juvenile court or county department continues to comply with the intent of the rule or may be time-limited.

History: 1987 AACS.

R 400.2003 Juvenile court staff providing direct services; minimum qualification.

Rule 3. The juvenile 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 1985-5.

History: 1987 AACS.

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 400.6124, R 400.6126, R 400.6128, R 400.6131, and R 400.6132.

History: 1987 AACS.

R 400.2005 County department of social services foster care program; structure.

Rule 5. A county department foster care program shall be structured as directed by the department and shall consist solely of state employees assigned civil service position classifications at the same levels as those assigned staff of the state foster care program.

History: 1987 AACS.

R 400.2006 Purchase of contractual services; requirements.

Rule 6. Contractual services purchased through basic grant or in-home care monies shall conform to the requirements published in office policies and procedures.

History: 1987 AACS.

R 400.2007 Case records.

Rule 7. (1) The court shall document that a child who is funded through state child care fund reimbursement from the juvenile court subaccount has a case record conforming to the recordkeeping requirements in rule II of the juvenile court standards and administrative guidelines for the care of children when the child is placed in the following:

- (a) A licensed out-of-home placement.
- (b) A home of a related person other than that of parents.
- (c) A home of a legal guardian.

(2) The county department shall document that a child funded through state child care fund reimbursement from the county department of social services subaccount has a case record conforming to the definition in R 400.6101(a) when the child is placed in the following:

- (a) A licensed out-of-home placement.
- (b) A home of a related person other than that of parents.
- (c) A home of a legal guardian.

History: 1987 AACS.

R 400.2008 County child care fund expenditure reimbursement; eligibility.

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

(2) To be eligible for state child care fund reimbursement, expenditures made from the juvenile court subaccount for out-of-home care shall be pursuant to sections 2, 5, and 18 of chapter XIIA of Act No. 288 of the Public Acts of 1939, as amended, being SS712A.2, 712A.5, and 712A.18 of the Michigan Compiled Laws.

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

(a) The care is ordered by the juvenile 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 which does not exceed 90 days 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 pursuant to the provisions of Act No. 116 of the Public Acts of 1973, as amended, being S722.111 et seq. of the Michigan Compiled Laws.

History: 1987 AACCS.

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 juvenile court.

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

(iii) The services are intensive.

(iv) The parent or parents and the youth 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.

(b) In-home care programs use nonscheduled 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 nonscheduled payments are not to be made to pay for basic family needs otherwise available through public assistance programs.

(c) In-home care is provided to youths who, at the dispositional hearing, are ordered into in-home care as an alternative to foster care or other out-of-home care and all the following provisions are complied with:

(i) The expenditure of child care fund monies is not for judicial costs.

(ii) The services are intensive.

(iii) Nonscheduled payments are not made to pay for basic family needs otherwise available through public assistance programs.

(iv) 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.

(d) 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 when both of the following provisions are complied with:

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

(ii) The services are provided to the members of the child's family.

(e) The county department child care fund subaccount is used to provide in-home care services to children if the county department documents that the conditions of R 400.2004 and R 400.2005 are met and if the court orders county department supervision.

(f) The county department may provide for in-home care services from its subaccount for substantiated protective services cases if all the following provisions are complied with:

(i) The in-home care services prevent the need to petition the juvenile court for removal.

(ii) Nonscheduled payments are not made to cover basic family needs otherwise available through public assistance programs.

(iii) The county department documents that in-home care case staff meet the standards set forth in R 400.6126, R 400.6128, R 400.6131, and R 400.6132.

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

(h) In addition to the requirements specified in subrules (a), (i) to (v) of this rule, in-home care services provided by the court or county department shall meet all the following requirements if state reimbursement is sought:

(i) The county's annual plan and budget document shall specify either a projected proportion or number of youth who, as a direct result of in-home care, will not be placed in out-of-home care.

(ii) The county's annual plan and budget document shall address the county's total out-of-home placement activities whether funded from aid to dependent children in foster care, the state ward charge-back, or the child care fund.

(iii) The county's annual plan and budget document shall contain an annual report which evaluates the impact of in-home care services on out-of-home placements in the funding systems identified under subdivision (ii) of this subrule.

(iv) Individual case record documentation shall be maintained by the court and county department as specified by the office in published policies and procedures and shall be made available to the office for on-site review.

History: 1987 AACs.

R 400.2010 Basic grant programs; reimbursement eligibility.

Rule 10. To be eligible for state reimbursement, basic grant programs shall be provided to youth who are within or are likely to come within the jurisdiction of the probate court as defined by chapter XA of Act No. 288 of the Public Acts of 1939, as amended, being S712A.1 et seq. of the Michigan Compiled Laws. In addition, basic grant programs shall comply with all of the following provisions to be eligible for reimbursement:

(a) The programs are described in the annual county plan and budget and conform to published office policies and procedures.

(b) The court shall document that court staff responsible for individual case plan development and monitoring meet the qualifications identified in the juvenile court standards and administrative guidelines for the care of children.

(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 400.6124, R 400.6126, R 400.6128, R 400.6129, R 400.6131, and R 400.6132.

(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.

(e) Contractual case-specific services are purchased on a unit-cost basis.

(f) The county department and court shall maintain individual case record documentation as specified by the office in published policies and procedures and shall be made available to the office for on-site review and monitoring.

History: 1987 AACs.

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) "County-operated facility" means a facility licensed or approved as a child caring institution to provide group care, shelter care, or detention administered and staffed by county employees.
- (b) "Intensive rate" means payment in excess of the state-established rate for specialized foster care which must receive special approval as specified by the office in published policies and procedures.
- (c) "Nonscheduled payments" means payments to individuals or organizations for items specified and defined in the child care fund handbook which are not included in the state-established per diem rate.
- (d) "State rates" means rates established and published by the department for all the following:
 - (i) Per diem payment for foster family care.
 - (ii) Per diem payment for a private child care institution.
 - (iii) Per diem payment for a private child placing agency.
 - (iv) Initial clothing allowances.
 - (v) Adoption placement costs.
 - (vi) Independent living costs.
- (e) "Subsidy payment" means payment to assure the availability of bed space for placement referrals.

History: 1987 AACCS.

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 shall provide a direct service and be case-specific, identifiable to an individual child, and shall not be for a judicial cost or an administrative cost. However, certain administrative costs as defined by the office in published policies and procedures are reimbursable.

(2) State child care fund reimbursement is restricted to county child care fund expenditures for service not covered by the following:

- (a) Medical assistance.
- (b) Public assistance programs.
- (c) Public education system.
- (d) Private insurance.
- (e) Parental payment.
- (f) A state or local mental health fund.
- (g) Social security.
- (h) Supplemental security income.
- (i) Veterans administration.

History: 1987 AACCS.

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 published policies and procedures.

(c) Items necessary for a child's educational experience which 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 when the case plan documents that assistance is needed to assure contact between the parent and child. The maximum reimbursable rates shall conform to the requirements published in office policies and procedures.

(g) Other costs for behavioral incentive which are designed to encourage and support desirable behavior and which 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 when supported by a contract.

(c) Relief payments to foster parents of an approved group or shelter home program when supported by a contract.

(d) Respite payments to foster parents of an approved group or shelter home program when supported by a contract.

(e) Recreation payments to foster parents of an approved group or shelter home program as defined and restricted by the office in published policy and procedures.

(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.

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 procedures, which shall be limited to the governing policy provided by the office in published policies and procedures. 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 when supported by documentation.

(iii) Prorated space costs when 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 which 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 Act No. 451 of the Public Acts of 1976, as amended, being S380.1335 of the Michigan Compiled Laws.

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

History: 1987 AACCS.

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 Reimbursement for county child care fund expenditures.

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 pursuant to section 29 of Act No. 288 of the Public Acts of 1939, as amended, being S710.29 of the Michigan Compiled Laws.

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

History: 1987 AACCS.

PART 3. ACCOUNTING

R 400.2031 Standards and requirements.

Rule 31. In addition to the accounting standards and requirements specified in section 117c of Act No. 280 of the Public Acts of 1939, as amended, being S400.117c of the Michigan Compiled Laws, and Act No. 2 of the Public Acts of 1968, as amended, being S141.421 et seq. of the Michigan Compiled Laws, the following provisions apply:

(a) All expenditures and disbursements from the court subaccount for which state reimbursement is claimed shall be recorded in the county child care fund in the expenditure accounts specified in the publication entitled "Uniform Accounting Procedures Manual for County Probate Court Child Care Funds" issued by the Michigan department of treasury.

(b) All expenditures and disbursements from the county department subaccount for which state reimbursement is claimed shall 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 which are 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 "Uniform Accounting Procedures Manual for Probate Court Child Care Fund" issued by the Michigan department of treasury.

(d) All revenues and receipts to the county department subaccount which are related to child care costs for which state reimbursement is claimed shall 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 shall be recorded separately from expenditures which are not allowed for state reimbursement.

(f) A record of the cost for each child shall 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) Monies received for a child's care up to the cost of care shall be reported on the monthly financial report forms provided by the department.

(h) Monies received for a child's care in excess of the cost of care shall be placed in a trust for the child.

(i) The accounting records of the probate court subaccount of the child care fund shall be retained in compliance with the publication entitled "Record Retention General Schedule #14 Probate Courts" issued by the state supreme court administration office and made available for state audit for 6 years.

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

(k) The county shall document that the expenditure of child care fund monies 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 will be identified as county property and shall be controlled in compliance with the inventory and control policies of the county.

History: 1987 AACS.

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 juvenile court and county department child care fund expenditures.

History: 1987 AACS.

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 AACS.

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 AACS.

R 400.2044 Office approval of county annual plan and budget.

Rule 44. Within 30 days of receipt of a complete annual plan and budget, the office shall act to approve the document and so advise the county.

History: 1987 AACS.

R 400.2045 Reimbursement responsibilities of the office.

Rule 45. (1) The office shall establish annual individual county child care fund reimbursement ceilings and advise each county of its allocated amount by July 1 or within 15 days subsequent to the approval of a state annual appropriation.

(2) The office shall reimburse county expenditures up to the available state appropriation if sufficient claims are made.

(3) The office shall redistribute unexpended state child care fund monies remaining at the end of the fiscal year to reimburse those counties which exceed their state reimbursement ceilings, if the expenditures were reported on monthly expenditure report forms and the expenditures do not exceed the approved county budget. To the extent that available unexpended funds permit, the redistribution shall be based on an equitable formula and shall not exceed 50% of the expended reimbursable amount.

History: 1987 AACS.

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 AACS.

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 AACS.

R 400.2048 Office responsibilities to counties.

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

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

History: 1987 AACS.

R 400.2049 Monitoring county population projections.

Rule 49. The office shall monitor county population projections produced by the department of management and budget. The office shall provide to those counties which 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 Act No. 22 of the Public Acts of the Extra Session of 1919, as amended, being S400.253 of the Michigan Compiled Laws.

History: 1987 AACS.