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TO: Felicia Brabec, Chair
Ways & Means Committee

THROUGH: Verna J. McDaniel
County Administrator

FROM: Dan Dwyer, Trial Court Administrator
Linda Edwards-Brown, Juvenile Division Administrator
Lisa Greco, Youth Center Director
Renee Adorjan, Washtenaw County DHS Director

DATE: July 9, 2014

SUBJECT: Amendment to 2013/2014 State Child Care Fund Budget

BOARD ACTION REQUESTED:

The Washtenaw County Trial Court Juvenile Division and the Department of Human Services request that the Board of Commissioners authorize the Chair of the Board's signature on the amendment to the 2013/2014 State Child Care Fund Budget Summary Form 2091 and authorize the County Administrator to amend the Child Care Fund budget.

BACKGROUND:

The Child Care Fund (CCF) is a collaborative effort between the state and county circuit courts which supports programs that serve neglected, abused and delinquent youth in Michigan. It originated in 1955 with a series of "Foster Care Bills" designed to improve care for children under the jurisdiction of the juvenile courts by allowing the State to participate in cost sharing with the counties. Between 1980 and 1997 the State placed an annual cap on the amount of CCF reimbursement available to each county circuit court. The State would match county circuit court expenditures up to a fixed dollar amount and any expenses beyond that limit were the county circuit court's responsibility. In 1997, the Michigan Supreme Court ruled the CCF cap illegal under Article IX, section 29 of the Michigan Constitution, commonly known as the maintenance-of-support clause of the "Headlee Amendment". As a result, the cap was removed and the State began to reimburse counties 50% of all eligible CCF expenses. It is because of this ruling that the CCF has grown from a relatively small funding source to the largest funding source for Court Wards throughout the State.

Initially, CCF assistance was limited to youth in out-of-home placements such as foster

homes or county- operated facilities. In recent years, the CCF has added the ability to fund In-Home Care (IHC) services.

These programs have a goal to provide necessary services while allowing children to remain in their own homes. IHC efforts may also focus on early reunification for youth already in out-of-home placements. IHC permits a large degree of county circuit court initiative and control. As a result, a wide variety of creative services have been approved for funding by the State CCF office. IHC programs may include job skills training, intensive probation, community wraparound, mentoring, family counseling, electronic tether, alternatives to detention, and many other community-based services. These community-based programs have provided many youth and their families with the benefit of a more stable environment and have also reduced the need for expensive institutional placement.

While some specialized services and security can only be provided in a residential setting, the CCF continues to fund out-of-home placements, where appropriate. If the safety of the youth, the youth's family, or the community is at risk, then an out-of-home placement may be required. The CCF reimburses for a variety of out-of-home placements including foster homes, county-operated detention facilities, and other private child caring institutions.

Whether providing in-home or out-of-home care, the programs supported by the CCF are designed and administered by Michigan's county circuit courts, local DHS offices and tribes. The services are created and paid for by county funds based on the needs of the community. Services are then submitted for reimbursement to the State CCF office, which is part of the DHS Children's Services Administration.

To be eligible to receive CCF reimbursement, each county circuit court must submit an annual plan and budget to the State. The budgets are reviewed and approved by the CCF office. Each county circuit court must submit a detailed list of the services they wish to provide, a projection of anticipated expenditures, descriptions of services to be provided, data analysis of the previous year's youth served and previous year's fiscal spending. Each county circuit court must participate in periodic on-site monitoring reviews by the Child Care Fund Monitoring Unit (CCFMU) staff to assure that program expenditures comply with CCF rules and policy. To be eligible for reimbursement, IHC programs must serve youth who are category I, II or III neglect/abuse cases or delinquent youth for whom a petition has been accepted by the court. The youth must be at risk of being placed out-of-the-home or have a goal of early return from placement.

Each year, the County must submit an annual plan and budget signed by the Chair of the County Board of Commissioners, the Chief Judge, and the director of the Department of Human Services.

DISCUSSION:

The Department of Human Services is requesting an increase in the Child Care Fund budget from \$1,872,928 to \$2,500,000 for the 2014 County Fiscal Year. The Washtenaw County DHS office continues to have many youth who need the specialized services offered by residential facilities, which have much higher rates than traditional family foster care. Currently, twelve of the Foster Care youth funded through Child Care Funds are in residential care. In addition to the age appropriate rate for foster care placement, there can also be a Determination of Care (DOC) rate. The DOC rate is based on many factors which cannot always be anticipated in projecting expenditures.

It is anticipated that expenditures for the Children's Services Department will be \$262,341 over the current budget during the County fiscal year. Detention beds in the Children's Services facility have been occupied at or near capacity for all of 2014. The result of having the facility at maximum capacity is the use of part-time temporary staff as well as overtime to ensure that Children's Services remains in compliance with state licensing requirements for juvenile detention facilities.

In addition to the above, in order to protect the community and the youth, the Trial Court – Juvenile Division will place at least six youth in out-of-home placements (residential placement) in July 2014. This is in addition to the six youth who are currently in residential placements. Over the last year, the court, the schools and law enforcement have seen an alarming rise in the number of youth involved in gang activity. The activity ranges from multiple home invasions, larceny in a building, larceny of firearm, police officer-assaulting, resisting/obstructing; and brandishing guns, drugs and cash on social media.

Residential placements are costly and the typical length of stay is nine to twelve months. The average per diem is \$260 per day, per youth. However, the per diems range from a low of \$150.51 to a high of \$522.57. The total cost for the remainder of the County fiscal year is projected to be \$396,000.

As of December 31, 2013, the Child Care Fund had a fund balance of \$1,041,882. Due to the fact that Washtenaw County is responsible to cover half of the over expenditure, it is anticipated that approval of this amendment would draw \$642,707 from the Child Care Fund balance, leaving \$399,175. This fund is particularly vulnerable to volatility as expenditures are subject to factors such as case worker loads at the Washtenaw County DHS office, the number of youths taken into custody, and the number of youths placed outside of the home – particularly in privately run for-profit facilities. If current trends continue, the CCF could be in a particularly precarious position within the next two years, and could potentially require substantial additional general fund support. This fund will continue to be monitored and any structural budget modification in the

form of additional general fund support will be brought back to the Board of Commissioners during the 2015 budget reaffirmation.

IMPACT ON HUMAN RESOURCES:

None

IMPACT ON BUDGET:

The amended 2013/2014 State Child Care Budget will report anticipated expenditures of \$10,684,199. For State fiscal year 2013/2014, the anticipated State reimbursement will increase from the initially approved amount of \$4,712,892 to \$5,342,099.

The County budget, which is on a different fiscal year and which includes expenses not allowable for reimbursement (such as building use charges) under the Child Care Fund, will increase by an identical amount. No additional general fund support is being requested at this time, as fund balance will be utilized to cover the county portion of the increase in projected expenditures.

IMPACT ON INDIRECT COSTS:

Indirect costs will not be impacted by this budget amendment. Indirect costs are included in the proposed budget in the amount of \$706,015 – unchanged from the original submission. These costs are eligible for 50% reimbursement. In addition, these program areas incur indirect costs in the amount of \$356,696 that are not eligible for CCF reimbursement and are therefore not included in the total anticipated expenditures being reported to the State.

IMPACT ON OTHER COUNTY DEPARTMENTS OR OUTSIDE AGENCIES:

Along with the Children's Services department, and the Child Care Fund Division of the Trial Court, this funding impacts the Washtenaw County DHS office, which is a local branch of a State of Michigan agency.

CONFORMITY TO COUNTY POLICIES:

Conforms to County Policies

ATTACHMENTS/APPENDICES:

- Resolution

RESOLUTION AUTHORIZING THE SIGNATURE OF THE CHAIR OF THE BOARD ON THE AMENDMENT TO THE 2013/2014 STATE CHILD CARE FUND BUDGET SUMMARY FORM 2091 TO THE STATE OF MICHIGAN, DEPARTMENT OF HUMAN SERVICES, BUREAU OF JUVENILE JUSTICE FOR THE CHILD CARE FUND FOR THE TRIAL COURT, CHILDREN'S SERVICES, AND THE WASHTENAW COUNTY DEPARTMENT OF HUMAN SERVICES IN THE AMOUNT OF \$10,684,199 FOR THE PERIOD OF OCTOBER 1, 2013 THROUGH SEPTEMBER 30, 2014 AND AUTHORIZING THE ADMINISTRATOR TO AMEND THE 2014 COUNTY CHILD CARE FUND BUDGET FOR THE COUNTY FISCAL YEAR

WASHTENAW COUNTY BOARD OF COMMISSIONERS

July 9, 2014

WHEREAS, the Washtenaw County Trial Court/Family Division – Juvenile Center and the Washtenaw County Department of Human Services have prepared an amendment to the 2013/2014 State Child Care Fund Budget; and

WHEREAS, programming has been classified as, but not limited to, Family Foster Care, Institutional Care, In-Home Care, and Foster Care during the period of appeal after parental release; and

WHEREAS, the In-Home Care components are: Disproportionate Minority Contact, Intensive Probation/Tethers, Juvenile Night Surveillance/ In-Home Prevention, Community Based Sex Offender Treatment, Juvenile Drug Court, Court Appointed Special Advocates (CASA) Program, Wraparound Flexible Funds, Non-Scheduled Payments, Youth Mentor Support Fund, Removal Prevention/Early Return, Educational Advocacy, Case Review Benefits Service, and Michigan Youth Opportunities Initiative (MYOI) Changing Today the Youth of Tomorrow (CTYT) Transportation, Girls Group, Youth Financial Literacy, Supportive Visitation with Family Care Network; and

WHEREAS, the Department of Human Services is requesting an increase in the Child Care Fund budget from \$1,872,928 to \$2,500,000 for the 2014 County Fiscal Year due to the Washtenaw County DHS office continuing to have many youth who need the specialized services offered by residential facilities, which have much higher rates of cost than traditional family foster care; and

WHEREAS, it is anticipated that expenditures for the Children's Services Department will be \$262,341 over the current budget due to detention beds being occupied at or near capacity in 2014; and

WHEREAS, the Trial Court, Juvenile Division, is going to have eight youths placed as wards of the court in the coming weeks. Due to drug use, weapons possession, and potential gang activities, law enforcement action recently became necessary as these youths clearly pose a substantial risk to the community; and

WHEREAS, the total cost for the Juvenile Division of the Trial Court for remainder of the County fiscal year is expected to be \$396,000

WHEREAS, as the new appropriation for net expenditures is \$10,684,199, fifty percent (50%) to be reimbursed by the state; and

WHEREAS, total expenditures will result in projected revenue of \$5,342,099; and

WHEREAS, to receive state funding, all expenditures for programs are required to be included in the State Child Care Fund Budget; and

WHEREAS, this fund will continue to be monitored and any structural budget modification in the form of additional general fund support will be brought back to the Board of Commissioners during the 2015 budget reaffirmation; and

WHEREAS, to received a fifty percent (50%) match for expenditures, the State Child Care Fund Budget requires the authorizing signatures of the Chief Judge of the Family Division, the Director of the Department of Human Services, and the Chair of the Board of Commissioners; and

WHEREAS, this matter has been reviewed by Corporation Counsel, the Finance Department, Human Resources, the County Administrator's Office, and the Ways and Means Committee.

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners hereby authorizes the submission of the 2013/2014 State Child Care Fund Budget Summary Form 2091 to the State of Michigan, Department of Human Service, Bureau of Juvenile Justice for total estimated expenditures of \$10,684,199 for the period of October 1, 2013 to September 30, 2014, as on file with the County Clerk.

BE IT FURTHER RESOLVED that the Board of Commissioners hereby modifies budgets as follows: \$627,072 to Washtenaw County DHS, \$262,341 to the Washtenaw County Children's Services Department and \$396,000 to the Child Care Fund division of the Trial Court, half of all of these modifications being subject to 50% State reimbursement and half to be modified by drawing from Child Care Fund balance.

BE IT FURTHER RESOLVED that the Board of Commissioners takes the following actions contingent upon receipt of the grant award in conformity with the grant application:

1. Authorizing the Chair of the Board to sign State of Michigan form 2091 amending the budget
2. Amending the County budget, as attached hereto and made a part hereof
3. Authorizing the Administrator to sign the delegate contracts in conformity with the application/award upon the review of corporation Counsel, to be filed with the County Clerk.

**Washtenaw County
2014 - 2017 Special Revenue Funds:**

**2014 - 2017 Child Care Fund
(2990)**

	2014 Current Budget	2014 Recommended Budget	Variance	2015 Current Budget	2015 Recommended Budget	Variance	2016 Current Budget	2016 Recommended Budget	Variance	2017 Current Budget	2017 Recommended Budget	Variance
Revenues:												
54000 State Revenue	4,846,859	5,489,565	642,706	5,019,126	5,019,126	-	5,179,056	5,179,056	-	5,279,386	5,279,386	-
58000 Local Revenue	34,125	34,125	-	34,125	34,125	-	34,125	34,125	-	34,125	34,125	-
60000 Fees & Services	378,748	378,748	-	378,748	378,748	-	378,748	378,748	-	378,748	378,748	-
67000 Other Revenue & Reimbursement	455,762	1,098,469	642,707	455,762	455,762	-	455,762	455,762	-	455,762	455,762	-
69500 Transfer In	4,565,124	4,565,124	-	4,789,623	4,789,623	-	4,900,673	4,900,673	-	5,002,754	5,002,754	-
Total Revenue and Other Sources	10,280,618	11,566,031	1,285,413	10,677,384	10,677,384	-	10,948,364	10,948,364	-	11,150,775	11,150,775	-
Expenditures:												
70000 Personal Services	4,779,935	5,042,276	262,341	5,207,634	5,207,634	-	5,431,129	5,431,129	-	5,631,789	5,631,789	-
72500 Supplies	290,939	290,939	-	290,939	290,939	-	290,939	290,939	-	290,939	290,939	-
80000 Other Services & Charges	4,100,481	5,123,553	1,023,072	4,120,132	4,120,132	-	4,117,033	4,117,033	-	4,113,784	4,113,784	-
94000 Internal Service Charges	1,109,263	1,109,263	-	1,109,263	1,109,263	-	1,109,263	1,109,263	-	1,114,263	1,114,263	-
Total Expenditures and Other Uses	10,280,618	11,566,031	1,285,413	10,727,968	10,727,968	-	10,948,364	10,948,364	-	11,150,775	11,150,775	-