

Juvenile Justice Funding in Michigan:

Funding Briefing Book



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Juvenile Justice Vision 20/20
Strategic Action Team 4:

Adequate and Sustainable
Funding

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VISION 20/20

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In an effort to improve the understanding of the funding of juvenile courts throughout Michigan, the Juvenile Justice Vision 20/20 Strategic Focus Area Team – “Adequate and Sustainable Funding” – presents this document. Sincere gratitude and acknowledgment is extended to the following team members for their commitment and hard work.

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Introduction

Juvenile Justice Vision 20/20 is a statewide initiative funded through a grant from the State Justice Institute. It provides a forum for a collective voice on issues of juvenile justice and a Strategic Plan which functions as an action agenda that supports the juvenile justice system in Michigan.

Within Juvenile Justice Vision 20/20, there are five strategic focus action teams working on priority projects. Strategic Focus Action Team #4, the “Adequate and Sustaining Funding” team, is committed to educating the public about the role of the juvenile courts within their communities and advocating for the ultimate success of every young person who enters the doors of the juvenile courts. This briefing book is an outgrowth of Juvenile Justice Vision 20/20. This document discusses the funding of services for juvenile justice youth and their families and is not intended to address service funding for the child welfare neglect and abuse system. The goal of the Juvenile Justice Funding Briefing Book is to provide the reader insight into not only the complex funding system of the courts, but also, to provide a framework for an understanding of why funding of the juvenile courts are so important.

Topics include:

- 1) Overview of funding mechanisms
- 2) Trends in juvenile justice impacting funding
- 3) Discussion of the need for adequate and sustainable funding
- 4) Identification of the basis for funding
- 5) Explanation of the funding sources for the courts
- 6) Discussion of funding strategies.

Overview of the Juvenile Court Funding Mechanisms

Under the guidance of the Michigan Supreme Court through the administrative arm of the State Court Administrative Office, the courts represent the judicial branch of government. Based on statute, the county – the executive branch of government – is the funding agency for the juvenile courts in Michigan. The county is required to allocate to each respective court, an adequate, financial allotment that allows the courts to operate. In return, the courts are required to comply with certain financial protocols and policies based on the financial systems of each correlating county or fiscal agent. Often, this arrangement is confusing to external partners, stakeholders and the public, who tend to merge the two branches of government. Nevertheless, the current funding system works and encourages the executive and judicial branches of government to work together for the common good. It also allows for the courts to be reflective of their community, thus, avoiding the “one size fits all” approach.

Within Michigan, the courts/counties and the Department of Human Services (DHS) provide funding and fiscal administrative oversight of funding for child welfare (neglect/abuse) and juvenile justice (delinquency) cases referred to the juvenile courts. The funding mechanisms for juvenile courts are administrated through each county’s individual budget process and the DHS’ annual budget. Through DHS, funding of services for youth in the child welfare and juvenile justice systems comes from four main sources:

- Child Care Fund (CCF)
- State Ward Board and Care (SWBC) under Public Act 150, 290, or 296
- Title IV-E
- Specialized Federal and State grants.

The funding source is based on law and policy.

Trends in Juvenile Justice Impacting Funding

Many trends will affect Michigan's juvenile justice system in the years ahead. The Strategic Planning Oversight Team (SPOT) of the Juvenile Justice Vision 20/20 initiative reviewed and analyzed several social, economic, policy/political, technological and justice system trends as well as juvenile court caseload trends as part of the planning process. After discussing these trends, SPOT members identified what they believe to be the most significant implications of these trends on the future of Michigan's juvenile justice system. The analysis revealed the need to be proactive in addressing the effects of the trends on the juvenile justice system; the need to advocate for adequate and sustainable funding to secure needed resources; and for juvenile justice leaders to actively work with all branches of government to shape a more positive future.

Below is a brief summary of key trends and the projected future implications of these trends on the juvenile justice system.

External trends data show the following:

- According to KIDS COUNT, the number of teens between the ages of 16 – 19 who are not in school or high school graduates rose 6% between 2008 and 2009; 44% of Michigan's children live in low income families; and 23% live in poverty.¹
- A national public opinion poll conducted in 2007 by Belden, Russonello and Stewart on contract with the Center for Children's Law and Policy identified that the public believes juvenile offenders have potential for change; support funding community based programs over incarceration; and prefer the courts offer treatment, supervision and services as effective methods of rehabilitation.
- A few of the most significant policy and political trends affecting Michigan's juvenile justice system include declining state and local budgets, depleted financial reserves, increasing fiscal realignment, increasing scrutiny on how public tax dollars are spent, performance measurement requirements, demonstrating accountability, ongoing tension between increasing expectations for government solutions and the call for less government involvement in personal lives, and increasing legislation for identified, specific crimes (e.g. sex offender) and unfunded mandates.²
- Several identified key technological trends include the continuation of the wireless revolution. Rapidly developing telecommunications and information technology which increase expectations for access to information and ability to

¹ Data Across States – KIDS COUNT Data Center. (2009, April). *Home – KIDS COUNT Data Center*. Retrieved September 20, 2011, from <http://datacenter.kidscount.org/data/acrossstates/Default.aspx>.

² Martin, John A. and Brenda J. Wagenknecht-Ivey (2011). "It's a New Day: Future Trends Require Revolutionary Changes in Courts," *Future Trends in State Courts 2011*, pp. 135-139. Williamsburg, VA: National Center for State Courts, Editors: C. Flango, A. McDowell, C. Campbell, and N. Kauder.

do business with all types of organizations from remote locations, 24 hours a day and an increased need to share appropriate information with justice system partners challenges system integration and issues such as privacy and confidentiality.³ Technology also impacts juvenile justice in that juvenile offenders, e.g. gang members, are often very technologically savvy, having the ability to communicate more effectively than the system.

- Several important justice system-specific trends include an increased number and changing composition of court users (e.g., more non-English speaking and self-represented); a decline in budgets at federal, state and local levels; increased numbers of litigants with mental health and/or addiction problems; increased consolidation of courts and court services challenges; a decline in court infrastructure (e.g., facilities, technology, equipment, security); increased challenges between creating and maintaining specialty courts (to achieve better outcomes and resolve cases expeditiously) and inability to fund them; and an older than average workforce leading to a loss of institutional knowledge when Baby Boomers retire.⁴
- Michigan's State Court Administrative Office data, internal juvenile court caseload trends and performance on time standards reflect juvenile delinquency filings declined 31 percent from 2002 to 2010 and 28 percent since 2006. Designated proceeding filings declined 36 percent from 2002 to 2010. They increased 30 percent from 2007 to 2008 and dropped 25 percent from 2008 to 2009. Designated proceedings are those where juveniles are tried as adults in the Family Division of Circuit Court. Felony juvenile (waiver) filings increased 25 percent between 2002 and 2008, and 17 percent from 2008 to 2009. They declined 29 percent from 2009 to 2010. The number of juveniles supervised by the courts declined 42 percent from 2002 to 2010, and 18 percent in the last 5 years. The number of delinquent juveniles supervised by Michigan DHS declined 70 percent from 2002 to 2010. Finally, the total number of juveniles supervised in Michigan declined 40 percent from 2002 to 2010.

The decline in supervised youth is misleading. Although the number of delinquent juveniles supervised by the courts throughout the State has significantly declined since 2002, the cases being referred to the courts are more complex, requiring more supervision, specialized services and manpower. For example, the courts have been flooded with youth who are on multiple psychotropic medications for diagnosed mental health disorders. Such types of conditions are difficult to manage. To address the individual needs of youth, more rigorous treatment approaches are needed. Residential placement options for these youth are limited, cost-prohibitive and don't necessarily produce positive outcomes. Managing these cases in the community requires significantly more time to obtain positive outcomes and protect public safety.

³ Ibid, pp. 135-139.

⁴ Ibid, pp. 135-139.

A. Need for Funding of Juvenile Court Services

i. General Funding

- Issue:** The need for adequate and sustainable funding is critical. As state and federal resources diminish and cost of services increase, juvenile courts are challenged to provide quality, cost-effective services for juvenile offenders.
- Impact:** Lack of funding for the juvenile courts negatively impacts community safety and the treatment of offenders. How juveniles and their families are treated within the juvenile courts is directly correlative to the quality of life in those communities.
- Position:** Juvenile Justice Vision 20/20 supports the continued Child Care Fund (CCF) allocation and the expansion of the In-Home Care component.
- Summary:** The juvenile courts in Michigan heavily rely on the CCF to assist in the provision of rehabilitative services to juvenile offenders. Most courts fund community-based treatment through this fund, which is less costly than placing youth in residential treatment programs. With reduced county revenue from property taxes and state revenue sharing, and increased child welfare costs, some counties are unable to provide the 50% matching general fund dollars which negatively impacts the ability to develop community-based programs and resources.
- Status:** The Michigan Council on Crime and Delinquency, in partnership with the Michigan Association of Counties and Juvenile Justice Vision 20/20 drafted proposed language to support the expansion of the In-Home Care component of the CCF allocation in an effort to stimulate community-based treatment options on a local level. This proposed legislation was unsuccessful in 2012.
- References:** The Real Costs and Benefits of Change, www.njjn.org

ii. Complexity of Cases and Costs

Issue: Juvenile court caseloads have declined over the past five years. Under normal circumstances, this would suggest a reduction in funding. However, the complexity of cases referred to the juvenile courts has significantly increased. Cases now include youth with significant mental health concerns, co-occurring disorders with substance abuse, extensive trauma needs and disrupted adoptions.

Impact: The increase in case complexity taxes a system which was designed to remediate delinquent behaviors. These recent developments now require the juvenile courts to increase service capacity to include medication management and mental health treatment.

Position: Juvenile Justice Vision 20/20 supports that funding remain at current levels to ensure necessary services. Funding is needed to provide specialized treatment for youth who are diagnosed with mental health disorders and require medical management of their respective psychotropic medications.

Summary: Over the past five years, the juvenile courts have been more effective in the identification of juveniles who need court services, and those who have adequate support within the home and can safely function in the community with appropriate services. Therefore, the courts are diligent to divert youth from formal processing, which translates into efficiency, lower caseloads and positive outcomes.

Concurrently, the number of youth with serious mental health disorders has increased within the courts due to the lack of available mental health resources within the community. Many youth are charged with a legal offense in order to obtain appropriate mental health services through the courts. These cases require extensive case management, staff resources and new collaborative efforts to maintain the youth in the community. Note: Juvenile Detention Centers, many of which are under court management, are required to hire additional staff to physically watch and monitor youth who are actively suicidal within the facility, which add to the costs.

Status: Private insurance and Medicaid policies do not pay for medications for youth placed within a juvenile detention facility, and many families do not qualify for Medicaid or private insurance. Dental care and vision needs are common with this population, as they have been ignored for years.

References: Thinking Outside the Cell: Alternatives to Incarceration for Youth With Mental Illness, Disability Right Texas National Center for Youth Law, April 2011 www.youthlaw.org/fileadmin/ncyl/youthlaw/publications/yln/2011

iii. Risk and Needs Assessments of the Juvenile Population

Issue: Although valued, due to lack of resources, risk and needs assessments are being used in a limited number of juvenile courts.

Impact: Standardized use of a risk/needs assessment may improve the quality and effectiveness of services for juvenile offenders and their families.

Position: Risk and needs assessment instruments are useful tools in the identification of a juvenile's risk for re-offense and public safety. Needs assessments assist the courts in the identification and targeting of the juvenile's individual, specific needs. Juvenile Justice Vision 20/20's Strategic Focus Area Action Team has studied the use and quality of multiple risk assessment tools. The recommendation of this Team is to not recommend one risk assessment to be used by all courts. Rather, it is recommended the juvenile courts choose and consistently use a viable, normed instrument. It is believed, concern for aggregate data resulting from risk assessments can be managed as most risk assessments have common elements.

To implement the use of a risk/needs assessment statewide, it may require additional funding for the purchase of the instrument(s) and additional qualified, trained staff to collect and analyze the data.

Summary: Courts should utilize a risk/needs assessment instrument which has been validated and normed for gender and ethnicity; collect the resulting data; and monitor outcomes. Data will give the courts an objective mechanism by which to develop, refine and substantiate programming.

Status: The Juvenile Justice Vision 20/20 initiative addressed this issue through its strategic planning process in October, 2011. As a result, various needs and risk assessments are being reviewed and analyzed in an effort to identify which instruments may be recommended to the juvenile courts as viable options.

B. Basis for Funding

i. Adequate and Sustainable Funding

It has been stated, America's freedom depends on the preservation of the courts. Juvenile courts protect the freedoms and interests of one of our nation's most valuable assets – our kids.

Juvenile courts have often been called the original problem-solving or specialty courts. This is because the courts are charged with protecting the rights of the vulnerable who cannot protect themselves. Further, the juvenile courts are charged with not only resolving legal disputes of juveniles but also, are responsible for protecting children from harm, providing a safe environment in which children can live, assessing and providing appropriate treatment to remediate anti-social behaviors, and other risk factors as needed. Juvenile courts play a valued role in the quality of life within our communities across the nation. Thus, a basis for "adequate and sustainable" funding is critical.

"Adequate and sustainable funding" refers to the juvenile courts being funded at a level that allows the courts to meet the needs of the children who are entering the juvenile courts' doors and secure funding that has the capacity to endure over time. The role of the juvenile courts is directly correlative to the community and society at large. Therefore, it is imperative the juvenile courts are funded at an adequate and sustainable level to continue to work toward caring for the vulnerable in a way that impacts not only the children and families serviced, but also, preserves the *quality* of life within the communities across the state.

The economic downturn has impacted virtually all state governments, and the judicial branch of government, the courts, are no exception. In order to avoid layoffs, furlough days, fewer operating courtrooms and services, and minimized services to children and families, court administration has worked collaboratively with the legislative and executive branches of government more than ever. The juvenile courts have worked toward improving the collaborative relationships, as well, in order to function as efficiently as possible without sacrificing services to youth and families. The collective commitment to Juvenile Justice Vision 20/20 is reflective of this.

In order to advocate for adequate and sustainable funding during this economic crisis, juvenile courts have been proactive, developing a position of cost-efficiency and exercised a sense of humility. There are limited taxpayer dollars to allocate that must pay for many viable services, thus increasing the courts need to illustrate they are good stewards of those dollars. However, the courts have also experienced an increase in the demand for services, which requires adequate and sustainable funding.

Courts are at a disadvantage to "prove their case" compared to other governmental entities because they do not typically have a paid lobbyist or PACs (Political Action Committee). Juvenile courts are at an increased disadvantage because they work with a

population whose “voice” is often silent and can easily be ignored. Thus, it is important the juvenile courts’ administrations present the courts’ value and needs through accurate data, an “eye” toward efficiencies, cost-benefit, progressive thinking and strategic planning. This requires infrastructure development within the juvenile courts, as they do not have the internal resources for data collection and analysis. However, an adequately funded, methodical, comprehensive and deliberate approach to move the juvenile courts and the juvenile justice system, at large, forward in the face of fiscal challenges, is required. Of equal importance, the juvenile court administrations recognized the executive and legislative branches need be sufficiently educated about the juvenile courts to adequately understand, determine and prioritize their value in the face of fiscal challenges.

It is imperative all those involved in the decision to “adequately and sustainably” fund the juvenile courts in Michigan, seek to understand the needs and the potential impact on the fabric of the communities within the State if those needs are not met. Seeking adequate and sustainable funding for juvenile courts in Michigan does not come with a sense of entitlement but rather, it is an absolute process of education and clear demonstration of value to all.

ii. Supporting Statutes and Rules

1) Public Acts

- **The Social Welfare Act (Excerpt)
Act 280 of 1939**

MCL 400.117a Definitions; juvenile justice funding system; rules; distribution of money for cost of juvenile justice services; guidelines; reports; reporting system for reimbursement.

[http://www.legislature.mi.gov/\(S\(bp4fif453ikksi3ki0hggq55\)\)/mileg.aspx?page=getObject&objectName=mcl-400-117a](http://www.legislature.mi.gov/(S(bp4fif453ikksi3ki0hggq55))/mileg.aspx?page=getObject&objectName=mcl-400-117a)

- **The Social Welfare Act (Excerpt)
Act 280 of 1939**

MCL 400.117c County treasurer as custodian of money; creation and maintenance of child care fund; deposits in fund; use of fund; separate account for fund; subaccounts; plan and budget for funding foster care services; records of juvenile justice services and expenditures; applicability of section to county juvenile agency.

[http://www.legislature.mi.gov/\(S\(bp4fif453ikksi3ki0hggq55\)\)/mileg.aspx?page=getObject&objectName=mcl-400-117c](http://www.legislature.mi.gov/(S(bp4fif453ikksi3ki0hggq55))/mileg.aspx?page=getObject&objectName=mcl-400-117c)

- **County Juvenile Officer**

MCL 400.251 Section 1(4) provides for the payment of one county juvenile officer and assistants based on an identified fee scale. The number of assistants allowed is determined by the size of the county's population. Example: County X has a population of 265,000 residents; based on the formula, County X qualifies for one county juvenile officer plus three assistants and as of 2012, would receive \$103,847.64 in four quarterly payments.

2) Administrative Rules

- **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.

http://www7.dleg.state.mi.us/orr/Files/AdminCode/105_93_AdminCode.pdf

3) Administrative Order No.1985-5

- **Juvenile Court Standards and Administrative Guidelines for the Care of Children**

On order of the Court, the *Juvenile Court Standards and Administrative Guide-lines for the Care of Children* as recommended by the Michigan Probate and Juvenile Court Judges Association are adopted effective May 1, 1985, expiring May 1, 1987. The State Court Administrative Office is to assess the effect of these standards on the Juvenile Court and provide a report to the Supreme Court by December 30, 1986.

[Text as modified April 29,1988, Administrative Order No. 1988-3, 430 Mich xcix and by order of May 19,2009 effective September 1, 2009.] Pursuant to Administrative Order No. 1985-5, this Court adopted the *Juvenile Court Standards and Administrative Guidelines for the Care of Children*, as amended by Administrative Order No. 1988-3. We now order that the *Juvenile Court Standards and Administrative Guidelines* continue in effect, as modified below, until the further order of this Court: Juvenile Court Standards and Administrative Guidelines for the Care of Children.

iii. Supporting Case Law

The Child Care Fund (CCF) is a collaborative effort between state and county governments 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 covering costs. .

Initially, CCF assistance was limited to youth in out-of-home placements such as foster homes or county operated facilities. In the 1980's, the CCF added the ability to fund In-Home Care (IHC) services. These programs have a goal of providing services while allowing children to remain in their own homes. IHC efforts may also allow youth already in out-of-home placements to make an early return to their home. IHC allows for a large amount of county control and initiative. 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, mentoring, family counseling, electronic tether, 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.

Since 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 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 courts and local DHS offices. 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 must submit an annual plan and budget to the state. The budgets are reviewed and approved by the CCF office. Each county must submit a detailed list of the services they wish to provide as well as a projection of anticipated expenditures. Each county must participate in periodic on-site reviews by the CCF 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 or 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.

What is an ineligible Child Care Fund expenditure?

Any property, building or equipment having a unit cost of \$500 or more is an ineligible CCF expenditure. Exceptions are made for short-life items for (example: mattresses, box springs, linen, and materials, such as paper, which is depleted through distribution). The purchased items must be directly related to the provision of child care.

Court expenses for adjudication (for example: ad litem costs, attorney fees, legal advertisement costs, psychological evaluations for the child and/or family, transportation) or expenses considered court administrative costs. This is an issue with the new legislation on juvenile competency.

In 1997, following years of litigation, the Michigan Supreme Court ruled that the “cap” on the CCF was a violation of the Headlee Amendment to the constitution and returned the CCF reimbursement to 50%.

Case Law:

1. OTTAWA COUNTY v. FAMILY INDEPENDENCE AGENCY, 265 Mich App 496
2. OAKLAND COUNTY v. STATE OF MICHIGAN, 456 Mich 144

C. Types of Funding Sources

i. Local

- Issue:** Adequate and sustainable funding of Juvenile Courts and Juvenile services.
- Impact:** Unique to the Juvenile Court is the fact that in addition to formal court proceedings, courts remain responsible for the care and well-being of court wards. Courts are therefore responsible for the funding of services, through appropriate funding sources, that address the treatment needs of delinquent youth under court ward ship.
- Position:** Courts must have the ability to fund and sustain quality programming for Juvenile Court wards. The unavailability of effective interventions for youth will create the obvious result of increased out-of-home placement and increased crime which, in turn, will create an even larger cost to taxpayers. As emphasized throughout this brief, maintaining adequate funding for community-based services must be supported. Additionally, incentives to counties through additional funding, state and federal support and flexible funding criteria should be supported.
- Summary:** Through the budget allocation statutorily provided the courts for operation, using county dollars, the juvenile courts pay for 100 percent of the judicial costs for processing juvenile law violations referred to them. It is important to note, typically, the courts do not pay judges' salaries, as they are paid by the state.
- In addition, they offer a variety of intervention and treatment services, which vary from court to court. If such treatment services and interventions are eligible and included in a court's Child Care Fund (CCF) budget plan, the county is eligible to receive 50% reimbursement for the services rendered directly to youth and families and approved in the annual plan and budget.

ii. State

- Issue:** Adequate and sustainable funding of Juvenile Courts and Juvenile services.
- Impact:** The State has funding responsibility for Juvenile Justice in some form and percentage regardless of ward ship or supervision. As described in the summary below, all fund sources require approximately 50% state participation in the funding of juvenile services.
- Position:** It is to the benefit of all levels of government and the youth and families, to support and encourage quality local prevention and diversion programming for youth. Assisting with early interventions through funding, policy and technical support, is a cost effective and necessary alternative to the far more costly option of residential placement, increased crime and even prison.
- Summary:** Child Care Fund (CCF): The CCF was established in Michigan law to provide a 50% reimbursement to the courts/counties for services to court-involved youth. The CCF reimburses the county/court at a 50% rate based on the county's expenditures for court programs. Note: the counties must first pay for the services and are then, reimbursed for allowable expenditures. This is true for residential placements as well as qualified In-Home Care services.

The following represents a more detailed explanation of the various forms of funding:

State Ward Board and Care (SWBC): SWBC is the State fund source for non-IV-E eligible State Wards. In juvenile justice, these are youth committed to the State under PA150. The State pays for services and charges counties 50% of the cost. This is done through a "chargeback" process. There is no provision for the State to charge back counties for community based services. Thus, few counties offer prevention and diversion programming through local DHS supervision.

Child Care Fund (CCF): The Child Care Fund was established through Michigan's Constitution to provide a 50% reimbursement to the courts/counties for services to court-involved youth. The Child Care Fund reimburses the county/court at a 50% rate based on the county's expenditures for court programs. Note: The counties must first pay for the services and are then, reimbursed for allowable expenditures.

Prior to 1997, there was a "cap" on CCF reimbursement. Each county in Michigan was limited by what the State would reimburse for eligible CCF expenditures. This cap created a financial incentive for counties to make youth and services eligible for SWBC funding, as it guaranteed a 50% split between the counties and the State; there was no financial incentive to develop community-based or In-Home Care programs and outcome research noting community-based treatment as being more cost-efficient was

in its infancy. In 1997, following years of litigation, the Michigan Supreme Court ruled that the “cap” on the CCF was a violation of the Headlee Amendment to the constitution and returned the CCF reimbursement to 50%.

iii. Federal

Title IV-E Funding: Title IV-E funding comes from Federal dollars. In analyzing the fund sources, there is a financial incentive to the counties/courts and the State to pay for necessary juvenile justice services with IV-E. The county cost is zero and the State's cost is less than 50% of the total. Note: these funds are limited for juvenile justice youth and must comply with Federal requirements documenting reasonable efforts and best interest determinations. A specific set of requirements must be met when a youth enters into the court system in order for a youth to be eligible for IV-E funding.

Medicaid: There may be federal Medicaid funds available for service to youth involved in the juvenile justice system. If eligibility criteria are met, certain medical and mental health services can be Medicaid funded.

iv. Grants

OJJDP Discretionary Dollars/Grants

Federal discretionary and formula grant dollars from the Office of Juvenile Justice and Delinquency Prevention are funneled through the State Advisory Group within the Michigan Committee on Juvenile Justice. Funds are distributed through multiple processes including, but not limited to, competitive grants and formulas which required certain jurisdictions to have grant dollars designated to them.

Juvenile Accountability Block Grant (JABG)

The Juvenile Accountability Block Grant Program is authorized under the Omnibus Crime Control and Safe Streets Act of 2002 (42 U.S.C. 3796ee et esq). As envisioned by Congress, the goal of the JABG program is to reduce juvenile offending through supporting accountability-based programs that focus on offenders and state and local juvenile justice systems. Both the juvenile offender and the juvenile justice system must be held accountable, which requires both offender-focused and system-focused activities that promote accountability. Graduated sanctions for youth accountability are supported, and providing increased capacity to develop youth competence and enhanced restorative options such as restitution, community service, victim-offender mediation, etc. are encouraged to strengthen an accountability-based juvenile justice system.

Title II

On February 16, 2012 Governor Richard Snyder signed Executive Order 2012-1 (See Attachment 1.K, Executive Order 2012-1) re-establishing the Michigan Committee on Juvenile Justice (MCJJ) as the State Advisory Group (SAG) for the Michigan Department of Human Services (MDHS). As the designated state agency, the MDHS is responsible for receiving, managing, and administering federal funds awarded by the U.S. Department of Justice (DOJ), Office of Juvenile Justice and Delinquency Prevention (OJJDP). The MCJJ supports OJJDP's mission to "develop programs that address juvenile delinquency and improve the juvenile justice system" through a comprehensive plan.

The plan is developed in accordance with the Juvenile Justice Delinquency Prevention Act (JJDP Act) of 1974, as amended, 42 U.S.C. 5631-5633 in 2002, section 221-223 for the Title II Formula Grants program. It includes a description of the structure and function of Michigan's juvenile justice system as briefly outlined, followed by the most current arrest data and analysis, compliance with the four core requirements, and performance measures for the selected program areas. The four core requirements are: 1) site and sound separation within adult correctional facilities, 2) deinstitutionalization of status offenders; 3) removal of juveniles from adult jails and lockup facilities, and 4)

disproportionate minority contact reduction. Title II funds are available to support juvenile justice initiatives and mandates by DOJ and OJJDP.

National and Local Grants

Juvenile courts may apply for grant funds offered through various national organizations as well as local grants offered through Community Foundation grants or other funding sources. These applications are typically competitive and are designed for start-up programs. Funds are very limited.

Local, state and national grants are typically competitive and require a court to complete a comprehensive application process. Grant dollars are time limited, often 1 – 3 years in duration, but allow the juvenile courts to offset new program start-up costs and increase collaborative efforts toward the improvement of court services.

D. Funding Strategies

i. Blended Funding

Although many courts view the Child Care Fund (CCF) as an entitlement, case law is clear that any reimbursement must be approved by the Department of Human Services (DHS). As long as the money is used for eligible children in eligible programs, it is expected the state will reimburse the county 50%. Obtaining reimbursement can be an administrative burden; however, the CCF specialists at DHS can be very helpful in working with local jurisdictions to obtain this reimbursement. By focusing on using donated funds and finding ways to use less expensive In-Home-Care, we can expand our use of the CCF and better serve the children that come into our courts.

Building lasting In-Home-Care programs is going to require some County money, so working on relationships with county boards is very important. But the courts can get some programs started by building partnerships in the community and then doubling the donated money by using blended funding. The donation is put into the 292 account and then spent, submitted for reimbursement, and then the reimbursement is expended and submitted to Lansing. Repeating this process will eventually double the amount of the donation.

For this example, assessment instruments are analogous to an approved CCF service:

Donation of \$5,000	Buy 50 assessment instruments at \$100 each,	State reimburses 50%	Total from CCF: \$2,500
\$2,500 from reimbursement #1	Buy 25 assessment instruments at \$100 each	State reimburses 50%	Total from CCF: \$3750
\$1,250 from reimbursement #2	Buy 12.5 assessment instruments at \$100 each	State reimburses 50%	Total from CCF: \$4375
\$625 from reimbursement #3	Buy 6.25 assessment instruments at \$100 each	State reimburses 50%	Total from CCF: \$4687.5
\$312.50 from reimbursement #4	Buy 3.125 assessment instruments at \$100 each	State reimburses 50%	Total from CCF: \$4843.75

The \$5,000 donation has paid for almost 97 assessment instruments instead of the 50 the donator could have purchased with the \$5,000. The County has not paid anything for these assessment instruments. The state benefits by the provision of a service much less costly than residential placement.

ii. Pooled Funding

Pooled funding describes a juvenile court and another non-profit (for example: Community Mental Health) pool or join a defined amount of dollars to render services to the targeted population. This allows for the total amount of those dollars to be eligible for 50% reimbursement through the Child Care Fund.

iii. Braided Funding

Braided funding refers to a juvenile court and two other agencies/organizations “braiding” a designated amount of dollars to provide services to a targeted population. In this situation, each organization retains the money in their respective budgets but put an equal amount toward the service in order to maximize the dollars toward efficient provision of services. This is a useful strategy when one system does not have sufficient resources or the capacity to fully pay for a service on their own.

SED (Serious Emotional Disturbance) Waivers

The Michigan Department of Community Health (MDCH) received approval from the Centers for Medicare and Medicaid Services (CMS) for the Children's Home and Community-Based Services Waiver for Children with Serious Emotional Disturbance (SEDW), which began in October 2005. The SEDW is currently available in a limited number of counties and Community Mental Health Services Programs (CMHSPs).

The Children's SEDW provides services that are enhancements or additions to Medicaid State Plan coverage for children up to age 20 with SED, who are enrolled in the SEDW prior to their 18th birthday. The MDCH operates the SEDW through contracts with the CMHSPs. The SEDW is a fee-for-service program administered by the CMHSP in partnership with other community agencies. The MDCH has a partnership with the Michigan Department of Human Services (MDHS) to serve children in MDHS foster care in eight of the SEDW counties.

Key Provisions

The SEDW enables Medicaid to fund necessary home and community-based services for children with serious emotional disturbance and who meet the criteria for admission to the state inpatient psychiatric hospital (Hawthorn Center) and are at risk of hospitalization without waiver services. The CMHSP is responsible for assessment of potential waiver candidates.

Application for the SEDW is made through the CMHSP. The Wraparound Facilitator, the child and his/her family and friends, and other professional members of the planning team work together to identify the child/family's strengths, needs, interventions and outcomes following the wraparound practice model. The Wraparound Plan of Service (POS) identifies all the services and supports necessary to meet the needs and outcomes.