



STATE OF MICHIGAN  
JOCELYN BENSON, SECRETARY OF STATE  
DEPARTMENT OF STATE  
LANSING

May 15, 2025

**NOTICE OF FILING**

**ADMINISTRATIVE RULES**

To: Secretary of the Senate  
Clerk of the House of Representatives  
Joint Committee on Administrative Rules  
Michigan Office of Administrative Hearings and Rules (Administrative Rule #24-016-HS)  
Legislative Service Bureau (Secretary of State Filing #25-05-24)  
Department of Health and Human Services

In accordance with the requirements of Section 46 of Act No. 306 of the Public Acts of 1969, being MCL 24.246, and paragraph 16 of Executive Order 1995-6, this is to advise you that the Michigan Office of Administrative Hearings and Rules filed Administrative Rule #2024-016-HS (Secretary of State Filing #25-05-24) on this date at 2:41 P.M. for the Department of Health and Human Services entitled, "Child Care Fund".

These rules become effective immediately after filing with the secretary of state unless adopted under section 33, 44, or 45a(9) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.233, 24.244, or 24.245a. Rules adopted under these sections become effective 7 days after filing with the secretary of state.

Sincerely,

Jocelyn Benson  
Secretary of State

Lashana Threlkeld, Departmental Supervisor  
Office of the Great Seal

Enclosure



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
LANSING

MARLON I. BROWN, DPA  
DIRECTOR

May 15, 2025

The Honorable Jocelyn Benson  
Secretary of State  
Office of the Great Seal  
Richard H. Austin Building – 1<sup>st</sup> Floor  
430 W. Allegan  
Lansing, MI 48909

Dear Secretary Benson:

Re: Michigan Administrative Rules #: 2024-16 HS

The Michigan Office of Administrative Hearings and Rules received administrative rules, dated September 19, 2023 for the Department of Health and Human Services “**Child Care Fund**”. We are transmitting these rules to you pursuant to the requirements of Section 46 of Act No. 306 of the Public Acts of 1969, being MCL 24.246, and paragraph 16 of Executive Order 1995-6.

Sincerely,

Michigan Office of Administrative Hearings and Rules



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
LANSING

MARLON I. BROWN, DPA  
DIRECTOR

## LEGAL CERTIFICATION OF RULES

I certify that I have examined the attached administrative rules, dated September 19, 2024, in which the Department of Health and Human Services proposes to modify a portion of the Michigan Administrative Code entitled “**Child Care Fund**” by:

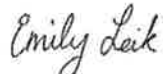
- ◆ Amending R 400.2001, R 400.2009, and R 400.2022.
- ◆ Adding R 400.2005a.

The Legislative Service Bureau has approved the proposed rules as to form, classification, and arrangement.

I approve the rules as to legality pursuant to the Administrative Procedures Act, MCL 24.201 *et seq.* and Executive Order No. 2019-6. In certifying the rules as to legality, I have determined that they are within the scope of the authority of the agency, do not violate constitutional rights, and are in conformity with the requirements of the Administrative Procedures Act.

Dated: March 4, 2025

Michigan Office of Administrative Hearings and Rules

By:   
Emily Leik,  
Attorney



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

ELIZABETH HERTEL  
DIRECTOR

**CERTIFICATE OF ADOPTION**

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, the Director of the Department of Health and Human Services formally adopts the rules, "Child Care Fund".

R 400.2001, R 400.2009, and R 400.2022 are amended, and R 400.2005a is added to the Michigan Administrative Code.

Dated: March 5, 2025

A handwritten signature in cursive script, appearing to read "Elizabeth Hertel", written over a horizontal line.

Elizabeth Hertel



Since 1941

**Legal Division**

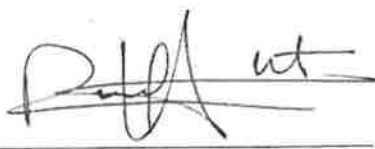
**Timothy H. Shields, Director**

CERTIFICATE OF APPROVAL

On behalf of the Legislative Service Bureau, and as required by section 45 of the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.245, I have examined the proposed rules of the Department of Health and Human Services dated September 19, 2024, amending R 400.2001, R 400.2009, and R 400.2022, and adding R 400.2005a of the Department's rules entitled "Child Care Fund." I approve the rules as to form, classification, and arrangement.

Dated: March 4, 2025

LEGISLATIVE SERVICE BUREAU

By 

Rachel M. Hughart,  
Legal Counsel

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CHILDREN'S SERVICES AGENCY

CHILD CARE FUND

Filed with the secretary of state on May 15, 2025

These rules become effective immediately after filing with the secretary of state unless adopted under section 33, 44, or 45a(9) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.233, 24.244, or 24.245a. Rules adopted under these sections become effective 7 days after filing with the secretary of state.

(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)

R 400.2001, R 400.2009, and R 400.2022 of the Michigan Administrative Code are amended, and R 400.2005a is added, as follows:

PART 1. GENERAL PROVISIONS

R 400.2001 Definitions.

Rule 1. As used in these rules:

- (a) "Child" means an individual who meets all of the following:
  - (i) Is not emancipated under 1968 PA 293, MCL 722.1 to 722.6.
  - (ii) Lives with a parent or caretaker.
  - (iii) Is either of the following:
    - (A) Less than 18 years of age.
    - (B) 18 years of age and a full-time high school student.
  - (iv) Is under the jurisdiction of the court pursuant to sections 2a and 5 of chapter XIIA of the probate code of 1939, 1939 PA 288, MCL 712A.2a and 712A.5.
- (b) "Community-based services" means programs or services that are used as alternatives to residential or detention care or expedite the return home of a youth to the community. Community-based services include respite care and shelter care for less than 30 days pursuant to sections 117a to 117h of the social welfare act, 1939 PA 280, MCL 400.117a to 400.117h.
- (c) "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.
- (d) "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.
- (e) "Court" means the local or tribal court with jurisdiction over juvenile matters.
- (f) "Department" means the department of health and human services.
- (g) "Direct service" means service provided to a specific client rather than to a general target group.

September 19, 2024

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

- (i) Filing fees.
- (ii) Charges for service of summons and complaint.
- (iii) Attorney fees.
- (iv) Court reporter charges.

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

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

#### R 400.2005a County requirements.

Rule 5a. (1) In addition to the county requirements under section 117a(13) of the social welfare act, 1939 PA 280, MCL 400.117a, the county shall provide data for each of those requirements to receive state reimbursement.

(2) The data and method of providing the data will be cited in the department's published policies and business processes.

#### R 400.2009 Community-based services.

Rule 9. (1) The community-based services option of the child care fund may be used for youth under the jurisdiction of the court, or at risk of being under the jurisdiction of the court, to provide for early intervention to treat problems of delinquency and neglect.

(2) Community-based services are provided as an alternative to, or to prevent, removal from home and placement in detention or other out-of-home care, including diversionary programming. Community-based services are reimbursable in the following situations and if all the following provisions have been met:

(a) The approval of an implementation plan that articulates how the local program and practice satisfies the quality assurance standards as determined by the department.

(b) The diversionary programming is consistent with sections 2 to 6 and 9 of the juvenile diversion act, 1988 PA 13, MCL 722.822 to 722.826 and 722.829, and sections 2f and 18 of chapter XIIA of the probate code of 1939, 1939 PA 288, MCL 712A.2f and 712A.18, or equivalent tribal law and practices and as approved within the annual plan and budget.

(c) The child care fund can be used for programs and practices if a complaint, referral, or petition is generated by the local prosecutor, law enforcement, parent or guardian, or authorized school personnel for a youth at risk of juvenile court involvement through residential placement and re-entry, excluding general prevention services for all youth at risk of juvenile justice systems involvement. Community-based services include programming consistent with sections 821 to 831 of the juvenile diversion act, 1988 PA 13, MCL 722.821 to 722.831, and sections 2f and 18 of chapter XIIA of the probate code of 1939, 1939 PA 288, MCL 712A.2f and 712A.18, or equivalent tribal law and practices and as approved within the annual plan and budget.

(d) A complaint, referral, or petition is received and the court has considered the results of a validated risk and needs assessment to determine the scope of community-based services programming to comply with legislative requirements under section 117a of the social welfare act, 1939 PA 280, MCL 400.117a, and section 18 of chapter XIIA of the probate code of 1939, 1939 PA 288, MCL 712A.18.

(e) The expenditure of child care fund money for community-based services is not for

judicial costs.

(f) The programming provided must be consistent with best, promising, and culturally appropriate practices.

(g) The family is eligible for public assistance programs, community-based services payments must not be used to pay for basic family needs.

(3) The county department may provide for community-based 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 1 of the following must apply to the service or services:

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

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

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

(d) The court documents that court staff or the 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 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) Community-based programs use case service payments in support of community-based 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.

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

## PART 2. ELIGIBLE EXPENDITURE CLASSIFICATIONS

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

Rule 22. (1) Unless otherwise indicated, county child care fund expenditures within the limits of the approved annual child care fund budget are eligible for 50% reimbursement for residential services of detention and long-term residential placements. Payments must be for a direct service, case-specific, identifiable to an individual child, and not be for a judicial cost or an administrative cost. However, certain administrative costs, as that term is defined by the department in published policies and business processes, are reimbursable.

(2) The county child care fund expenditures must be a 75% reimbursement of the annual expenditures from the child care fund for community-based services, including community-based supervision, services, respite care, and shelter care for less than 30 days and related practices, except expenditures that exceed the amount of budget approved. Payments must be for a direct service, case specific, identifiable to an individual child, and not be for judicial cost or an administrative cost. However, certain administrative costs, as that term is defined by the department in published policies and business processes, are reimbursable.

(3) State child care fund reimbursement is allowed unless otherwise accessible and



available by other public assistance programs necessary to achieve the goals and outcomes for community-based programming 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 public assistance.

FILED WITH SECRETARY OF STATE

ON 5-15-25 AT 2:41 PM