

CCF Testimony - September 20, 2016

On behalf of Ottawa County and the 20th Judicial Circuit Court, thank you for this opportunity to comment on the benefits of the Child Care Fund and the concerns about the recent changes to the administrative processes of this Fund on the state level.

The Child Care Fund is one of the most powerful tools the state, counties and juvenile courts have to combat juvenile delinquency on a local AND on a state level. Historically, and especially since the CCF cap was removed in the late 1990s, this funding has been used to develop increasingly effective interventions and programs for children and their families.

Following the removal of that cap, through a strong, local collaborative effort and with support of the state's Child Care Fund Unit, the 20th Circuit Court profiled the 62 children who were in costly and marginally effective residential placements and determined if we developed programs that specifically targeted the needs of the youth who were residentially placed, leveraging the CCF, we could drastically reduce the need to residentially place youth outside the community, disrupt families, increase the ability to provide services locally and prevent further residential placement, improve the outcomes of treatment and save the county and state well over \$1.5M the first year.

In 2003, the collaborative body led by the 20th Circuit Court made a decision to no longer make delinquent children wards of the state and to focus on developing programs to better meet the needs of those children and their families in the community using the Child Care Fund. When this decision was made, we started building our continuum of

services in the community, and we returned 50 children from residential care to our community for treatment.

Since this time, we have averaged around 5 or 6 children in residential placement and over the past recent years as we have increased the intensity of our evidenced based and promising practice programs which has translated into improved case management, implementing a criminogenic risk assessment which helps us address the unique needs of court involved children and families, and fiscal prudence. In fact, there have been times when we have had no children in residential placement and over the past few months, we have had one child in placement due to our ability to be flexible within our continuum of services. We could not do this without the CCF and we could not have done it without the support and CCF technical guidance of the CCF staff back then.

The point of this story is to not blow the horn of Ottawa County but rather, to illustrate the true power of Child Care Fund and how it can be used to be effective and fiscally prudent to impact delinquency and save the counties and the state significant dollars. When we decided to make this move, we didn't do it in a vacuum. Every intervention and every program we developed and/or implemented was done in conjunction with the staff at the Child Care Fund who understood the juvenile courts, programming, the fiscal impact on the local and state level, and shared in the ultimate goals we were trying to achieve. And this is the professional relationship we have had that has worked for over two – three decades.

Approximately, four – five years ago, the juvenile court administrators were invited to Lansing by MDHHS to talk about the CCF. At this meeting, it was suggested we needed to “re-engineer” the CCF. The court administrators asked MDHHS/CCF staff what was broken. They

really couldn't answer this but rather said it was too costly and it had to be re-engineered. No data, no real justification was offered. It was as if someone who saw this huge expenditure thought the amount was too much so we had to do something. Hundreds of meetings later, here we are with no technical CCF expertise at MDHHS; the once mutually trusting relationship between MDHHS/CCFMU and the counties/courts at an all time low; auditors who appear to have little to no knowledge of the courts or the efficacy of programming making fiscal and sometimes value judgements on what we are doing locally (Bigby coffee) and interpretations of the administrative rules, limited and weak case law, and MDHHS policy trumping statute are used to justify those decisions. As the Auditor General's Office testified last week, of the approx. \$185,000 in CCF expenditures, they found approx. \$19,000 in ineligible or inappropriately spent dollars. This translates to .0001%. I'm not sure but suspect, for state expenditures, this might be the most efficient funding the state has going.

We trust everyone involved is trying to do the right thing as they see it. However, in this case, history has a positive and proven track record.

Improvements can always be made, and the courts/counties are as willing to make those and have built in accountability just as much – if not more – than MDHHS. The historically transparent, collaborative, mission based approach has worked and is the proven approach to accomplish this. There may be a few pockets of misunderstood fiscal expenditures, but based on the audit, these incidents have been minimal over decades of time.

Last week, we received a communication from Steve Yager and MDHHS stating the CCFMU has been dissolved and the auditors will be administrating the CCF. I have nothing against Scott Werner or his team of auditors, but I know the CCF administration cannot be done

from only a fiscal perspective. It must be done by the counties/courts and MDHHS making decisions on eligibility of expenditures together. There must be a mutual understanding and common ground must be established. This cannot be done simply by MDHHS legal services interpreting very limited case law as justification to deem MDHHS as the only and final authority for interpreting administrative rules or relying on a CCF Handbook written by a staff person and which contradicts itself as the authoritative document. It cannot be done by auditors making value judgements about services being rendered. The goal must be mutually established, the desired changes must be mutually agreed upon, and the professional relationship must be collaborative and transparent.

What the courts do and how we treat our children and families throughout Michigan is directly correlative to the quality of life we all live in those communities. The drastic changes forcing the “silo” approach to CCF administration based on fiscal audit and a less collaborative approach will result in the opposite effect than what is desired. Unless a collaborative approach can be established again, the result will be a reduction in community based programming, increased residential placements, a reduction in progressive and creative intervention development, a reduction of local community investment in juvenile crime prevention and treatment, and a substantial increase in costs to the state.

The courts/counties can go back to the early 1990s when Ottawa County had 62 children in residential placement because it is easier and less costly for them. However, it is also less effective and much more costly to the state. Ultimately, it will create less safe, less healthy communities with fewer educated youth, and will result in a state that appears to not value children, families or communities. This is not the goal of anyone here today.