

Fiscal Estimate - 2013 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-4160/1	Introduction Number AB-0776	
Description Child abuse investigations when a court suspects a person of permitting, allowing, or encouraging a child to engage in prostitution and consent decrees or deferred prosecution agreements for such a child		
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input checked="" type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
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Fiscal Estimate Narratives

DCF 2/19/2014

LRB Number	13-4160/1	Introduction Number	AB-0776	Estimate Type	Original
Description Child abuse investigations when a court suspects a person of permitting, allowing, or encouraging a child to engage in prostitution and consent decrees or deferred prosecution agreements for such a child					

Assumptions Used in Arriving at Fiscal Estimate

This bill would permit a court, in lieu of convicting a child for prostitution, to enter into a consent decree or a deferred prosecution agreement placing the child under supervision if the court determines that this would be in the best interests of the child and society would not be harmed by entering into the decree or arrangement. The bill also requires the court, if it has reason to suspect that any person has permitted, allowed or encouraged the child to engage in prostitution, to report that suspicion under the child abuse reporting law. An agency that receives that report (the Bureau of Milwaukee Child Welfare in Milwaukee and county child welfare agencies in the balance of the state) must immediately evaluate the report to determine whether there is a reason to suspect this behavior and, if so, must within 24 hours after receiving the report, initiate an investigation to determine if the child is in need of protection or services.

The bill would increase the number of cases entering the child welfare system. As a result the bill would increase the workload for child welfare agencies, which are responsible for the investigation and case management of the child welfare cases, and the court system, which is responsible for CHIPS (Child in Need of Protection or Services Petition), permanency plan, and other child welfare-related hearings. Child welfare agencies would also experience increased costs for out-of-home care placements for those children/youth that could not remain safely at home. The out-of-home settings most likely to be used for these kinds of placements are residential settings, with specialized trauma-informed counseling and other services. There currently is little capacity in the child welfare system to provide these services.

A recent report by the Milwaukee Homicide Review Commission identified 77 children/youth as having been sex trafficked between August of 2010 and August of 2012 in the City of Milwaukee. Extrapolating this data to Milwaukee County, the Department estimates that the bill would potentially create at least 65 new child welfare cases for the Bureau of Milwaukee Child Welfare to investigate each year. Assuming this level of investigations, it may be possible for the Bureau to be able to absorb this level of additional referrals. If the Homicide Review Commission's numbers are understated, the Bureau would likely see a greater increase in the number of referrals. Depending on the level of the increase, it may be difficult for the Bureau to absorb within existing resources.

The Bureau of Milwaukee Child Welfare would need additional resources to support the increased out-of-home care costs associated with this population. The average Residential Care Center (RCC) placement cost is \$9,571 per month and the average length of stay in an RCC is over a year. It is not possible to estimate the number of new referrals will actually occur as a result of this bill. However, if it is assumed that all of the children under the age of 17 and 50% of 17 year-olds are determined to be in need of protection or services in an out-of-home care placement, 50 new RCC placements would be needed for Milwaukee County youth, at an annual cost of \$5,742,600 to the Department in order to support these placements.

This amount should be considered a minimum cost estimate. To the extent that the Commission's report is understates the actual numbers, there could be additional out-of-home care placements in Milwaukee County. Additionally, few, if any, RCCs are providing the level of services necessary to address this population. The average placement cost of an RCC does not include services to address this population and the costs associated with providing these services may be greater than the average placement cost.

Similar analysis would apply to child welfare agencies in the balance of the state. The fiscal effect would be largest in regions with large populations or regions where sex-trafficking is more prevalent. The Department does not have information available to estimate the precise fiscal effect to counties outside of Milwaukee. Milwaukee's out-of-home caseload is approximately one-third of the total statewide out-of-home care caseload. Based on this information and the assumption that sex trafficking cases may be more concentrated in Milwaukee, it is reasonable to assume that the number of cases in Milwaukee that would be covered in the bill is likely to be one-third to one-half of the statewide total. Applying the out-of-home care cost assumptions above, the bill's annual cost to non-Milwaukee counties would be \$5,742,600 to

\$11,485,200. Each child welfare agency would likely need additional resources to support an increased out-of-home care caseload with higher cost placements. The estimated total minimum cost of the bill is \$11,485,200-\$17,227,800, which is likely to be an understatement for the reasons stated above.

Long-Range Fiscal Implications