



## Legislative Fiscal Bureau

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May, 2019

Joint Committee on Finance

Paper #206

### **Adoption Assistance, State Foster Care, and Subsidized Guardianship (Children and Families -- Child Welfare Services)**

[LFB 2019-21 Budget Summary: Page 82, #3]

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#### **CURRENT LAW**

The Department of Children and Families (DCF) is budgeted funds for: (a) adoption assistance payments to persons who adopt children with special needs; and (b) out-of-home care costs for children under guardianship of the state (children with special needs in cases where parental rights have been terminated and who are awaiting adoption) who do not live in Milwaukee County. Funding for foster care payments DCF makes on behalf of children with special needs in Milwaukee County is budgeted as part of the budget for the Division of Milwaukee Child Protective Services (DMCPS). In addition, funding is budgeted to support contracts with agencies that provide case management and adoptive placement services.

Base funding for state foster care, adoption assistance payments, and adoption assistance contracts is \$93,990,000 all funds (\$50,924,700 GPR and \$42,065,300 FED). The federal funding is from Title IV-E of the federal Social Security Act.

#### **GOVERNOR**

Decrease funding by \$2,679,100 (-\$5,173,000 GPR and \$2,493,900 FED) in 2019-20 and by \$2,931,000 (-\$5,331,200 GPR and \$2,400,200 FED) in 2020-21 to reflect: (a) a reestimate of adoption assistance and state foster care payments and changes in federal claiming rates (-\$2,004,300 GPR and \$3,260,700 FED in 2019-20 and -\$2,162,500 GPR and \$3,167,000 FED in 2020-21); and (b) the transfer of subsidized guardianship payments to the appropriations for DMCPS, which administrates the program (-\$3,168,700 GPR and -\$766,800 FED annually).

## MODIFICATION

Increase funding in the bill by \$1,133,200 (\$880,800 GPR and \$252,400 FED) in 2019-20 and by \$3,662,100 (\$2,201,400 GPR and \$1,460,700 FED) in 2020-21 to reflect reestimates of state costs for foster care and adoption assistance in the 2019-21 biennium. The revised estimates are shown in the attachment, as modified by the proposed transfer of subsidized guardianship funding to DMCPs appropriations.

**Explanation:** This modification reflects more recent expenditure information than was available when the Governor's budget was prepared (payment data through April, 2019, instead of data through June, 2018, used in developing the Governor's estimates). Specifically, program expenditures for state foster care were \$353,200 in June, 2018, compared to \$432,400 in April, 2019, and program expenditures for state adoption assistance were \$7,349,900 in June, 2018, compared to \$7,332,200 in April, 2019. Increases in state foster care caseloads and state expenditures is predictive of increased adoption assistance payments when such children are later adopted under the public adoption program. Thus, it is assumed that the estimated increase in state foster care expenditures in 2019-20 of 2.5% will lead to a 2.5% increase in adoption assistance payments in 2020-21.

	Change to	
	Base	Bill
GPR	-\$7,422,000	\$3,082,200
FED	<u>6,607,200</u>	<u>1,713,100</u>
Total	-\$814,800	\$4,795,300

Prepared by: John D. Gentry  
Attachment

**ATTACHMENT**

**Summary of Current Estimates of Adoption Assistance, Foster Care,  
Subsidized Guardianship and Related Contracted Services**

<u>Expenditure Type</u>	<u>2019-20</u>			<u>2020-21</u>			<u>2019-21</u>		
	<u>GPR</u>	<u>FED</u>	<u>All Funds</u>	<u>GPR</u>	<u>FED</u>	<u>All Funds</u>	<u>GPR</u>	<u>FED</u>	<u>All Funds</u>
Adoption Assistance Payments	\$46,340,000	\$44,741,000	\$91,081,000	\$47,502,400	\$45,855,600	\$93,358,000	\$93,842,400	\$90,596,600	\$184,439,000
Foster Care Payments	3,189,100	1,615,800	4,804,900	3,189,100	1,615,800	4,804,900	6,378,200	3,231,600	9,609,800
Adoption Assistance Contracts	2,615,300	1,633,700	4,249,000	2,615,300	1,633,700	4,249,000	5,230,600	3,267,400	8,498,000
Out of Home Care Extension For Residential Care Centers	<u>36,800</u>	<u>9,800</u>	<u>46,600</u>	<u>36,800</u>	<u>9,800</u>	<u>46,600</u>	<u>73,600</u>	<u>19,600</u>	<u>93,200</u>
Subtotal	\$52,181,200	\$48,000,300	\$100,181,500	\$53,343,600	\$49,114,900	\$102,458,500	\$105,524,800	\$97,115,200	\$202,640,000
Transfer of Subsidized Guardianship Program to Division of Milwaukee Child Protective Services	-\$3,168,700	-\$766,800	-\$3,935,500	-\$3,168,700	-\$766,800	-\$3,935,500	-\$6,337,400	-\$1,533,600	-\$7,871,000
Total Estimated Costs	\$49,012,500	\$47,233,500	\$96,246,000	\$50,174,900	\$48,348,100	\$98,523,000	\$99,187,400	\$95,581,600	\$194,769,000
Funding in Bill	\$48,131,700	\$46,981,100	\$95,112,800	\$47,973,500	\$46,887,400	\$94,860,900	\$96,105,200	\$93,868,500	\$189,973,700
<b>Change to Bill</b>	<b>\$880,800</b>	<b>\$252,400</b>	<b>\$1,133,200</b>	<b>\$2,201,400</b>	<b>\$1,460,700</b>	<b>\$3,662,100</b>	<b>\$3,082,200</b>	<b>\$1,713,100</b>	<b>\$4,795,300</b>