Children and Families

Child Welfare

(LFB Budget Summary Document: Page 98)

LFB Summary Items for Which Issue Papers Have Been Prepared

Item #	Title
2	Children and Family Aids (Paper #210)
3	Foster Care Rate Increase (Paper #211)
5, 6, & 7	Division of Milwaukee Child Protective Services (Paper #212)
10	Milwaukee Qualified Residential Treatment Program Facility (Paper #213)
11	In-Home Prevention Services (Paper #214)

LFB Summary Items Removed From Budget Consideration

Item #	Title
8	Federal Law Update -- Qualified Residential Treatment Programs
13	Consolidate Statutory Provisions for the Bureau of Youth Services

Legislative Fiscal Bureau
One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: http://legis.wisconsin.gov/lfb

June, 2021 Joint Committee on Finance Paper #210

Children and Family Aids
(Children and Families -- Child Welfare)

[LFB 2021-23 Budget Summary: Page 99, #2]

CURRENT LAW

In Wisconsin, the child welfare system is county-operated and state-supervised, except in Milwaukee County, where the system is administered by the Division of Milwaukee Child Protective Services (DMCPS) in the Department of Children and Families (DCF). All county and state child welfare systems operate under the same federal and state laws, regulations, and standards. Eleven tribes in Wisconsin also provide child welfare services directly based on their tribal codes, policies, and tribal practices, although many have written agreements with county agencies.

Each county has its own child welfare system that includes the county department of human or social services (except in Milwaukee County), the courts, and other agencies that provide services to children and their families. The child protective services unit in each county department is responsible for providing services to abused and neglected children. The responsibility for the care of children in the system is shared between the juvenile court and the county department of human services or social services. Child welfare services are provided to Native American children by tribal social services departments.

DCF is responsible for providing statewide leadership and supervision of child welfare standards and practices. DCF administers state and federal funds for child welfare services and assures compliance with state and federal law, regulations, and policy.

Under the children and family aids (CFA) program, DCF distributes state and federal funds to counties to support services related to child abuse and neglect (including prevention, investigation, and treatment services), child welfare services to families, and community-based juvenile justice services. DCF allocates the CFA to counties through contracts that specify: (a) the manner in which counties will provide the services subject to the contract; (b) the process by which the state reimburses counties for eligible services; and (c) county record-keeping and reporting requirements. The allocations for calendar year 2021 are shown in Attachment 1, including the statutorily-required county match (effectively, 7.4% of the CFA annual allocation). In practice, most counties provide county funding for child welfare services that are well above the match requirement.

CFA funds are generally allocated in the calendar year in two increments. Approximately 25% of CFA funds are made available to counties from January through June. The remaining 75% of CFA funds are added to the contract in July for unreimbursed expenses through June and for July through December. Counties may carry over up to three percent of CFA funds from one year into the next.

In 2020-21, DCF was budgeted $101,145,500 to fund CFA, including: (a) $45,681,100 GPR; (b) $45,291,000 in federal funds from state foster care reimbursement claims under Title IV-E of the Social Security Act; (c) $2,817,300 in federal funds the state receives under Title IV-B, subpart 1 of the Social Security Act; (d) $3,957,200 in federal funds from the Social Services Block Grant (SSBG); and (e) $3,398,900 in federal funds from the temporary assistance for needy families block grant (TANF) transferred to the SSBG.

DISCUSSION POINTS

County payments that support foster care and care provided in other out-of-home placements is a major component of counties' child welfare spending. Attachment 2 shows the out-of-home care caseloads as of December 31, from 2012 through 2020, by placement type. The attachment shows that the number of children in out-of-home placements outside of Milwaukee County increased from 4,311 in 2012 to 5,379, a 24.8% increase. However, during the past two years, the total number of children in out-of-home care statewide has decreased somewhat.

1. According to a 2016 report from DCF and the Governor's Task Force on Opioid Abuse, Combating Opioid Abuse, county child protective services experienced a significant surge in cases in recent years due in part to opioid related child welfare cases and parental drug abuse. The most recent DCF Out-of-Home Care report indicates that 15.8% of the removals of children from their home and into out-of-home care in 2019 were due in part to caretaker drug abuse and another 1.1% were due to child drug abuse.

2. DCF indicates that out-of-home caseloads increased as a result of the opioid crisis until 2018, when exits from the out-of-home care system began to match the entries. Caseloads decreased in 2019 once exits from the system increased and entries into the system declined. However, information provided by DCF indicates that drug abuse remains a factor in abuse and neglect cases; in 2020 caretaker drug abuse continues to be a documented factor in removal in 32.3% of cases.

3. The COVID-19 pandemic had a substantial impact on child protective services in 2020. The number of children who were placed in out-of-home care dropped as reports of child abuse and

neglect declined significantly. However, children remained in out-of-home care for longer periods, as exits from out-of-home care also fell. It is likely that incidents of child abuse and neglect were underreported during the 2020-21 school year because many children were not enrolled in in-person instruction. As a result, teachers, who are required by state law to report suspected cases of child abuse and neglect to human departments ("mandated reporters"), were less able to observe warning signs that might have led to reports. (Educational personnel, as a group, were the largest source of child abuse and neglect referrals in 2019, accounting for 21% of the total number of referrals by mandated reporters.) As such, when children return to school in the fall, 2021, there could be an increase in reports of child abuse and neglect, resulting in increases in child welfare caseloads and demands for services.

4. County spending increased as caseloads increased. Attachment 3 summarizes information the Department of Health Services collects annually from counties on county administered programs that provide services for abused and neglected children and child welfare services directed at the prevention of family break-up, youth development, and improved family functioning involved in the child welfare system. As shown in Attachment 3, during the last six years for which information is available, counties reported that spending on services for abused and neglected children increased from $73.8 million in 2014 to $92.9 million in 2017, thereafter increasing to $93.9 million in 2019. During this period, total spending (spending supported from all fund sources) for these county administered services increased from $127.3 million to $167.7 million. In addition, the costs of other child welfare services provided by counties also increased during this period.

5. Due to the increase in caseloads, the Wisconsin Counties Association (WCA) indicates that the workload of case workers substantially increased across the state. According to a caseload study by the Wisconsin County Human Service Association (WCHSA) in 2018, counties outside of Milwaukee County had average caseloads of one social worker per 15 cases (or 30 children per worker) and one supervisor for every seven workers. For comparison, the Child Welfare League of America recommends no more than 12 to 15 children per case worker and five caseworkers per supervisor. Further, under DMCPS contracts with outside vendors to provide case management and ongoing services in Milwaukee County, the contract agencies are required to provide enough case managers such that there is one staff member for every 15 children. In addition, the agencies must ensure that there is one supervisor for every six staff members.

6. WCA indicates that the increased workload on caseworkers causes retention issues and increases turnover of experienced staff. High annual turnover rates, which have been estimated to be between 20% and 40% among staff in child welfare organizations nationally, have long been identified as a problem in the industry. High staff turnover rates affect the quality of services children and families receive, and result in recurring training and recruitment costs. Further, WCA indicated that the increased workloads on caseworkers adversely affected children by increasing the amount of time they spend in out-of-home care.

7. According to the caseload study by the WCHSA, judging from standards that would require no more than 10 children per case worker and five caseworkers per supervisor, WCA estimated that counties outside of Milwaukee County would need an additional 327 caseworkers and

145 supervisors in order to meet these caseload standards. The WCHSA estimated that it would cost more than $36.8 million annually to increase staff to meet such standards. The Governor's Task Force recommended that the state increase state funding for the CFA to assist counties in hiring additional staff to provide appropriate services to these children.

8. Provisions of 2019 Act 9 provided additional funding for the CFA of $5,000,000 GPR in 2019-20 and $25,500,000 ($18,500,000 GPR in 2020-21 and $7,000,000 FED Title IV-E reimbursement funds) in 2020-21. DCF reports that 44 counties used the additional funding to increase staff (92 positions) in a range of child welfare service areas. In addition, 31 counties reported using the funding to support out of home placement costs and to increase services available to families.

9. According to DCF, although the increase helped counties across the state stabilize and address opioid-related case growth, there continues to be a high need for these services, causing a continued strain on county agencies. DCF reports that recent efforts have been complicated by the impact of the COVID pandemic, which made it more difficult to identify and assess cases as well as more challenging to provide services. Further, DCF indicates that as counties move toward serving more families in their homes as part of the changes required under the federal Family First Prevention and Services Act (FFPSA), it anticipates that counties will need more staff and services to effectively support expanded programming for families in their home and in the community.

10. In addition, DCF indicates that an increase in the amount of GPR used to support the CFA is needed in order to avoid the depletion of federal Title IV-E reimbursement funds in the near future. The opening balance of federal Title IV-E reimbursement funds was $36.8 million going into 2020-21. DCF currently allocates IV-E funding such that the state commits $5.0 million to the CFA more than it earns each year as reimbursement. Based on estimates of caseloads and claiming rates under federal law, DCF projects a structural deficit under current law of $3.4 million in 2020-21. The deficit is projected to increase to $12.9 million in 2021-22, and $14.4 million in 2022-23 due to on-going commitments required under the FFPSA (such as shifting foster care populations out of congregate care settings). Based on current projections, the estimated opening balance of $33.4 million in 2021-22 of federal reimbursements would be exhausted in 2023-24, requiring annual GPR funding of $18.4 million in the 2023-25 biennium in order to maintain the costs of child welfare programs.

11. Assembly Bill 68/Senate Bill 111 would provide $5,000,000 GPR in 2021-22 and $10,000,000 GPR in 2022-23 to increase the CFA allocation so that $106,389,600 (all funds) in 2021-22 and $111,868,900 (all funds) in 2022-23 would be allocated for county child welfare activities. Together with the proposed increase in foster care rates under the bill (addressed in LFB Budget Paper #211), the total the amount of the CFA allocation is shown in Table 1.

TABLE 1

Children and Family Aids
AB 68/SB 111

	2021-22	2022-23
2020-21 Statutory Allocation	$101,145,500	$101,145,500
Foster Care Rate Proposal	244,100	723,400
CFA Funding Increase	5,000,000	10,000,000
Statutory Allocations in Bill	$106,389,600	$111,868,900

12. The Committee could increase the CFA allocation by $5,000,000 GPR in 2021-22 and by $10,000,000 GPR in 2022-23 (Alternative 1). Increased funding would allow counties to hire additional staff, thereby reducing caseloads and improving turnover rates. Further, additional funding could alleviate the increased costs associated with the abuse of opioids and other drugs or the end of the COVID-19 pandemic, as well as costs that may be incurred under FFPSA.

13. Alternatively, the Committee could choose to increase funding for the CFA by any other amount to reflect the Committee's budget priorities and constraints. (Alternative 2). As discussed above, there is an opening balance of previously received Title IV-E funds which could be utilized. For example, using both GPR and federal funding under Title IV-E, the Committee could choose to provide an increase in one of the following amounts: (a) $2,000,000 annually; (b) $4,000,000 annually; (c) $6,000,000 annually; or (d) $8,000,000 annually. However, increasing IV-E expenditures would increase the estimated structural deficit, which could result in exhausting the balance of IV-E funding sooner than anticipated.

14. Finally, the Committee could maintain base funding for the CFA at its current level (Alternative 3), based on the argument that Act 9 provided a significant increase in CFA funding and caseloads have decreased since that time.

15. To the extent CFA spending depletes the opening balance of federal reimbursement previously received under Title IV-E of the Social Security Act, the issue could be addressed as part of the 2023-25 biennial budget after the federal requirements related to the FFPSA have been implemented. DCF would have additional information regarding the related costs and reimbursements under the new federal standards at that time.

ALTERNATIVES

1. Provide $5,000,000 GPR in 2021-22 and $10,000,000 GPR in 2022-23 to increase the CFA. Increase the statutory children and family aids allocations to reflect this funding increase.

ALT 1	Change to Base
GPR	$15,000,000

2. Provide funding in one of the following amounts to increase the CFA: (a) $2,000,000 ($1,500,000 GPR and $500,000 FED) annually; (b) $4,000,000 ($3,000,000 GPR and $1,000,000 FED) annually; (c) $6,000,000 ($4,500,000 GPR and $1,500,000 FED) annually; or (d) $8,000,000 ($6,000,000 GPR and $2,000,000 FED) annually. Increase the statutory children and family aids allocations to reflect this funding increase.

ALT 2	Change to Base
(a)	
GPR	$3,000,000
FED	1, 000,000
	$4,000,000
(b)	
GPR	$6,000,000
FED	2,000,000
	$8,000,000
(c)	
GPR	$9,000,000
FED	3,000,000
	$12,000,000
(d)	
GPR	$12,000,000
FED	4,000,000
	$16,000,000

3. Take no action.

Prepared by: John D. Gentry

ATTACHMENT 1

Children and Family Aids Allocations to Counties
Calendar Year 2021

County	Total Allocation	County Match
Adams	$390,795	$28,987
Ashland	521,206	38,660
Barron	976,354	72,421
Bayfield	386,140	28,642
Brown	4,604,434	341,534
Buffalo	480,429	35,636
Burnett	390,326	28,952
Calumet	580,349	43,047
Chippewa	1,283,593	95,211
Clark	875,916	64,971
Columbia	911,447	67,607
Crawford	660,631	49,002
Dane	8,393,185	622,565
Dodge	1,515,470	112,410
Door	512,423	38,009
Douglas	1,158,366	85,922
Dunn	850,411	63,079
Eau Claire	2,476,076	183,663
Florence	329,762	24,460
Fond du Lac	2,312,245	171,511
Forest	372,186	27,607
Grant	1,093,924	81,142
Green	643,437	47,727
Green Lake	395,859	29,363
Iowa	441,922	32,780
Iron	252,131	18,702
Jackson	711,670	52,788
Jefferson	1,373,800	101,902
Juneau	497,515	36,903
Kenosha	3,872,611	287,251
Kewaunee	436,879	32,405
La Crosse	2,765,442	205,127
Lafayette	422,052	31,306
Langlade	546,309	40,522
Lincoln	636,407	47,205

County	Total Allocation	County Match
Manitowoc	$1,863,635	$138,235
Marathon	2,430,699	180,297
Marinette	850,672	63,099
Marquette	329,484	24,439
Menominee	522,618	38,765
Milwaukee	6,890,367	511,093
Monroe	892,884	66,230
Oconto	664,194	49,267
Oneida	760,620	56,419
Outagamie	3,021,599	224,127
Ozaukee	1,255,045	93,093
Pepin	308,557	22,887
Pierce	698,538	51,814
Polk	902,652	66,954
Portage	1,197,895	88,854
Price	406,412	30,146
Racine	5,039,082	373,774
Richland	553,511	41,057
Rock	4,360,766	323,460
Rusk	506,454	37,566
St. Croix	799,190	59,280
Sauk	1,086,396	80,583
Sawyer	534,264	39,629
Shawano	774,193	57,426
Sheboygan	2,391,437	177,385
Taylor	591,940	43,907
Trempealeau	711,090	52,745
Vernon	681,524	50,552
Vilas	367,821	27,283
Walworth	1,627,913	120,750
Washburn	426,851	31,662
Washington	1,604,211	118,992
Waukesha	5,399,111	400,479
Waupaca	963,919	71,499
Waushara	522,304	38,742
Winnebago	3,534,383	262,163
Wood	1,815,440	134,660
Total	$101,359,373	$7,518,332

ATTACHMENT 2

Out-of-Home Care Caseloads as of December 31 -- 2012 through 2020

Year		Court-Ordered Kinship Care	Foster Homes*	Group Homes	Residential Care Centers	Other Placements**	Total
2012	Milwaukee County	289	1,282	133	89	148	1,941
	All Other Counties	481	3,011	193	294	332	4,311
	Wisconsin Total	770	4,293	326	383	480	6,252
2013	Milwaukee County	358	1,400	149	75	202	2,184
	All Other Counties	553	3,012	168	276	327	4,336
	Wisconsin Total	911	4,412	317	351	529	6,520
2014	Milwaukee County	434	1,429	154	100	159	2,276
	All Other Counties	565	3,316	174	263	275	4,593
	Wisconsin Total	999	4,745	328	363	434	6,869
2015	Milwaukee County	348	1,481	151	81	196	2,257
	All Other Counties	708	3,470	154	284	295	4,911
	Wisconsin Total	1,056	4,951	305	365	491	7,168
2016	Milwaukee County	333	1,461	149	64	152	2,159
	All Other Counties	846	3,704	146	298	329	5,323
	Wisconsin Total	1,179	5,165	295	362	481	7,482
2017	Milwaukee County	460	1,346	143	70	162	2,181
	All Other Counties	999	3,891	144	287	295	5,616
	Wisconsin Total	1,459	5,237	287	357	457	7,797
2018	Milwaukee County	447	1,336	142	55	133	2,113
	All Other Counties	916	4,064	139	293	307	5,719
	Wisconsin Total	1,363	5,400	281	348	440	7,832
2019	Milwaukee County	407	1,252	142	54	117	1,972
	All Other Counties	826	4,019	130	281	327	5,583
	Wisconsin Total	1,342	4,242	272	335	444	7,555
2020	Milwaukee County	362	1,248	125	51	123	1,909
	All Other Counties	805	3,730	110	266	274	5,185
	Wisconsin Total	1,167	4,978	235	317	397	7,094

* Includes children living with unlicensed relatives and non-relatives.

** Includes shelter, reception center, trial reunification, supervised independent living receiving home, missing from out-of-home care, and children in secured facilities.

ATTACHMENT 3

County-Reported Expenditures on Child Abuse and Neglect Services and Child Welfare Services

	Calendar Year					
	2014	2015	2016	2017	2018	2019
Services for Abused and Neglected Children						
Total Spending for County-Administered Programs	$127,341,000	$133,957,400	$142,714,100	$152,370,900	$168,953,139	$167,729,303
County Spending (Local Funds)	$73,846,800	$76,378,000	$84,101,000	$92,926,600	$94,670,404	$93,941,400
County Spending as a Percentage of Total	58.0%	57.0%	58.9%	61.0%	56.0%	56.0%
Increase in Spending from Local Funds from Previous Year		$2,531,200	$7,723,000	$8,825,600	$1,743,804	-$729,004
Child Welfare Services						
Total Spending for County-Administered Programs	$77,010,700	$73,735,700	$80,310,000	$81,432,600	$82,110,633	$87,209,367
County Spending (Local Funds)	$34,602,600	$31,241,500	$33,792,900	$36,542,700	$39,414,517	$43,170,233
County Spending as a Percentage of Total	44.9%	42.4%	42.1%	44.9%	48.0%	49.5%
Increase in Spending from Local Funds from Previous Year		-$3,361,100	$2,551,400	$2,749,800	$2,871,817	$3,755,716

Source: Department of Health Services Program Participation System

Legislative Fiscal Bureau
One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: http://legis.wisconsin.gov/lfb

June, 2021 | Joint Committee on Finance | Paper #211

Foster Care and Kinship Care Rates
(Children and Families -- Child Welfare)

[LFB 2021-23 Budget Summary: Page 92, #17 and Page 99, #3]

CURRENT LAW

Foster Care. When placing a child in foster care, a placing agency uses a standardized assessment tool to assess the needs and strengths of the child and the needs of the child's foster parent. The results of the assessment are used to determine the certified level of foster care into which the child will be placed, what services will be provided, and what payment the foster parent will receive.

Under the levels of care foster care licensing system, a foster home is certified in one of five levels commensurate with the foster parent's knowledge, skills, training, experience, and relationship to the child. Level one certification applies to a foster home with a child-specific license, which is issued to a relative of a child or an individual who has a previous existing relationship with the child or the child's family. Level two certification applies to basic foster homes. Level three certification applies to moderate treatment foster homes. Level four certification applies to specialized treatment foster homes. Level five certification applies to exceptional treatment foster homes.

Counties, tribes, and the Department of Children and Families (DCF) make monthly payments to foster parents to support food, clothing, housing, basic transportation, personal care, and other expenses for children in foster care. All foster care payments include the basic maintenance rate, which is established by statute. Counties, tribes, and DCF also consider the needs of the child and may provide a supplemental payment or an exceptional payment, in addition to the basic payment, for foster homes certified at level two or higher. The maximum payment is $2,000 for the combined basic, supplement, and exceptional monthly rate.

Currently, the basic maintenance rate for all level one foster care providers is $254 per month. For levels two and above, the basic monthly maintenance rates are: (a) $420 for children up to age five; (b) $460 for children between the ages of five and 11; (c) $522 for children between the ages of 12 and 14; and (d) $545 for children ages 15 and older.

Kinship Care. Federal Temporary Assistance for Needy Family (TANF) block grant funds are budgeted to support monthly payments to certain qualifying individuals who care for relative children. Under the program, a relative does not necessarily assume guardianship of the child. Rather, kinship care is a living arrangement for the child in the relative's household.

In 2021, a qualifying caregiver receives $254 per month per child as a kinship care payment. In addition, a relative who has been appointed as a guardian of a child may be eligible to receive "long-term kinship care" payments. The monthly payment amounts for kinship care and long-term kinship care are the same. In counties and tribes other than Milwaukee County, relative caregivers receive these payments from the county or tribe, while caregivers in Milwaukee County receive these payments from DCF, which administers child welfare services in that county. Each calendar year, DCF allocates funding to counties based upon estimate caseloads to support the costs of making these payments.

The kinship care program is not administered as a statewide benefits program with a single budget. For this reason, although total funding budgeted for the program on a statewide basis may be sufficient to support all kinship care benefits costs, individual counties and tribes may have surpluses or shortfalls in their kinship care budgets when their actual caseloads do not correspond with the initial funding allocations they receive from DCF. DCF makes adjustments to the initial calendar year county allocations, based on caseload information the agency receives from counties. To the extent TANF funds are not sufficient to fund kinship care costs, counties and tribes can either support kinship care costs from other state aids or local property tax or other funds or place non-court-ordered cases on waiting lists. However, individuals who care for children under a court order may not be placed on waiting lists to receive kinship care payments.

DISCUSSION POINTS

1. The basic maintenance rate is intended to cover basic costs of caring for a foster child on a monthly basis, including food, clothing, housing, basic transportation, personal care, and other expenses.

2. By contrast, supplemental and exceptional payments are not available in all cases. The supplemental rate is intended to cover the costs of a foster child's emotional, behavioral, or medical needs that require special care or supervision. The exceptional rate is intended to cover the costs of a foster child's extraordinary needs that require increased supervision, including severe behavioral problems, intensive physical needs, severe mental illness, chronic drug or alcohol abuse, or long distance travel to school. The supplemental and exceptional rates are determined based on the level of care required and the identified special needs of the child.

3. As shown in the following tables, the high frequency at which supplemental and exceptional payments are made available to foster families suggests that the current basic monthly payment may not be sufficient on its own to attract and retain foster homes.

4. In February, 2021, across all levels of care statewide, the average monthly foster care payment was $956, including the basic maintenance rate and supplemental or exceptional payments made to foster parents. Table 1 shows the total number of payments made across the state and the average, for each level of care in February, 2021.

TABLE 1

Foster Care Payment Rates by Level of Care Provided
February, 2021

	Level 1	Level 2	Level 3	Level 4	Level 5
Number of Children	19	3,496	662	183	8
Total Payments	$4,826	$2,780,260	$852,753	$306,629	$229,854
Average Payment	$254	$795	$1,288	$1,676	28,732 *

* Includes costs supported by children's long-term support through the Department of Health Services, such as significant medical, cognitive, and development needs.

5. Of these payments, 88.6% of cases received a supplemental payment, and 75.6% received an exceptional payment. Thus, no more than 11.4% of foster parents received only the basic rate. It is likely that even fewer families receive only the basic rate because some families may receive exceptional rates without supplemental rates.

6. As shown in the following Tables 2 and 3, the combined average supplemental and exceptional payments are a significant portion of the overall payment in all age groups and at all levels of foster care for which they are available.

TABLE 2

Average Basic, Supplemental, and Exceptional Foster Care
Monthly Payment Rates by Level of Care Provided
February, 2021

	Level 1	Level 2	Level 3	Level 4	Level 5
Basic	$254.00	$454.18	$473.75	$493.68	$531.50
Supplemental	N/A	176.01	401.27	480.27	620.00
Exceptional	N/A	288.27	501.47	782.80	27,580.21**
Overall	$254.00	$795.27	$1,288.15	$1,675.57	$28,731.71
Percent Caseload	0.4%	80.0%	15.2%	4.2%	0.2%

**Includes costs supported by children's long-term support through the Department of Health Services, such as significant medical, cognitive, and development needs.

7. Table 3 shows the average supplemental payment, the average exceptional payment, and the average overall payment by the age of the child in out-of-home care in February, 2021. Table 4

also shows the percent of children in care in each age group. Note that many foster families do not receive supplemental and/or exceptional payments, and thus the overall average payment is not the sum of each payment type average.

TABLE 3

Average Supplemental and Exceptional Foster Care Payment Rates by Age of Child February, 2021

Average Payments	Ages 0-4	Ages 5-11	Ages 12-14	Ages 15 and Older
Basic	$419.79	$460.03	$521.26	$543.59
Supplemental	139.23	261.05	316.96	369.07
Exceptional	267.89	342.76	484.29	1.199.76
Overall	$711.07	$954.01	$1,166.67	$1,749.88
Percent of Caseload	42.9%	35.8%	10.7%	10.6%

8. As shown in Tables 2 and 3, it appears that the basic payment is, on average, less than half of the cost reimbursement made to foster families for most age groups and all levels of care (supplemental and exceptional payments are not available for level 1). This suggests that the current basic payment is not covering most expenses of caring for children in foster homes.

9. Furthermore, foster care rates are not adjusted for inflation or tied to the cost of care for a child. If not increased, the inflation-adjusted value of the basic maintenance payment would decrease over the next two fiscal years.

10. In Wisconsin, the annual basic maintenance payment for a five-year-old in level two foster care is currently $5,040. For comparison, the attachment shows the annual expenditures on a child by a married couple family in the urban Midwest as estimated by the Expenditures on Children by Families, 2015 report. As shown in the attachment, the estimated annual expenditure in 2015 on a five-year-old by a two-parent, middle income family is estimated to be $12,420. Adjusting for inflation, this amount would be approximately $13,980. Adjusting the estimated amounts for inflation, it is estimated that $3,940 is spent on housing, $1,800 is spent on food, and $3,070 is spent for child care expenses and education and $5,170 is spent on other costs the family incurs for the child, such as health care.

11. The federal Department of Health and Human Services (DHHS) conducts a federal child and family services review (CFSR) to determine each state's conformance with federal requirements under Titles IV-B and IV-E of the federal Social Security Act. DHHS conducted a CFSR for Wisconsin in 2018, which included a review of 65 cases (40 foster care and 25 in-home cases) in Barron, Brown, and Milwaukee counties, and interviews with local stakeholders. The CFSR assessed statewide performance with regard to seven child and family outcomes and seven systemic factors. DCF received the CFSR findings in September, 2018. Overall, DHHS determined that Wisconsin

was not in substantial conformance with any of the seven outcome areas and only one of the seven systemic factors. For the systemic factor of foster and adoptive parent licensing, recruitment, and retention, the CFSR stated that local stakeholders reported a severe shortage of foster homes and that there was a shortage of licensed foster homes for children with complex treatment needs. According to some stakeholders, the lack of available homes resulted in children being placed into higher levels of care than necessary or in congregate care because they were the only resources available. In one county, the report related that staff have stayed in the office with children because there were no placements available. Further, in some areas siblings had to be separated because of the lack of available placements for sibling groups.

12. A shortage of foster families can strain existing resources and lead to a shortage of available placements for children in the out-of-home care system. Inadequate availability of placements can result in children switching between temporary placements, children being placed into settings inappropriate for their treatment needs, and youth aging out of the system without having adequate housing.

13. Although not an explicit strategy in the state's program improvement plan for the CFSR, DCF indicates that increasing the basic maintenance rates would assist in recruiting and retaining foster families, which would assist with efforts to address issues identified by the CFSR as needing improvement.

14. Because increasing the foster care basic maintenance rates could help counties attract and retain foster parents to meet the needs of children, the Committee could provide $352,400 ($233,300 GPR and $119,100 FED) in 2021-22 and $1,057,200 ($699,900 GPR and $357,300 FED) in 2022-23 to increase the foster care rates paid by counties (funded from the children and families aids allocation) and by DCF for Milwaukee County and the special needs adoption program (Alternative A1). This would increase the basic maintenance rates paid to foster parents for Level 2 and above by 2.5% beginning January 1, 2022 and by an additional 2.5% beginning January 1, 2023, as provided under Assembly Bill 68/Senate Bill 111. (The amount of funding needed to support this rate increase is slightly less than the funding increase in AB 68/SB 111, due to a reestimate.) The federal funding is reimbursements under Title IV-E of the Social Security Act.

15. Because the 2021-23 budget would only fund the first half of the calendar year 2023 foster care and kinship care payments, the rate increase for the second half of calendar year 2023 would be funded in the 2023-25 budget. The estimated cost in the 2023-25 budget to continue foster care and kinship care payments in the second half of 2023 at the rates under Alternative A1 would be $704,800 [$466,600 GPR and $238,200 FED (Title IV-E)] over current base funding levels.

16. Alternatively, the Committee could increase basic maintenance rates for foster care and kinship care benefits by 5.0% beginning on January 1, 2022, but not increase the rates on January 1, 2023 (Alternative A2). This would eliminate the need to increase funding in the 2023-25 budget to fully fund the rate increase provided in this biennium. Under this alternative, funding relative to the base for basic monthly payments would increase by $678,500 ($449,200 GPR and $229,300 FED) in 2021-22 and $1,357,000 ($898,300 GPR and $458,700 FED) in 2022-23

17. Likewise, the Committee could decide to increase basic maintenance rates for foster care

and kinship care benefits by 7.5% beginning on beginning on January 1, 2022, but not increase the rates on January 1, 2023 (Alternative A3). This would provide for an even larger increase, while also eliminating the need to increase funding in the 2021-23 budget to fully fund the rate increase provided in this biennium. Under this alternative, funding relative to the base for basic monthly payments would increase by $1,030,800 ($682,400 GPR and $348,400 FED) in 2021-22 and $2,061,600 ($1,364,800 GPR and $696,800 FED) in 2022-23 to increase monthly payments to foster parents by 7.5% beginning in 2022.

18. The foster care rates under current law and Alternatives A1, A2, and A3 are shown in the following Table 4.

TABLE 4

Foster Care Rates Level 2 and Above under Current Law and Alternatives

	Current Law	Alternative A1 2022	Alternative A1 2023	Alternative A2 2022	Alternative A2 2023	Alternative A3 2022	Alternative A3 2023
Levels Two and Above							
Under Age 5	$420	$431	$442	$442	$442	$452	$452
Ages 5 through 11	460	472	484	484	484	495	495
Ages 12 through 14	522	535	548	548	548	561	561
Ages 15 and Over	545	559	573	573	573	586	586

19. In addition to these alternatives, the Committee could also choose to automatically adjust foster care rates, level 2 and above, for inflation each year, beginning in 2024 and for the next six years. Under this alternative, rates would be adjusted based on the change for the month of August in the prior year compared to the month of August in the year preceding the prior year of the U.S. consumer price index for all urban consumers, U.S. city average, as determined by the federal Department of Labor (Alternative B1). Rates so adjusted would be rounded up to the nearest dollar.

20. The Committee could choose to not provide an increase to the basic maintenance rates (Alternative A4). The basic maintenance rate is meant to reimburse a foster parent's costs of caring for a foster child's basic child needs, and is not intended to cover all costs of raising a child nor as compensation for caring for a child. Given the total number of foster payments provided in Table 2, the Committee could conclude that the current payment levels are adequate to induce foster parents to care for children in Wisconsin.

Kinship Care and Level 1 Foster Care Rates

21. Based on updated caseload information through February, 2021, it is estimated that funding for kinship care payments , based on current payment rates, will total $26,336,000 FED in 2021-22 and $26,620,800 FED in 2022-23, a reduction of $1,823,200 FED in 2021-22 and $1,538,400 FED in 2022-23 from the base TANF allocation ($28,159,200). Therefore, Committee could choose to decrease the TANF allocation under the bill to reflect this reestimate (Alternative C1).

22. However, if the Committee chooses to increase the level 1 foster care payments, as discussed previously in this paper, it could also increase the kinship care monthly payment so that it continues to equal the level 1 foster care rate, as under current law.

23. For example, the Committee could increase the Level 1 foster care monthly rate, from $254 to $300 per child beginning January 1, 2022 by providing $13,000 [$8,600 GPR and $4,400 FED (Title IV-E)] in 2021-22 and $26,000 [$17,200 GPR and $8,800 FED (Title IV-E)] in 2022-23, and providing $567,900 FED TANF in 2021-22 and $3,282,600 FED TANF in 2022-23 so that the kinship care payment rates would continue to equal the level 1 foster care rates (Alternative C2).

24. Alternatively, the Committee could provide $5,900 [$3,900 GPR and $2,000 FED (Title IV-E)] in 2021-22 and $11,800 [$7,800 GPR and $4,000 FED (Title IV-E)] in 2022-23 to increase the Level 1 foster care monthly rate, from $254 to $275 per child beginning January 1, 2022, and reduce the TANF allocation for kinship care by $731,700 FED TANF in 2021-22 and increase the allocation by $662,700 FED TANF in 2022-23 so that the kinship care payment rates would continue to equal the level 1 foster care rates (Alternative C3).

25. The kinship care payment rate and level 1 foster care rate under current law and Alternatives C1, C2, and C3 are shown in the following Table 5.

TABLE 5

Kinship Care Payments and Level 1 Foster Care Rates under Current Law and Alternatives

	Current Law	Alternative C1 2022	Alternative C1 2023	Alternative C2 2022	Alternative C2 2023	Alternative C3 2022	Alternative C3 2023
Level One	$254	$254	$254	$300	$300	$275	$275

ALTERNATIVES

A. Foster Care Payment Rates -- Levels 2 and Above

1. Provide $352,400 ($233,300 GPR and $119,100 FED) in 2021-22 and $1,057,200 ($699,900 GPR and $357,300 FED) in 2022-23 to increase monthly payments to foster parents by 2.5% in each calendar year.

ALT A1	Change to Base
GPR	$933,200
FED	476,400
Total	$1,409,600

2. Provide $678,500 ($449,200 GPR and $229,300 FED) in 2021-22 and $1,357,000 ($898,300 GPR and $458,700 FED) in 2022-23 to increase monthly payments to foster parents by

5.0% beginning in 2022.

ALT A2	Change to Base
GPR	$1,347,500
FED	688,000
Total	$2,035,500

3. Provide $1,030,800 ($682,400 GPR and $348,400 FED) in 2021-22 and $2,061,600 ($1,364,800 GPR and $696,800 FED) in 2022-23 to increase monthly payments to foster parents by 7.5% beginning in 2022.

ALT A3	Change to Base
GPR	$2,047,200
FED	1,045,200
Total	$3,092,400

4. Take no action.

B. Foster Care Payment Rates -- Inflation Adjustment for Levels 2 and Above

1. Modify current law to automatically adjust foster care rates, level 2 and above, for inflation each year, beginning in 2024 and for the next six years. The adjustment would be based on the change for the month of August in the prior year compared to the month of August in the year preceding the prior year of the U.S. consumer price index for all urban consumers, U.S. city average, as determined by the federal Department of Labor. Rates so adjusted would be rounded up to the nearest dollar. Require DCF to publish the adjusted rates in the administrative register or administrative code.

2. Take no action.

C. Kinship Care Payments and Level 1 Foster Care Rate

1. Reduce the TANF allocation for kinship care payments by $1,823,200 FED in 2021-22 and $1,538,400 FED in 2022-23 to reflect reestimates of caseloads in the 2021-23 biennium, based on the current kinship care monthly payment rate ($254 per month).

ALT C1	Change to Base
FED	- $3,361,600

2. Increase the Level 1 foster care monthly rate from $254 to $300 per child beginning January 1, 2022, by providing $13,000 [$8,600 GPR and $4,400 FED (Title IV-E)] in 2021-22 and $26,000 [$17,200 GPR and $8,800 FED (Title IV-E)] in 2022-23. Further, provide $567,900 FED

TANF in 2021-22 and $3,282,600 FED TANF in 2022-23 so that the kinship care payment rates would continue to equal the level 1 foster care rates. In total, $28,727,100 FED TANF in 2021-22 and $31,441,800 FED TANF in 2022-23 would be provided to fund kinship care payments.

ALT C2	**Change to Base**
GPR	$39,000
FED	3,850,500
Total	$3,889,500

3. Increase the Level 1 foster care monthly rate, from $254 to $275 per child beginning January 1, 2022 by providing $5,900 [3,900 GPR and $2,000 FED (Title IV-E)] in 2021-22 and $11,800 [$7,800 GPR and $4,000 FED (Title IV-E)] in 2022-23. Further, reduce the TANF allocation for kinship care by $731,700 FED TANF in 2021-22 and increase the allocation by $662,700 FED TANF in 2022-23 so that the kinship care payment rates would continue to equal the level 1 foster care rates. In total, $27,427,500 FED TANF in 2021-22 and $28,821,900 FED TANF in 2022-23 would be provided to fund kinship care payments.

ALT C3	**Change to Base**
GPR	$17,700
FED	- 69,000
Total	- $51,300

4. Take no action.

Prepared by: John D. Gentry
Attachment

ATTACHMENT

Estimated Annual Expenditures on a Child by Married-Couple Families, Urban Midwest, 2015

Age of Child	Total Expense	Housing	Food	Transportation	Clothing	Health Care	Child Care and Education [a]	Miscellaneous [b]
Before-Tax Income: Less than $59,200 (Average = $37,600)								
0 - 2	$9,460	$3,010	$1,220	$1,120	$820	$800	$1,970	$520
3 - 5	9,460	3,010	1,260	1,170	680	740	1,970	630
6 - 8	9,060	3,010	1,820	1,230	680	770	800	750
9 - 11	9,690	3,010	2,080	1,270	840	890	800	800
12 - 14	9,310	3,010	2,160	1,420	910	850	310	650
15 - 17	9,660	3,010	2,180	1,610	880	900	450	630
Total	$169,920	$54,180	$32,160	$23,460	$14,430	$14,850	$18,900	$11,940
Before-Tax Income: $59,200 to $107,400 (Average = $81,700)								
0 - 2	$12,370	$3,500	$1,490	$1,710	$890	$1,160	$2,730	$890
3 - 5	12,420	3,500	1,600	1,760	740	1,090	2,730	1,000
6 - 8	12,030	3,500	2,170	1,820	740	1,120	1,560	1,120
9 - 11	12,830	3,500	2,550	1,860	930	1,260	1,560	1,170
12 - 14	12,680	3,500	2,650	2,010	1,020	1,220	1,260	1,020
15 - 17	13,470	3,500	2,670	2,200	1,000	1,280	1,830	990
Total	$227,400	$63,000	$39,390	$34,080	$15,960	$21,390	$35,010	$18,570
Before-Tax Income: More Than $107,400 (Average = $177,300)								
0 - 2	$19,310	$5,200	$2,110	$2,510	$1,260	$1,570	$4,950	$1,710
3 - 5	19,320	5,200	2,220	2,560	1,090	1,480	4,950	1,820
6 - 8	18,900	5,200	2,840	2,620	1,090	1,430	3,780	1,940
9 - 11	20,200	5,200	3,440	2,660	1,350	1,780	3,780	1,990
12 - 14	20,540	5,200	3,430	2,810	1,490	1,730	4,040	1,840
15 - 17	22,730	5,200	3,590	3,000	1,450	1,800	5,880	1,810
Total	$363,000	$93,600	$52,890	$48,480	$23,190	$29,370	$82,140	$33,330

Estimates are based on 2011-15 Consumer Expenditure Survey data (all data updated to 2015 dollars by using the Midwest region Consumer Price Index–All Urban Consumers). For each age category, the expense estimates represent average child-rearing expenditures for each age (e.g., the expense for the 3-5 age category, on average, applies to the 3-year-old, the 4-year-old, or the 5-year-old). The Total expenses (0 - 17) row represents the expenditure sum of all ages (0, 1, 2, 3, ...17) in 2015 dollars. The figures represent estimated expenses on the younger child in a two-child family. Estimates are about the same for the older child, so to calculate expenses for two children, figures should be summed for the appropriate age categories. To estimate expenses for an only child, multiply the total expense for the appropriate age category by 1.27. To estimate expenses for each child in a family with three or more children, multiply the total expense for each appropriate age category by 0.76. For expenses on all children in a family, these totals should be summed.

The Midwestern region consists of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

[a] Includes only families with child care and education expenses.

[b] Includes personal care items, entertainment, and reading materials.

Legislative Fiscal Bureau
One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: http://legis.wisconsin.gov/lfb

June, 2021 | Joint Committee on Finance | Paper #212

Division of Milwaukee Child Protective Services (Children and Families -- Child Welfare)

[LFB 2021-23 Budget Summary: Page 100 #5 and #6, and Page 101, #7]

CURRENT LAW

Child welfare services are intended to ensure the safety, well-being, and stability of children and their families. Child welfare services are provided in Milwaukee County by the Division of Milwaukee Child Protective Services (DMCPS) in the Department of Children and Families (DCF) from a central administrative site located in the City of Milwaukee. DCF also contracts with private vendors to provide services to families in the child welfare system.

The child welfare system in Milwaukee County runs parallel with the systems in the other counties in the state. This includes an access unit which receives all incoming reports of possible child abuse or neglect and gathers information from the referral source. If there is reason to suspect possible child maltreatment, the access unit will screen in the referral for further review. DMCPS employs initial assessment specialists, who receive referrals from the access unit, to determine: (a) if child abuse or neglect has already occurred, who did it, and the extent and the severity of the abuse or neglect if it has occurred; (b) the level of impending danger to a child in the family of future abuse or neglect; and (c) the types of services to be included in a safety plan for a child in order to prevent abuse or neglect from occurring in the future. These determinations are based on interviews with family members, home visits, and other contacts.

Case management services and ongoing services are provided for ongoing cases of children in out-of-home care and their families. DCF contracts with two outside vendors to provide these services -- Children's Hospital of Wisconsin-Community Services and SaintA. The contract agencies are required to provide enough case managers such that there is one staff member for every 15 children. In addition, the agencies must ensure that there is one supervisor for every six staff members.

DISCUSSION POINTS

DMCPS Operations -- Staffing and Assessment

1. Delays in assessing reports of child abuse may result in children remaining in unsafe or abusive conditions for prolonged periods of time. State law requires the initial assessment (IA) investigations to be completed within 60 days of receiving the referral.

2. DCF indicates that assessment caseloads strongly influence the timeliness of completion of initial assessments of reports of abuse and neglect. High caseloads reduce the amount of time a worker has to devote to any particular case. As a result, the quality of service that can be provided for children and families suffers, since there is less time to conduct home visits, engage with families, and make decisions regarding child safety.

3. Further, high caseloads is a contributing cause of staff turnover, which further increases caseloads for the remaining assessment workers. Replacing workers can be lengthy and costly process, as it takes a long time to train new workers and for them to build the experience needed to perform their duties.

4. The Child Welfare League of America recommends that an IA specialist have an average caseload of 12 cases and no more than 15 cases. The DMCPS vendor contracts for ongoing services require the vendors to maintain no more than 15 cases per worker.

5. According to DCF the average cases per IA specialist at DMCPS has consistently been above 20 from 2018 through the beginning of 2020 (when COVID-19 began to affect reports of abuse and neglect). Caseloads ranged from as high as 27.0 in February, 2018, to as low as 17.6 in August, 2019. Over the past few years the turnover rate of DMCPS IA specialists has been 31.6% in 2017, 24.2% in 2018, 30.6% in 2019, and 16.3% in 2020.

6. Assessment data suggests that high turnover rates and caseloads have affected DMCPS staff's ability to complete timely IAs. The following table shows the number of cases initially assessed, the percentage of cases that were reviewed within 60 days, and the median completion time for cases by DMCPS and statewide, including Milwaukee, in 2018, 2019, and 2020.

		Milwaukee			Statewide		
Year	Month	Approved	Timely Assessment	Median Completion Time (days)	Approved	Timely Assessment	Median Completion Time (days)
2020	July - December	2,519	68.7%	58	10,262	78.0%	58
2020	January - June	3,600	49.8	62	12,422	86.5	59
2019	July - December	3,424	43.5	64	12,434	68.3	59
2019	January - June	3,572	41.8	66	12,918	68.0	60
2018	July - December	3,566	43.4	65	13,118	70.0	59
2018	January - June	3,913	42.6	67	14,030	68.4	59

7. As shown in the table, initial assessment times at DMCPS have significantly lagged the

statewide average, with fewer than half of cases assessed within the required 60-day time period. The median time to complete an assessment has been many days higher than the statewide average, except for the latter half of 2020.

8. According to DCF, the COVID-19 pandemic caused initial assessment caseloads in Milwaukee County to decrease in 2020, particularly in the second half of the year as schools switched to remote learning. School staff are a major source of referrals to CPS, and thus new cases decreased substantially as Milwaukee schools were remote. As a result of fewer cases being reported, caseloads decreased, which enabled staff to increase the percentage of cases for which timely IAs were conducted.

9. DCF believes that assessment completion times and caseloads will increase when classes return to in-person instruction in the fall. As caseloads increase, DCF anticipates the timeliness of assessments to decline to the levels seen in previous years.

10. Increased staffing levels would reduce caseloads, thereby improving the review of cases and helping to address DMCPS turnover rates. Increased staffing authority would also enable DMCPS to maintain a staffing level that accounts for high turnover rates. Because DCF could hire and train a larger number of IA specialists, there would be a larger pool of remaining staff and trainees to take over for each IA specialist that leaves.

11. Assembly Bill 68/SB 111 would provide funding to support 4.0 additional positions (3.68 GPR and 0.32 FED positions) beginning in 2021-22. The bill would provide $181,900 ($167,400 GPR and $14,500 FED Title IV-E) and in 2021-22 and $242,400 ($223,000 GPR and $19,400 FED Title IV-E) in 2022-23 to support these positions. All of these positions would be initial assessment specialists, with a minimum salary of $35,500 annually.

12. In an April 23, 2021, memorandum to this office, the Secretary of the Department of Administration requested that the Committee consider several changes to AB 68/SB 111. In that memorandum, the administration requested that funding for this item be increased by $64,000 GPR and $5,600 FED in 2021-22 and $85,400 GPR and $7,400 FED in 2022-23 to fund supplies and services costs for these position. Consequently, if the Committee wished to fund the 4.0 positions that would be provided in AB 68/SB 111, the total cost of this item would be $251,500 ($231,400 GPR and $20,100 FED) in 2021-22 and $335,200 ($308,400 GPR and $26,800 FED) in 2022-23 (Alternative A1). Alternatively, the Committee could reduce by half the funding and positions that would be provided in AB 68/SB 111 to conduct initial assessments (Alternative A2).

13. As of April 15, 2021, there were a total of 91.0 FTE positions allocated to DCMPS for the IA function. During the past several years, DCMPS has had relatively high position vacancy rates for the IA positions, as shown in the following table.

DMCPS Initial Assessment Vacancies

Calendar Year	Quarter	Authorized FTE Positions	Vacant Positions	Vacancy Rate
2018	1	90.5	16.0	17.7%
	2	90.5	13.0	14.4
	3	90.5	3.0	3.3
	4	90.0	6.0	6.7
2019	1	90.0	8.0	8.9
	2	91.0	15.0	16.5
	3	91.0	21.0	23.1
	4	91.0	14.0	15.4
2020	1	91.0	14.0	15.4
	2	91.0	14.0	15.4
	3	91.0	17.0	18.7
	4	91.0	14.0	15.4

14. The high vacancy rates shown in the table suggest that the IA unit's workload issues are likely due to high turnover for these positions, rather than the limits on funding and position authority imposed by the state budget. Consequently, unless DMCPS can reduce position turnover in the IA unit, it is unclear whether providing additional funding and position authority for DCMP's IA unit will increase the percentage of IA's completed within the 60-day maximum standard.

DMCPS Aids

15. As part of the 2019-21 biennial budget act (2019 Act 9), program revenue (PR) balances, derived from child support collections, were budgeted to fund increased costs of out-of-home care in Milwaukee County and DMCPS contracts. Program revenue also funded the estimated costs of subsidized guardianship payments, which were transferred to DMCPS appropriations from the appropriations for state foster care and adoption assistance. The use of the PR balances was intended to minimize the use of GPR to support these costs.

16. However, program revenue from child support collections, estimated to be approximately $3,500,000 annually, will not be sufficient to support such costs in the 2021-23 biennium on an ongoing basis. For this reason, additional state GPR funding is needed in the 2021-23 biennium to replace base PR funding that is no longer available.

17. AB 68/SB 111 would provide $49,100 ($3,003,700 GPR, -$91,200 FED, and -$2,863,400 PR) in 2021-22 and $1,025,800 ($4,036,600 GPR, -$147,400 FED and -$2,863,400 PR) in 2022-23 to reflect reestimates of the cost of DMCPS aids payments and contracted services (Alternative B1). This item includes: (a) reducing funding for out-of-home caseloads and subsidized guardianship payments, and service costs for wraparound and in-home services by $207,800 (-$766,000 GPR and $558,200 FED) in 2021-22 and increasing funding for these costs by $826,100 ($266,900 GPR and $559,200 FED) in 2022-23; (b) increasing funding for aids contracts costs, such

as funding for independent investigations, court services, and foster parent training by $645,400 ($2,560,500 GPR, -$137,400 FED, and -$1,777,700 PR) in 2021-22 and by $588,300 ($2,560,500 GPR, -$194,600 FED, and -$1,777,700 PR) in 2022-23; (c) adjustment to base funding to reflect revised estimates of federal claiming rates under Title IV-E of the Social Security Act ($1,209,200 GPR, -$512,000 FED, and -$697,300 PR annually); and (d) reducing estimates of program revenue available to fund subsidized guardianship payments (-$388,400 PR annually).

18. The total GPR costs of supporting these costs in the 2021-23 biennium could be reduced somewhat by using some of the balance of uncommitted federal Title IV-E funds instead of GPR, to support costs of out-of-home care in the 2021-23 biennium. However, similar to the use of PR balances of child support revenues budgeted for ongoing costs in Act 9, the use of uncommitted federal IV-E funds to support ongoing costs is not sustainable. To avoid increasing unfunded GPR commitments in the 2023-25 budget, the Committee could reduce GPR funding for out-of-home care costs by instead budgeting $1.0 million or $2.0 million of Title IV-E balances in 2021-22 only, but retain the GPR funding increase in 2022-23 of this item ($4,036,600), so that the 2022-23 GPR funding increase that would be provided as part of this item would be included in the base funding amount for the 2023-25 biennium. Alternatives B1 and B2 would substitute uncommitted IV-E FED balances for GPR in 2021-22 to support projected costs of out-of-home care in the 2021-23 biennium.

19. The opening balance of federal Title IV-E reimbursement funds was $36.8 million going into 2020-21. However, based on estimates of caseloads and claiming rates under federal law, DCF projects a structural deficit under current law of $3.4 million in 2020-21. The deficit is projected to increase to $12.9 million in 2021-22, and $14.4 million in 2022-23 due to on-going commitments required under federal law (such as shifting foster care populations out of congregate care settings). Based on current projections, the estimated opening balance of $33.4 million in 2021-22 of federal reimbursements would be exhausted in 2023-24, requiring annual GPR funding of $18.4 million in the 2023-25 biennium in order to maintain the costs of child welfare programs.

20. Further, reducing state spending (either GPR or PR) for DMCPS aids would reduce federal reimbursement for such expenses. Thus, substituting federal revenue for program revenue would result in an overall decrease in funding for child welfare programs.

Adoption Recruitment Services -- Wendy's Wonderful Kids

21. AB 68/SB 111 would provide $300,000 ($185,700 GPR and $114,300 FED) annually to support a DMCPS contract for four adoption recruiters at the Children's Hospital of Wisconsin to recruit adoptive placements for children with special needs in Milwaukee County (Alternative C1).

22. The Wendy’s Wonderful Kids program would hire and train adoption recruiters who would assist in finding permanent homes for children who are waiting for adoption, including children in higher levels of care or congregate care facilities and children older than eight years old who are at greater risk for aging out of foster care. The program uses a child-focused program model with smaller caseloads so that recruiters can provide additional attention for each case, including building a recruitment plan based on input of the child and interviews of adults significant in the child's life.

23. If, in addition to providing the funding in AB 68/SB 111 for this purpose, the Committee

wanted to increase these recruitment services to increase opportunities for placement of children with special needs outside of Milwaukee County, it could provide an additional $300,000 ($185,700 GPR and $114,300 FED annually for this purpose). DCF could provide grant funding for a service provider to work with the Dave Thomas Foundation to implement the Wendy's Wonderful Kids program in areas outside of Milwaukee.

ALTERNATIVES

A. DMCPS Operations -- Initial Assessment Positions

1. Provide $251,500 ($231,400 GPR and $20,100 FED) and in 2021-22 and $335,200 ($308,400 GPR and $26,800 FED) in 2022-23 to support 4.0 additional positions (3.68 GPR positions and 0.32 FED position), beginning in 2021-22, to conduct initial assessments of allegations of child abuse and neglect in Milwaukee County.

ALT A1	Change to Base Funding	Positions
GPR	$539,800	3.68
FED	46,900	0.32
Total	$586,700	4.00

2. Provide $125,800 ($115,700 GPR and $10,100 FED) in 2021-22 and $167,600 ($154,200 GPR and $13,400 FED) in 2022-23 to support 2.0 additional positions (1.84 GPR positions and 0.16 FED position), beginning in 2022-23, to conduct initial assessments of allegations of child abuse and neglect in Milwaukee County.

ALT A2	Change to Base Funding	Positions
GPR	$269,900	1.84
FED	23,500	0.16
Total	$293,400	2.00

3. Take no action.

B. DMCPS Aids -- Out-of-Home Care, Subsidized Guardianship, and Contracted Services

1. Provide $49,100 ($3,003,700 GPR, -$91,200 FED, and -$2,863,400 PR) in 2021-22 and $1,025,800 ($4,036,600 GPR, -$147,400 FED and -$2,863,400 PR) in 2022-23 to reflect reestimates of the cost of DMCPS aids payments and contracted services.

ALT B1	Change to Base
GPR	$7,040,300
FED	-238,600
PR	- 5,726,800
Total	$1,074,900

2. Adopt the funding changes in Alternative B1, but reduce GPR funding and increase FED funding for out-of-home care by $500,000 in 2021-22.

ALT B2	Change to Base
GPR	$6,540,300
FED	261,400
PR	- 5,726,800
Total	$1,074,900

3. Adopt the funding changes in Alternative B1, but reduce GPR funding and increase FED funding for out-of-home care by $1,000,000 in 2021-22.

ALT B3	Change to Base
GPR	$6,040,300
FED	761,400
PR	- 5,726,800
Total	$1,074,900

C. DMCPS Aids -- Adoption Recruitment Services for Children with Special Needs

1. Provide $300,000 ($185,700 GPR and $114,300 FED) annually and require DCF to provide a total of $300,000 (all funds) annually to the Wendy's Wonderful Kids program at the Children's Hospital of Wisconsin to recruit adoptive placements for children with special needs in Milwaukee County.

ALT C1	Change to Base
GPR	$371,400
FED	228,600
Total	$600,000

2. Provide $600,000 ($371,400 GPR and $228,600 FED) annually and require DCF to provide a total of $300,000 (all funds) annually to the Wendy's Wonderful Kids program at the Children's Hospital of Wisconsin to recruit adoptive placements for children with special needs in Milwaukee County and provide $300,000 (all funds) annually to the Wendy's Wonderful Kids program to recruit adoptive placements for children with special needs outside of Milwaukee County.

ALT C2	Change to Base
GPR	$742,800
FED	457,200
Total	$1,200,000

3. Take no action.

Prepared by: John D. Gentry

Legislative Fiscal Bureau
One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: http://legis.wisconsin.gov/lfb

June, 2021 | Joint Committee on Finance | Paper #213

Qualified Residential Treatment Facility (Children and Families -- Child Welfare)

[LFB 2021-23 Budget Summary: Page 106, #10]

CURRENT LAW

The federal Families First Prevention Services Act (FFPSA), enacted in 2018, included several policy changes that limit federal reimbursement for congregate care and favor child placements in family foster homes. The act also provides uncapped Title IV-E funding for a portion of the costs of up to 12 months of services that are intended to prevent the need for children to enter out-of-home care. A state may elect to delay the provisions of the FFSPA regarding the limitation of reimbursement for congregate care. However, by doing so, the provisions for federal reimbursement of prevention services are similarly delayed. DCF requested delayed implementation until October 1, 2021.

Pursuant to the FFPSA, states may claim Title IV-E reimbursement for only up to two weeks' worth of out-of-home care maintenance payments paid on behalf of an eligible child placed in a child care institution. This includes any private or public group home or care center that serves 25 or fewer children. States may continue to claim administrative expenses after the two-week limit expires on maintenance payments.

Placements in certain child care institutions are exempt from the two-week limitation on maintenance claims, such as pre- and post- adjudication juvenile justice facilities and qualified residential treatment programs (QRTPs). A QRTP is a licensed, accredited program that uses a trauma-informed treatment model, has nurses on staff or on call, provides discharge planning and family-based aftercare for at least six months after a discharge, and to the extent appropriate, documents and facilitates outreach to and participation from a child's family members. An assessment by a "qualified individual," such as a trained professional or licensed clinician who is not an employee of the child welfare agency, must be conducted within 30 days after a child is placed at a QRTP to review the needs of the child, develop child-specific mental and behavioral health goals, and determine which placement setting is appropriate for the child. While conducting the assessment, the qualified individual must work in conjunction with the child's family and permanency team, comprised of family members and appropriate professionals. Within 60 days of the start of the QRTP placement, a court must either approve or disapprove the placement, by considering the assessment and determining whether the child's needs can be met through placement in a family foster home, or whether, generally, a QRTP program provides the most effective and appropriate level of care for the child. If the appropriate placement is not in a family home, the assessment must specify the reasons why the child's needs cannot be met by their family or in a foster family home. A shortage of family foster homes is not an acceptable reason to find that the needs of the child cannot be met in a family foster home. If the assessment is not completed within 30 days of the placement at the QRTP, no claim may be made for Title IV-E reimbursement of maintenance payments.

DISCUSSION POINTS

1. Facilities must meet certain federal standards to qualify as a QRTP. For example, a facility must be nationally accredited, have a nurse employed or under contract who is available 24 hours a day, seven days a week, and must use a trauma-informed treatment model. Without meeting these strict criteria, counties and DCF cannot claim Title IV-E cost reimbursements for placements.

2. According to DCF, the current requirements for congregate care facilities in Wisconsin do not meet federal QRTP guidelines. Thus, unless additional facilities meet qualification requirements to operate as QRTPs, some children will necessarily be placed in facilities for which no federal reimbursement may be claimed, or placed in distant, out-of-state facilities that qualify as QQRTPs.

3. As of April 10, 2020, 62 children were placed in out-of-state residential care centers. Of these placements, 36 were ages 15 and up, 20 were ages 12 to 14, and six were ages 5 to 11.

4. DCF states that it is poor practice to send children out of state for out of home care when it is possible for these children to remain closer to home, primarily because there are far fewer opportunities for them to be in contact with their families. Infrequent contacts with family members harm children, and make reunification harder to accomplish.

5. Further, it is more difficult to provide oversight of the care children receive in distant facilities, due to additional travel and staff time expenses, which limits DCF's opportunities to gather information on the quality of care a child is receiving through site visits and interviews.

6. In order to meet the needs of all children who are currently residing in out-of-state facilities, DCF estimates that it would need to develop QRTP facilities with a total of 60 beds, with staffing to serve the highest needs of children. DCF estimates that a 15- bed facility would be needed in Milwaukee County, and 45 beds would be needed to serve children from other Wisconsin counties.

7. Assembly Bill 68/Senate Bill 111 would provide $1,300,000 GPR in 2022-23 to create

and staff a 15-bed QRTP facility in or near Milwaukee County to care for youth in out-of-home care that require special services who would otherwise require treatment in out-of-state facilities.

8. Of the funding that would be provided, $1,050,000 GPR would support the start-up costs for a 15-bed QRTP facility for a six-month period. In addition, $250,000 would support QRTP facility staff during a the six-month start-up period and six months of services. Facility staff would include an administrator, one office staff, one psychologist, one licensed practical nurse, one recreation manager, one school administrator, one teacher, one teacher assistant, one cook, one kitchen staff, 15 residential staff, and one maintenance staff.

9. The Division of Milwaukee Child Protective Services would plan and complete a request for proposals process in 2021-22, with the six-month startup phase beginning in 2022-23. After the start-up period completes, DCF anticipates that ongoing costs for services would be $500,000 annually.

10. Because a new QRTP facility would limit the need to send children to out-of-state placements and reduce placements into settings that do not qualify for IV-E reimbursement, the Committee could decide to approve the provisions in AB 68/SB 111 and provide $1,300,000 GPR in 2022-23 (Alternative 1).

11. Alternatively, the Committee could provide $2,600,000 GPR in 2022-23 to establish the Milwaukee QRTP and to also establish a second 15-bed facility elsewhere in the state (Alternative 2). This would provide for additional capacity so that the number of children placed outside the state in the near term would be reduced by half.

12. Finally, the Committee could find that it is unnecessary to provide funding to establish and operate a QRTP at this time because some facilities may choose to meet requirements of QRTPs without state assistance (Alternative 3). Rather than directly contracting for a facility to convert to a QRTP, DCF could modify its rate regulation practices by establishing higher maximum rates for facilities that meet QRTP requirements, which would create an incentive for facilities to meet the higher QRTP standards. In the meantime, because placement costs to facilities outside the state are comparable to in-state costs, funding for child welfare services could be maintained at current levels. DCF could request funding for QRTP facilities a later time if it determines that there insufficient number of beds available in QRTPs to provide care for children who currently receive services in out-of-state facilities.

13. However, note that DCF indicates that additional providers are needed to serve the needs of children with significant mental health related concerns and physically aggressive behaviors. Thus, if DCF does not directly contract to provide for a QRTP, such children would likely continue to be placed in out-of-state facilities in the near term.

ALTERNATIVES

1. Provide $1,300,000 GPR in 2022-23 to create and staff a 15-bed qualified residential treatment program facility in Milwaukee County to care for youth in out-of-home care that require

special services.

ALT 1	Change to Base
GPR	$1,300,000

2. Provide $2,600,000 GPR in 2022-23 to create and staff a 15-bed qualified residential treatment program facility in Milwaukee County and another 15-bed facility elsewhere in the state to care for youth in out-of-home care that require special services.

ALT 2	Change to Base
GPR	$2,600,000

3. Take no action.

Prepared by: John D. Gentry

Legislative Fiscal Bureau
One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: http://legis.wisconsin.gov/lfb

June, 2021 Joint Committee on Finance Paper #214

In-Home Prevention Services
(Children and Families -- Child Welfare)

[LFB 2021-23 Budget Summary: Page 96, #27 and 106, #11]

CURRENT LAW

Title IV-E of the federal Social Security Act provides reimbursements to states for costs of providing foster care, adoption assistance, and kinship and guardianship assistance. The reimbursement Title IV-E provides is an open-ended entitlement, such that there is no limit on the number or amount of claims that states may submit for reimbursement. However, funds are available only for certain reimbursable expenses made for children meeting the eligibility requirements. Generally, this includes maintenance payments for children in out-of-home care, administrative costs, and training.

The Family First Prevention Services Act (FFPSA) of 2018, enacted as part of Public Law 115-123, included several policy changes that limit federal reimbursement for congregate care and favor child placements in family foster homes. The act also provides uncapped reimbursement under Title IV-E for a portion of the costs of up to 12 months of services that are intended to prevent the need for children to enter out-of-home care. This includes substance abuse and mental health treatment services and in-home parent skills based programs, such as home visiting, parent training, and individual and family therapy.

Prevention services may be provided to three groups of people: (a) children identified as candidates for out-of-home care; (b) youths in out-of-home care who are parents or are pregnant; and (c) parents or kin caregivers of such children and youths. Services are reimbursable without regard to whether the child would be Title IV-E eligible. There is no income test for prevention services.

Evidenced-based programs eligible for reimbursement are rated by the Title IV-E

Prevention Services Clearinghouse as "promising," "supported," or "well-supported." States using these programs to deliver services to children identified as candidates for out-of-home care (or pregnant or parent youth in out-of-home care) may claim IV-E reimbursement if the service is provided under a federally-approved Title IV-E prevention plan. Pursuant to the Family First Transition Act (enacted as part of the Consolidated Appropriations Act of 2020), in federal fiscal years 2022 and 2023, at least 50% of the state's reimbursement must be expended for programs that are supported or well-supported. Afterwards, at least 50% of the reimbursement must be for programs that are "well-supported." Well-supported services currently include Homebuilders crisis intervention, certain home visiting programs (Healthy Families of America, Nurse-Family Partnership, and Parents as Teachers), and Motivational Interviewing counseling services.

Federal law requires states to maintain a written prevention plan listing the programs and services that will be provided in order for a child to remain safely at home, live temporarily or permanently with a related caregiver, or to prepare a parenting foster youth to be a parent (and describe the prevention strategy for any child born to that youth). If the child or family is re-identified as a candidate for out-of-home care, services may be provided under another a new 12-month prevention plan. All services must be trauma-informed and provided in accordance with general practice requirements and be promising, supported, or well supported practices.

According to the federal Substance Abuse and Mental Health Services Administration, a program or organization that uses a trauma-informed approach: (a) realizes the widespread impact of trauma and understands potential paths to recovery; (b) recognizes the signs and symptoms of trauma in clients, families, staff, and others; (c) responds by fully integrating knowledge about trauma into policies, procedures, and practices; and (d) seeks to actively prevent re-traumatization.

Through October 1, 2026, the federal reimbursement rate for prevention services will be 50% of eligible costs. Afterwards, the reimbursement rate will equal the state's federal medical assistance percentage (FMAP) matching rate. State prevention services must meet certain federal standards for effectiveness. Training and administrative costs associated with prevention services will be reimbursed at 50% of eligible costs.

The FFPSA permitted states to delay the provisions of the FFSPA regarding the limitation of reimbursement for congregate care. However, by doing so, the provisions for federal reimbursement of prevention services were similarly delayed. DCF requested delayed implementation until October 1, 2021. Thus, effective October, 2021, uncapped Title IV-E reimbursement becomes available for a portion of the costs of up to 12 months of services intended to prevent the need for children to enter out-of-home care.

Prevention Services under Current Law

The FFPSA requires states electing to provide Title IV-E prevention services to maintain the same level of state foster care prevention expenditures as the state spent in federal fiscal year 2014. This includes county expenditures used for prevention services and activities that were focused on candidates for foster care ($352,900 in federal fiscal year 2014).

In addition to county expenditures, the largest prevention program under current law is the

Wisconsin Family Foundations Home Visiting (FFHV), provides grants to local agencies to provide voluntary home-visiting services to at-risk communities to prevent child abuse and neglect. DCF provides FFHV grants to county agencies, cities, nonprofit agencies, and tribal organizations. Many programs are collaborations involving multiple agencies, with a primary contractor and one or more subcontractors. In 2020-21, funding of $16,697,800 supports the program, including $1,985,700 GPR, $6,212,100 FED from the temporary families for needy assistance (TANF) block grant, and $8,500,000 FED from the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) program under Title V of the Social Security Act.

Other prevention programs include $500,000 FED TANF provided annually for child abuse and neglect prevention grants to counties, tribes, and non-profit organizations to expand prevention services that reduce the contact families have with the child welfare system and prevent the removal of children from the home.

In addition, TANF funding supports two safety service programs. First, TANF funding of $5,282,400 in 2020-21 supports targeted safety support funds (TSSF) to reimburse county agencies for the costs of certain services and supports that may be used as part of a safety or protective plan. TSSF is available in Milwaukee County, 42 other counties, and one tribe where abuse or neglect issues have been identified, but the child protective services agency has determined that the child can remain at home safely. These services may include: (a) supervision, observation, basic parenting assistance, social and emotional support, and basic home management; (b) child care; (c) routine and emergency drug and alcohol screening and treatment services; (d) family crisis counseling; (e) routine and emergency mental health services; (f) respite care; (g) housing assistance; and (h) transportation. Families receive services that are appropriate to their specific situations based on the safety plan.

Second, TANF funding of $4,031,900 supports contracts in the Division of Milwaukee Child Protective Services (DMCPS) with Children's Hospital of Wisconsin-Community Service and SaintA, as well as services provided via a network of providers to provide in-home services for families through the intensive in-home services program. Intensive in-home services are available to families where threats to child safety have been identified, but the initial assessment unit has determined that the child can remain at home safely if the family receives appropriate services. Families receive intensive in-home services until parents can demonstrate sufficient protective behaviors and threats to child safety are significantly reduced or eliminated. Intensive in-home services may include: (a) supervision, observation, basic parenting assistance, social and emotional support, and basic home management; (b) child care; (c) routine and emergency drug and alcohol screening and treatment services; (d) family crisis counseling; (e) routine and emergency mental health services; (f) respite care; (g) housing assistance; and (h) transportation.

DISCUSSION POINTS

1. FFPSA requires a significant shift away from practices that currently focus on removing children from unsafe homes, to instead providing intervention services that prevent removals, including training staff, finding service providers, locating available programs, and new cost reporting procedures. DCF expects a significant decrease in IV-E claiming related to the decrease in

reimbursable congregate care costs.

2. New IV-E reimbursement will be available for in-home prevention services that will offset some of the reductions in federal IV-E revenue the state currently claims for out-of-home care. However, DCF indicates that the availability of prevention services under current law are limited for several reasons. First, the in-home services the state currently funds, as described above, are not focused on candidates for foster care, and are, in any case, largely funded with federal funds. As a result, these programs will not be eligible for Title IV-E reimbursement under the FFPSA rules.

3. Second, intensive in-home services and safety services are funded with TANF, and therefore TANF rules and regulations (such as income restrictions, participation time limits, and work requirements) limit eligibility for these services, as well as the types of services that may be provided. For example, TANF cannot be used to for medical expenses or respite care. As a result, these programs cannot serve all families that need child welfare intervention that would make the home safe enough to avoid the removal of the child from the family. Thus, these prevention services are limited in their ability to scale statewide or expand in the types of services that are needed.

4. Further, many areas of the state lack providers that offer programs that qualify under the FFPSA as "well-supported" by the Prevention Services Clearing House, due to either a lack of county funding for available services or lack of trained and certified providers. This limits availability of prevention serves and reduces IV-E reimbursement under the FFPSA. DCF indicates that rural areas are especially limited, due to the lack of trained and certified providers. Travel costs and fees are a barrier for practitioners in rural areas, as such costs are not reimbursed.

5. Based on information DCF has gathered regarding maintenance of effort requirements and conversations with various agency partners across the state, the Department has concluded that there is very limited use of evidence-based interventions at the county-level or within the DMCPS, that are both on the Title IV-E Prevention Clearinghouse and meet the evaluation expectations laid out under the FFPSA. Local agencies and providers have identified that the lack of sustained funding as a key barrier to implementing evidence-based programs, and therefore continue to request additional funding to provide immediate and temporary direct family supports to keep children in their family homes. Without funding for training, start-up, and infrastructure, DCF indicates that maintaining fidelity to evidence-based programs would not be viable at the county or DMCPS levels. While some evidence-informed practices have been implemented at the local level, DCF believes that it is unlikely that any of them would be claimable under FFPSA. Thus, DCF states that the state's ability to claim IV-E on prevention services or to evaluate local program effectiveness would be greatly diminished without new state funding.

6. As a result, under current practices and current law, the availability of prevention services and reimbursement under Title IV-E is limited. DCF indicates that expanding services by creating evidenced-based prevention services programs across the state would increase federal reimbursement and reduce the number of children removed from their homes.

7. Assembly Bill 68/Senate Bill 111 (AB 68/SB 111) would create a new GPR appropriation and provide $12,342,700 ($8,613,400 GPR and $3,729,300 FED IV-E) annually to implement a statewide in-home prevention services program. The program would be part of the state's

prevention plan required by the FFPSA. DCF estimates that the effective federal IV-E reimbursement rate would be 30% because the following startup and development expenses are anticipated to be reimbursed at 35% and because some of the expenses would not qualify for reimbursement.

8. The in-home prevention program would qualify for federal Title IV-E reimbursement for prevention services pursuant to the FFPSA by serving children at imminent risk of placement into out-of-home care. The program could serve populations and provide crisis medical and respite care that similar home visiting programs funded from the TANF block grant cannot due to financial and time limit restrictions in TANF-funded programs. Thus, in addition to generating additional federal funds, the program can serve families that may otherwise not qualify for prevention services under current law.

9. The proposal includes the following elements. First, several statutory changes would authorize DCF to do the following: (a) provide funding to county departments, nonprofit corporations, Indian tribes or licensed child welfare agencies under contract with DCF or a county department for services to prevent the removal of children from the home or to promote the safety of children in the home; (b) provide direct support for evidence-based services provided by DCF, county departments, Indian tribes, or licensed child welfare agencies that seek to prevent the removal of children from the home or to promote the safety of children in the home on a statewide, regional, or local level, and (c) develop criteria, standards, and review procedures for administration of these provisions, and to promulgate rules relating to eligibility to receive support for these services. With respect to the provisions listed under (b), the supports and services could include: (i) training, coaching, quality assurance, and funding for certification or licensing for implementation of the evidence-based services; and (ii) purchasing or subsidizing the purchase of the evidence-based services.

10. Second, annual funding of $5,955,200 ($3,870,900 GPR and $2,084,300 FED) would fund the development of "well-supported" prevention programs across the state. This includes training for child welfare workers and service providers on comprehensive in-home service models that connect families with prevention services, such as evidence-based parenting programs. Once a provider network is created, counties would pay for the services provided (and furnish information for federal reimbursement to DCF, currently 50% of service costs). Funding would support training for approximately 1,000 workers and 200 supervisors annually, at an average cost of approximately $5,287 per worker and $1,466 per supervisor. This includes $375,000 (all funds) annually to support supplements for training in rural areas.

11. Third, annual funding of $200,000 ($130,000 GPR and $70,000 FED) would support development and delivery of county worker training. DCF would develop training for workers through the Wisconsin Child Welfare Professional Development System. The training is intended to shift practices which focus on removing the child from the home to focusing on preventing removal. DCF indicates that it would also create a system of family supports, such as mentors and respite care.

12. Fourth, annual funding of $6,187,500 ($4,612,500 GPR and $1,575,000 FED) would complement evidence-based programs by delivering direct family support services to prevent the removal of children from their homes. County agencies would provide direct supports to families in crisis and in need of stabilization to an estimated 1,500 families annually, at an average cost of approximately $4,125 per family. DCF indicates that such services are crucial to supporting and

keeping children and families together. However, no such services have yet been found as "well-supported" under the Title IV-E Prevention Services Clearinghouse.

13. Finally, DCF would reassign existing positions (2.0 FTE) in 2021-22 to provide training, locate providers, and implement new cost-reporting for programmatic and fiscal purposes.

14. The Committee could incorporate all of the provisions of AB 68/SB 111 relating to this item (Alternative 1) for several reasons.

15. First and foremost, expanding the availability of prevention services would benefit children who are at risk of being removed from their homes. Successful early interventions may prevent children from experiencing the adversity and trauma of being removed from their home and placed into out-of-home care. According to DCF, research indicates that for children who have experienced maltreatment, family separation and out-of-home placements provides little measurable benefit in terms of cognitive or language outcomes, academic achievement, mental or behavioral health, or suicide risk. For children who have experienced maltreatment, out-of-home placement may cause additional harm that can persist into adulthood, such as increasing the risk of criminal behavior, and increased risk of early mortality.

16. Second, creating the statewide in-home services program would enable DCF to claim additional federal Title IV-E reimbursement that it would likely be unable to collect under current programs and county expenditures for prevention services. This would recoup some of anticipated decrease in claimable IV-E reimbursement for congregate care settings under FFPSA.

17. Third, to the extent that prevention services are successful, the state could see savings in out-of-home care maintenance costs for children that would now remain in their homes rather than reside in the out-of-home care system. For example, the Washington State Institute for Public Policy study of the Homebuilders in-home prevention services program found a benefit to cost ratio of $4.76 for every $1.00 spent, and a total cost savings of more than $13,000 per family. DCF indicates that although the overall number of cases may not change, the composition of cases in the future would differ because many children would receive services to remain in their home, thereby never entering out-of-home care. As a result, the costs of prevention program may prevent out-of-home care costs in the future.

18. On the other hand, the Committee could decide that it is unnecessary to fund the costs of direct family support services in 2021-22, since: (a) the Title IV-E Prevention Services Clearinghouse has not yet approved programs as well supported; and (b) it may take some time to implement these programs after the Clearinghouse makes its determinations. Consequently, the Committee could provide $6,155,200 ($4,000,900 GPR and $2,154,300 FED) in 2021-22 and $12,342,700 ($8,613,400 GPR and $3,729,300 FED) to reflect the costs of delaying the direct family support services component of the program to fiscal year 2022-23 (Alternative A2).

19. Alternatively, the Committee could decide to provide additional funding for current programs funded using the TANF allocation for safety services, rather than, or in addition to, creating a new in-home prevention services program (Alternative A3). However, as previously indicated, since TANF rules apply to the use of these funds, not all families that could benefit from in-home prevention

services could receive services under TANF-funded programs, the types of services they would be limited by TANF rules, and the state could not claim additional Title IV-E federal matching funds for these services.

Child Welfare Prevention Services

20. AB 68/SB 111 would increase funding for child welfare prevention services by $500,000 FED TANF annually and require DCF to allocate that same amount to the nurse family partnership visitation program in Milwaukee County.

21. The nurse-family partnership provides home visiting services to first-time, low-income mothers and their children. It includes one-on-one home visits by a trained registered professional nurse to participating clients. The visits begin early in the woman's pregnancy (with program enrollment no later than the 28th week of gestation) and conclude when the woman's child turns two years old. The program's goal is to improve prenatal and maternal health and birth outcomes, child health and development, and families' economic self-sufficiency and maternal life course development.

22. The Committee could choose to increase the TANF allocation for prevention services by $500,000 and require that TANF funding to be provided to the nurse family partnership visitation program in Milwaukee (Alternative B1).

23. Alternatively, the Committee could choose to provide a different amount for the TANF allocation to support prevention services statewide under both FFHV and the nurse family partnership visitation program in Milwaukee (Alternative B2).

ALTERNATIVES

A. In-Home Prevention Services

1. Provide $12,342,700 [$8,613,400 GPR and $3,729,300 FED (Title IV-E)] annually to create and implement a statewide in-home prevention services program. Create an annual GPR appropriation for this purpose.

ALT A1	Change to Base
GPR	$17,226,800
FED	7,458,600
Total	$24,685,400

2. Provide $6,155,200 [$4,000,900 GPR and $2,154,300 FED (Title IV-E)] in 2021-22 and $12,342,700 ($8,613,400 GPR and $3,729,300 FED) annually to fund all of elements of the in-home prevention services program in Alternative 1, except funding to support direct family support services in 2021-22. Create an annual GPR appropriation for the purpose.

ALT A2	Change to Base
GPR	$12,614,300
FED	5,883,600
Total	$18,497,900

3. In addition to, or instead of Alternatives A1 or A2, increase the annual TANF allocation for safety services, including targeted safety support funds and in-home safety services, by one of the following amounts, beginning in 2021-22: (a) $1,000,000 FED; (b) $2,000,000 FED; (c) $3,000,000 FED; or (d) $4,000,000 FED.

ALT A3	Change to Base
(a)	
FED	$2,000,000
(b)	
FED.	$4,000,000
(c)	
FED	$6,000,000
(d)	
FED	$8,000,000

4. Take no action.

B. TANF Allocation for Child Welfare Prevention Services

1. Increase the TANF allocation for child welfare prevention services by $500,000 FED annually, beginning in 2021-22, and require DCF to allocate that same amount of TANF funding to the nurse family partnership visitation program in Milwaukee County.

ALT B1	Change to Base
FED	$1,000,000

2. Increase the annual TANF allocation for child welfare prevention services, including the family foundations home visiting program and home visiting services in the City of Milwaukee, in one of the following amounts, beginning in 2021-22: (a) $1,000,000 FED; (b) $2,000,000 FED; (c) $3,000,000 FED; or (d) $4,000,000 FED.

ALT B2	Change to Base
(a) FED.	$2,000,000
(b) FED	$4,000,000
(c) FED	$6,000,000
(d) FED	$8,000,000

3. Take no action.

Prepared by: John D. Gentry

Children and Families -- Child Welfare

LFB Summary Items for Which No Issue Papers Have Been Prepared

Item #	Title
1	Adoption Assistance and State Foster Care
4	Foster Care Youth Drivers Licensing
9	Qualified Residential Treatment Programs -- Nursing Services and Certification
12	Congregate Care Provider Training
14	Child Welfare New Worker Training
15	Independent Living Services -- Expand Program Eligibility
16	Siblings Connections Program