

2003 DRAFTING REQUEST

Bill

Received: 09/17/2002

Received By: gmalaise

Wanted: As time permits

Identical to LRB:

For: Administration-Budget 6-8219

By/Representing: Blaine

This file may be shown to any legislator: NO

Drafter: gmalaise

May Contact:

Addl. Drafters:

Subject: Children - out-of-home placement

Extra Copies:

Submit via email: YES

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Blaine - BB0013,

Topic:

Required use of centralized IV-E unit

Instructions:

See attached--reduce county community aids fundings for counties that do not use the centralized IV-E unit contracted for by DHFS to determine eligibility of a child's placement for federal foster care and adoption assistance reimbursement.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	gmalaise 10/24/2002	csicilia 10/25/2002		_____			S&L
/1			swatkins 10/28/2002	_____	lrb_docadmin 10/28/2002		

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

FE Sent For:

<END>

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SKW 1/9/28
 SKW 10/10/28
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FE Sent For:

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DHFS

Department of Health and Family Services
2003-2005 Biennial Budget Statutory Language Request
June 13, 2002

Required Use of Centralized IV-E Unit

Current Language

S.46.45(2)(a) specifies that the Department must distribute at least 50% of IV-E "incentive funds" to counties other than Milwaukee.

Proposed Change

Revise s.46.45(2)(a) to specify that a county's IV-E "incentive funds" allocation will be reduced by 50% if the county is not utilizing the state's centralized IV-E eligibility unit.

contracted for by dept to determine
to determine IV-E eligibility
not using a centralized unit - eligibility of child's placement for reimbursement under
42 USC 670 to 679a

Effect of Change

The Department expects this provision to ensure full participation by counties in the state's centralized IV-E eligibility unit, since there will be a significant financial disincentive for non-participation.

Rationale for the Change

One of the key factors in determining the amount of a state's IV-E claim is the IV-E eligibility rate. Historically, counties have been responsible for client IV-E eligibility determination. In 2000, the Department contracted with a vendor to establish a central IV-E eligibility unit for the state. Currently, counties have the discretion as to whether to utilize the centralized IV-E eligibility unit or continue completing IV-E eligibility determinations at the county level with county staff. As of May 2002, 34 counties were using the centralized IV-E eligibility unit. Prior to March 2002, the Department was proceeding with a plan to increase at a reasonable pace the number of counties utilizing the centralized eligibility unit, with the objective of achieving statewide participation.

In early 2002 the federal government began conducting reviews of state IV-E programs, specifically, examining IV-E eligibility and IV-E reimbursement for children in out-of-home care. The tolerable error rate for these reviews is 10%. The federal government carried out Wisconsin's IV-E eligibility review in March 2002. Wisconsin's error rate was 23%, which significantly exceeds the acceptable error rate. Error rates were highest in counties that were not utilizing the centralized eligibility unit.

The state must develop a corrective plan to bring it into compliance with the federal standards. The federal government will conduct a follow-up review in the spring of 2004 covering cases from the period September 2003 and beyond. Significant financial penalties could be imposed on the state for failure to meet the federal tolerable error standards in the follow-up review.

The Department has determined that a key component of its corrective plan will be expansion of the use of the centralized IV-E eligibility unit to all Wisconsin counties. The federal government recommended that the state implement a centralized IV-E eligibility unit as expeditiously as possible based on their findings in other states that centralization results in improved accuracy. Due to the in-depth, specialized expertise of the vendor staff on federal IV-E policies, the centralized eligibility unit completes IV-E eligibility determinations more accurately.

In May 2002 the Department established an accelerated timetable to complete statewide expansion of the centralized eligibility unit. Under the accelerated plan, the target date for statewide implementation is January 2003, prior to the start of the review period to be used in the federal follow-up review. While the Department plans to achieve statewide expansion prior to enactment of the 03-05 biennial budget, it is possible that some counties may initially resist utilizing the centralized unit or that some counties may consider dropping out of the centralized unit. By imposing a significant fiscal consequence to non-participation, the proposed statutory language change will ensure participation by all counties in the centralized eligibility unit.

In addition, the federal government has announced a new federal IV-E claiming policy, effective October 2002, that will have an adverse fiscal effect on Wisconsin. Therefore, it is important that the state undertake all possible measures to maximize federal IV-E claims.

For these reasons, this proposal seeks to ensure full participation by counties in the centralized IV-E eligibility unit to comply with federal IV-E standards and to maximize federal IV-E funding.

Desired Effective Date: Upon passage
Agency: DHFS
Agency Contact: Fredi-Ellen Bove
Phone: 266-2907



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0115/7
GMM:..... (1)

Handwritten signature and initials 'gs' with a vertical line.

DOA:.....Blaine – BB0013 Required use of centralized IV-E unit
FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

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Handwritten note: "Do NOT GEN"

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AN ACT...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES ✓

CHILDREN ✓

Under current law, the state receives federal foster care and adoption assistance funding under Title IV-E of the federal Social Security Act (generally referred to as "IV-E funds") in reimbursement of moneys spent by the state and the counties for activities relating to foster care and the adoption of children. DHFS distributes IV-E funds as community aids to counties for the provision of social services to children and families. If on December 31 of any year there remains unspent or unencumbered in the community aids basic county allocation an amount that exceeds the amount of IV-E funds allocated as community aids in that year (excess IV-E funds), DHFS must carry forward to the next year those excess IV-E funds and distribute not less than 50% of those excess IV-E funds to counties other than Milwaukee County that are making a good faith effort to implement the statewide automated child welfare information system (generally referred to as "WISACWIS") for services and projects to assist children and families. This bill requires DHFS to reduce by 50% the amount of excess IV-E funds distributed to a county if on December 31 of any year the county is not using a centralized unit contracted for by DHFS for determining whether the cost of providing care for a child is eligible for reimbursement with IV-E funds.

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For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 46.03 (7) (h) of the statutes is created to read:

46.03 (7) (h) Contract for the provision of a centralized unit for determining whether the cost of providing for a child is eligible for reimbursement under 42 USC 670 to 679a.

SECTION 2. 46.45 (2) (a) of the statutes is amended to read:

46.45 (2) (a) ~~If~~ Subject to par. (am), if on December 31 of any year there remains unspent or unencumbered in the allocation under s. 46.40 (2) an amount that exceeds the amount received under 42 USC 670 to 679a and allocated under s. 46.40 (2) in that year, the department shall carry forward the excess moneys and distribute not less than 50% of the excess moneys to counties having a population of less than 500,000 that are making a good faith effort, as determined by the department, to comply with s. 46.22 (1) (c) 8. f. for services and projects to assist children and families, notwithstanding the percentage limit specified in sub. (3) (a). A county shall use not less than 50% of the moneys distributed to the county under this subsection for services for children who are at risk of abuse or neglect to prevent the need for child abuse and neglect intervention services, except that in the calendar year in which a county achieves compliance with s. 46.22 (1) (c) 8. f. and in the 2 calendar years after that calendar year the county may use 100% of the moneys distributed under this paragraph to reimburse the department for the costs of achieving that compliance. If a county does not comply with s. 46.22 (1) (c) 8. f. before July 1, 2005, the department may recover any amounts distributed to that county

care

1 under this paragraph after June 30, 2001, by billing the county or deducting from
2 that county's allocation under s. 46.40 (2). All moneys received by the department
3 under this paragraph shall be credited to the appropriation account under s. 20.435
4 (3)(j).

5 History: 1987 a. 27, 399, 405; 1989 a. 31, 122, 336; 1991 a. 39, 269; 1993 a. 16; 1995 a. 27, 404; 1997 a. 27; 1999 a. 9; 2001 a. 16.

5 **SECTION 3.** 46.45 (2) (am) of the statutes is created to read:

6 46.45 (2) (am) If on December 31 of any year a county is not using the
7 centralized unit contracted for under s. 46.03 (7)(h) for determining whether the cost
8 of providing care for a child is eligible for reimbursement under 42 USC 670 to 679a,
9 the department shall reduce that county's distribution under par. (a) by 50%.

10

(END)



DOA:.....Blaine – BB0013, Required use of centralized IV–E unit

FOR 2003–05 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

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9 the department shall reduce that county's distribution under par. (a) by 50%.

10 (END)