

Fiscal Estimate Narratives
DHFS 5/13/2003

LRB Number 03-2081/1	Introduction Number AB-201	Estimate Type Original
Subject Relative caregivers		

Assumptions Used in Arriving at Fiscal Estimate

This bill makes several changes in current law regarding Kinship Care. The following provisions would have a fiscal impact on the Department.

1. Eliminate CHIPS and JIPS eligibility requirement.

Current law requires that, in order to be eligible for Kinship Care benefits, a child must be determined to be in need of protection or services (CHIPS or JIPS) or at risk of being CHIPS or JIPS if he or she remains at home. This bill eliminates the CHIPS or JIPS requirement if a child has been living with a relative for two years or more. In such cases, the child would be eligible if the county determined that the child's parents have consented to the living arrangement, the arrangement is not contrary to the health, safety, or welfare of the child, and the relative complies with other requirements in statute.

This provision would cause the number of children eligible for Kinship Care to increase. It is not known how many children meet all Kinship Care eligibility criteria except for the CHIPS and JIPS requirement and have lived with a relative caregiver for at least two years. However, 2000 U.S. Census data indicates that nationally, 3.1 percent of children age 3 to 17 years reside with a relative caregiver (grandparent or other relative) with neither parent present. In areas designated as "central cities," (which include the City of Milwaukee) 4.8 percent of children age 3 to 17 years reside with a relative caregiver. Children age 2 years or younger would not meet the two year length of stay requirement.

Assuming that the U.S. relative caregiver ratio (3.1 percent) also applies in Wisconsin and the "Central City" ratio applies to the City of Milwaukee, 38,700 children age 3 to 17 years statewide live with a relative caregiver with neither parent present. In December 2002, 7,755 children age 3 to 17 years received Kinship Care payments. Also in 2002, 10 percent of Kinship Care applicants in Milwaukee County and 1.6 percent of applicants in non-Milwaukee counties failed the required caregiver background check. The maximum increase in eligibility for Kinship Care payments would equal the number of children living with a relative (38,700) less the number of children currently receiving payments (7,755), less the number of applicants estimated to fail the background check (833). Therefore, this proposal would, at maximum, increase the statewide eligibility for Kinship Care payments by approximately 31,000 children. For purposes of this estimate, it is also assumed that these children meet all other Kinship Care eligibility requirements and have lived with relatives for at least two years.

Kinship Care is funded with federal Temporary Assistance for Needy Families (TANF) funds. The budget is sum-certain in that the Department allocates a fixed amount of funds to counties every calendar year for Kinship Care payments. If a county does not have sufficient funds for all eligible Kinship Care cases, it may either place cases on a waiting list until funding becomes available or fund additional cases with county funds. However, counties are required to fund all court-ordered Kinship Care cases. If the county expends all of its state allocation, the county must fund any additional court ordered cases with county funds.

This provision would cause a maximum of 26,400 additional children in non-Milwaukee counties to become eligible for Kinship Care. The current annual budget, \$8,919,200 PRS in TANF funds, would have to be increased to \$76,764,800 to fully fund all eligible cases. If the budget were not increased, counties would likely develop waiting lists.

The Department directly administers funding for Kinship Care benefits in Milwaukee County through the Bureau of Milwaukee Child Welfare. In Milwaukee County, this provision would cause a maximum of 3,700 additional children to become eligible for Kinship Care. The current budget, \$14,278,800 PRS in TANF funds, would have to be increased to \$22,784,900 to fully fund all eligible cases. Milwaukee County does

not currently have a waiting list for Kinship Care payments. However, if the budget was not increased as a result of this provision, it is possible that a waiting list would develop.

In sum, while this provision would significantly expand eligibility for the Kinship Care program, it would not have a fiscal effect on the Department or counties because Kinship Care funding is administered as a sum-certain allocation.

2. Treatment of pending arrests in background checks.

Current law requires that the applicant, any current or prospective employee of the applicant who would have regular contact with the child, and adult residents of the applicant's home satisfactorily pass a background check administered by the county or DHFS to be eligible for Kinship Care. County departments and DHFS consider all arrests and convictions when conducting this background check. This bill would limit the arrests considered to those for which a criminal charge is pending.

This provision could increase the number of relative caregivers eligible for Kinship Care payments. In 2002, 286 Kinship Care applicants statewide were denied because of a failed background check. It is not known how many were denied because of arrests for which a criminal charge was not pending. However, it is estimated that the number of such cases is small. Therefore, this provision would not have a significant fiscal effect on the Kinship Care program.

Long-Range Fiscal Implications