

Fiscal Estimate - 2011 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-0016/1	Introduction Number SB-063				
Description A requirement that termination of parental rights petitions be filed with respect to children under eight years of age, and certain children eight years of age or over, who have been placed outside the home for six months.					
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs					
Local: <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input checked="" type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts					
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Fund Sources Affected</td> <td style="width: 50%;">Affected Ch. 20 Appropriations</td> </tr> <tr> <td> <input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS </td> <td></td> </tr> </table>		Fund Sources Affected	Affected Ch. 20 Appropriations	<input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
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Agency/Prepared By	Authorized Signature	Date			
DCF/ Nick Bubb (608) 266-5422	Robert Nikolay (608) 261-4349	5/11/2011			

Fiscal Estimate Narratives

DCF 5/11/2011

LRB Number	11-0016/1	Introduction Number	SB-063	Estimate Type	Original
Description A requirement that termination of parental rights petitions be filed with respect to children under eight years of age, and certain children eight years of age or over, who have been placed outside the home for six months.					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the parental rights to a child may be terminated involuntarily if certain grounds are met. To meet one of the grounds for a termination of parental rights, the state must prove four factors: 1) that the child has been adjudged to be in need of protection or services and placed outside of his or her home by the juvenile court; 2) that the agency responsible for the care of the child and the family has made a reasonable effort to provide the services ordered by the juvenile court; 3) that the child has been outside the home for a cumulative period of six months or longer pursuant to juvenile court orders; and 4) that the parent has failed to meet the conditions established for the safe return of the child to the home and there is a substantial likelihood that the parent will not meet those conditions within the nine month period following the hearing.

Subject to certain exceptions, current law requires a termination of parental rights (TPR) petition to be filed with respect to a child who has been placed in out-of-home care for 15 of the most recent 22 months. A TPR petition is not required if the child is being cared for by a relative, if a TPR is not in the best interests of the child, if the agency primarily responsible for providing services to the child and the family has not provided the services necessary for that safe return, or if grounds for TPR do not exist.

This bill would require a TPR petition to be filed with respect to any child placed in out-of-home care for a cumulative total period of six months if any of the following applies: 1) The child was under eight years of age when he or she was placed outside of his or her home, 2) The child was eight years of age or over when he or she was placed outside of his or her home, and the goal of the child's permanency plan is placement for adoption with an adoptive parent or a proposed adoptive parent of a sibling who was under eight years of age when the sibling was placed outside of his or her home, or 3) The child was eight years of age or over when he or she was placed outside of his or her home, and the child's permanency plan indicates that a safe and appropriate placement with a proposed adoptive parent is available for the child, and that the child has expressed the wish to be adopted.

The largest group affected by the bill is children under eight years of age. Department of Children and Families data indicates that in calendar year 2010, 577 children under the age of 8 were in out-of-home care for longer than six months, but were reunited with their families. Under the proposed bill, these 577 children would have been subject to TPR, unless an exception was granted, and permanently removed from their parents who became capable of caring for them.

As a result of terminating parental rights, these 577 children would transition to the state foster care program awaiting adoption or be adopted with the adoptive family receiving adoption assistance payments. In either program, the Department of Children and Families makes a benefit payment to the foster or adoptive parent. In certain cases, after two years, the county would be responsible for the foster care payment for children who have not been adopted. This bill would require the Department to add an estimated 577 cases to either the state foster care or adoption assistance programs annually. Current law allows these individuals to reunify with their family, where they do not receive benefit payments from the state.

The average adoption assistance monthly payment per child is \$994. The Department estimates that the maximum annual cost of paying adoption assistance or foster care for these individuals after terminating their parental rights after six months is \$6,882,500 (\$3,469,500 GPR). Because families continue to receive adoption assistance payments until the child ages out of care, each new cohort could increase costs by this same amount each year, with costs going from \$6,882,500 (\$3,469,500 GPR) the first year to \$13,765,000 (\$6,939,000 GPR) in the second year to \$34,412,500 (\$17,347,500 GPR) in benefits payments by the fifth year. To the extent that children under age eight in out-of-home care for six months meet one of the TPR exception criteria, the fiscal cost may decrease from this projected maximum level. How many children might be subject to the exception criteria cannot be determined.

This bill also creates additional administrative costs for state staff and county staff. Additional county and state child protective services staff time would be required to file additional TPR petitions and attend initial TPR proceedings and any potential TPR appeals. This bill will also increase the need for adoptive homes, and thereby increase the workload for county and Department staff and contractors for adopted family recruitment. The bill will also increase demand on the Department's Special Needs Adoption Program to find and support adoptive families. The magnitude of these increased administrative costs for state and county staff cannot be determined.

By increasing the number of TPR petitions, this bill creates a risk that Wisconsin will not comply with Federal standards. Time to permanence is a standard on which Wisconsin's performance is measured on the Federal Children and Families Service Review (CFSR). More children awaiting adoption creates the possibility that it will take longer for children in Wisconsin to reach permanence and Wisconsin may fall out of Federal compliance with this CFSR measure. If Wisconsin cannot make substantial improvements on CFSR measures, it may be subject to federal penalties.

Long-Range Fiscal Implications

This bill creates significant long-range fiscal implications. In five years this bill could add up to \$34,412,500 (\$17,347,500 GPR) in additional benefits payments and within ten years, the cost could be \$68,825,000 (\$34,695,000 GPR).

Fiscal Effect SB 63

Children under 8 discharged from Foster Care
to reunification, > 6 months, but < 14
to reunification, > 14 months

314
263
577

Average Adoption Assistance Monthly Payment \$ 994.00
Annualized Adoption Assistance Payment per Child \$ 11,928.00

All Funds \$ 6,882,500 **GPR** \$ 3,469,500 **IV-E** \$ 3,413,000 **IV-E Rate** 49.59%

Annual Fiscal Effect

Fiscal Effect by Year

	All Funds	GPR	IV-E
Year 1	\$ 6,882,500	\$ 3,469,500	\$ 3,413,000
Year 2	\$ 13,765,000	\$ 6,938,900	\$ 6,826,100
Year 3	\$ 20,647,500	\$ 10,408,400	\$ 10,239,100
Year 4	\$ 27,530,000	\$ 13,877,900	\$ 13,652,100
Year 5	\$ 34,412,500	\$ 17,347,300	\$ 17,065,200
Year 6	\$ 41,295,000	\$ 20,816,800	\$ 20,478,200
Year 7	\$ 48,177,500	\$ 24,286,300	\$ 23,891,200
Year 8	\$ 55,060,000	\$ 27,755,700	\$ 27,304,300
Year 9	\$ 61,942,500	\$ 31,225,200	\$ 30,717,300
Year 10	\$ 68,825,000	\$ 34,694,700	\$ 34,130,300

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

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Description A requirement that termination of parental rights petitions be filed with respect to children under eight years of age, and certain children eight years of age or over, who have been placed outside the home for six months.		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
II. Annualized Costs:		
	Annualized Fiscal Impact on funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations	6,882,500	
TOTAL State Costs by Category	\$6,882,500	\$
B. State Costs by Source of Funds		
GPR	3,469,500	
FED	3,413,000	
PRO/PRS		
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$6,882,500	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
DCF/ Nick Bubb (608) 266-5422		Robert Nikolay (608) 261-4349
		5/11/2011