

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

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1. Type of Estimate and Analysis

Original    Updated    Corrected

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2. Administrative Rule Chapter, Title and Number

DCF 21, Re-entry into out-of-home care for youth 18 years of age or over, but under 21 years of age

DCF 50, Facilitating the adoption of children with special needs

DCF 52, Residential care centers for children and youth

DCF 54, Child-placing agencies

DCF 55, Subsidized guardianship

DCF 56, Foster home care for children

DCF 57, Group homes

DCF 58, Eligibility for kinship care and long-term kinship care program

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3. Subject

Extension of out-of-home care to children and youth 18 years of age or over, but under 21 years of age

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4. Fund Sources Affected

GPR    FED    PRO    PRS    SEG    SEG-S

5. Chapter 20, Stats. Appropriations Affected

(1)(b), (1)(dd), (1)(cx), (1)(mx), (1)(o), and (1)(pd)

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6. Fiscal Effect of Implementing the Rule

No Fiscal Effect

Increase Existing Revenues

Increase Costs

Indeterminate

Decrease Existing Revenues

Could Absorb Within Agency's Budget

Decrease Cost

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7. The Rule Will Impact the Following (Check All That Apply)

State's Economy

Specific Businesses/Sectors

Local Government Units

Public Utility Rate Payers

Small Businesses (if checked, complete Attachment A)

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8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes

No

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9. Policy Problem Addressed by the Rule

Implementing 2013 Wisconsin Act 334

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10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments.

The department solicited comments from county departments of social services and county departments of human services; licensees of foster homes, group homes, residential care centers, and child-placing agencies; and others who have requested to be on the numbered memo and child welfare listservs.

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11. Identify the local governmental units that participated in the development of this EIA.

Oconto County and Taylor County

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12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

Several assumptions were made in calculating the cost of this expansion. First, it was assumed that the total caseload of children aging out of out-of-home care is 438. This represents an average of the number of children who aged out of out-of-home care in CY 2011 (462) and CY 2012 (413). Second, based on analysis done by DCF of Wisconsin K-12 data, this bill assumes that 43% of these children have an IEP in effect. Third, the bill assumes that the average out-of-home care payment is \$2,461 per month. The cost of an out-of-home care placement was calculated using a weighted average of the placement settings for the children who aged out of care in CY 2012. Fourth, based on data from the

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Wisconsin Department of Public Instruction, it was assumed that 40% of students with an IEP in effect at age 18 remain in school until age 19, 60% of students with an IEP in effect at age 19 remain in school until age 20, and 10% of students with an IEP at age 20 remain in school until age 21. The expansion was assumed to begin on July 1, 2014. Under these assumptions, the program would cost \$1,205,000 all funds (\$907,100 GPR) in the first year of implementation (SFY 2015). The emergency rule became effective August 1, 2014.

County representatives commented on the potential of a significant financial burden for small counties. Youth who have an IEP often require special care in expensive placements, such as treatment foster homes, group homes, or residential care centers. They request that the state provide additional funding to counties for youth that meet the criteria for out-of-home care beyond their 18<sup>th</sup> birthday.

2013 Wisconsin Act 334 provided funding in the amount of \$1,205,000 for the extension of out-of-home care program. Of this amount, \$688,500 will be added to the children and family aids allocations in SFY 2015 to supplement both the CY 2014 and CY 2015 contracts to account for the estimated increase in caseloads for counties. The department is responsible for meeting the cost of a placement of a child 18 years of age or over in a residential care center for children and youth under the extension program.

A social worker and former foster child commented on the importance of supporting these youth while they obtain their education to save costs in the long run.

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13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule  
2013 Wisconsin Act 334 directed the department to implement the extension of out-of-home care to children and youth 18 years of age or over, but under 21 years of age effective August 1, 2014.

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14. Long Range Implications of Implementing the Rule  
The program will be phased-in over a four-year period. Costs will increase in SFY 2016, SFY 2017, and SFY 2018.

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15. Compare With Approaches Being Used by Federal Government  
42 USC 675 allows states to elect the activities in which a child who has attained 18 years of age but has not attained 19, 20, or 21 years of age is required to be participating to be eligible for assistance under Title IV-E of the Social Security Act. 2013 Wisconsin Act 334 elects eligibility for a child who is a full-time student at a secondary school or its vocational or technical equivalent and for whom an individualized education program (IEP) is in effect until the child is granted a high school or high school equivalency diploma or reaches 21 years of age, whichever occurs first.

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16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)  
Illinois, Minnesota, and Michigan elected to extend foster care to all youth allowed under 42 USC 675 (8) (B).  
Iowa elected to extend foster care to age 20 for youth attending high school or obtaining their GED.

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| 17. Contact Name<br>DCF/Kim Swissdorf | 18. Contact Phone Number<br>261-0616 |
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**ATTACHMENT A**

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

The proposed rule amends child welfare licensing rules that affect small businesses to allow placements of youth who are eligible for an extension under ss. 48.366 and 938.366, Stats. Allowing youth to be in out-of-home care longer will have a positive economic impact on child welfare providers.

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses  
not applicable

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3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

not applicable

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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

not applicable

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5. Describe the Rule's Enforcement Provisions

There are a wide range of enforcement mechanisms in s. 48.715, Stats.

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes     No
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