



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #425

Foster Care and Adoption Assistance Reestimate (DHFS -- Children and Families)

[LFB 2005-07 Budget Summary: Page 288, #1]

CURRENT LAW

In 2004-05, the Department of Health and Family Services (DHFS) is budgeted \$74,960,100 (\$39,505,600 GPR and \$35,454,500 FED) to fund out-of-home care costs for children under guardianship of the state who do not live in Milwaukee County and to provide adoption assistance payments to persons who adopt children with special needs.

The state serves as guardian for children with special needs following termination of parental rights. The state pays the costs of out-of-home placements for these children while they are awaiting adoption and makes adoption assistance payments to families who adopt a child with special needs.

GOVERNOR

Provide \$10,601,800 (\$5,255,400 GPR and \$5,346,400 FED) in 2005-06 and \$19,364,000 (\$9,786,600 GPR and \$9,577,400 FED) in 2006-07 to reflect reestimates of the amount of funding required to support state foster care and adoption assistance payments.

MODIFICATION

Reduce funding by \$1,293,900 (-\$1,008,100 GPR and -\$285,800 FED) in 2005-06 and by \$1,635,200 (-\$1,292,000 GPR and -\$343,200 FED) in 2006-07 to reflect reestimates of state costs for foster care and adoption assistance payments in the 2005-07 biennium.

Explanation: This modification reflects: (a) more recent expenditure information than was available when the Governor's budget was prepared (through February, 2005, instead of through October, 2004); and (b) a reestimate of the amount of federal revenue that

will be available to support these payments. This estimate assumes that: (a) expenditures for adoption assistance will increase by approximately 1% each month; and (b) expenditures for foster care will decrease by 0.4% each month.

<u>Modification</u>	<u>GPR</u>	<u>FED</u>	<u>TOTAL</u>
2005-07 FUNDING (Change to Bill)	- \$2,300,100	- \$628,900	- \$2,929,000

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