



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #213

Children and Family Aids Payment Delay (DCF -- Children and Families) Community Aids Payment Delay (DHS -- Quality Assurance, Disabilities, and Substance Abuse)

[LFB 2009-11 Budget Summary: Page 134, #4, and Page 394, #8]

CURRENT LAW

The Department of Children and Families (DCF) distributes children and family aids funding to counties for services related to child abuse and neglect and to unborn child abuse, including prevention, investigation, and treatment.

The Department of Health Services (DHS) distributes community aids funding to counties for: (a) community social services; (b) mental health services; (c) developmental disabilities services; (d) alcohol and other drug abuse services; (e) the Alzheimer's family and caregiver support program; and (f) the family support program.

DCF and DHS contract with counties to provide children and family aids services and community aids services on a calendar year basis. Under the current contracts, counties receive advance payments in January, February, and March, and are then reimbursed for actual expenditures made, such that approximately 50% of the contract allocation is paid during the first six months of the calendar year, and 50% is paid during the second half of the calendar year.

GOVERNOR

Beginning with the calendar year 2010 contracts, DCF and DHS would make a payment to counties of 25% of their children and family aids and community aids allocations on January 1, and make a second payment of 75% of their children and family aids and community aids allocations on July 1, resulting in one-time savings. Overall county funding levels would not be reduced based on this payment delay.

DCF. Reduce funding by \$18,500,000 GPR in 2009-10 to reflect one-time savings due to this adjustment in the timing of payments to counties without reducing the county funding levels.

DHS. Reduce funding by \$36,850,000 GPR in 2009-10 to reflect one-time savings due to this adjustment in the timing of payments to counties without reducing the county funding levels.

MODIFICATION

Increase funding in DCF by \$4,106,700 GPR in 2009-10 and reduce funding in DHS by \$4,106,700 GPR in 2009-10 to reflect more recent estimates of the amount of delayed payments that should be made by DCF and DHS.

Explanation: AB 75 would reduce funding in DCF by more GPR funding than is allocated for six months of the children and family aids payments. Only \$14,393,300 GPR is available to be delayed from 2009-10 until 2010-11. To address this, the bill should be modified so that 25% of the children and family aids payment made on January 1, 2010, would be paid with federal funds, and that all of the GPR allocated for children and family aids (\$28,786,600) would be paid on July 1, 2010. As a result, only \$14,393,300 GPR could be delayed until July 1, 2010.

In addition, the amount of the GPR payment delay in DHS should be increased to \$40,956,700 GPR to offset the decrease of the GPR payment delay in DCF.

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