



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #217

### **State Foster Care, Adoption Assistance, and Subsidized Guardianship (DCF-- Children and Families)**

[LFB 2009-11 Budget Summary: Page 125, #2 and Page 143, #9]

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#### **CURRENT LAW**

The Department of Children and Families (DCF) is budgeted funds for: (a) adoption assistance payments to persons who adopt children with special needs; (b) out-of-home care costs for children under guardianship of the state (children with special needs in cases where parental rights have been terminated and who are awaiting adoption) who do not live in Milwaukee County; and (c) subsidized guardianship payments to eligible foster parents who have been appointed legal guardians in Milwaukee County. [Funding for foster care payments DCF makes on behalf of children with special needs in Milwaukee County is budgeted as part of the budget for the Bureau of Milwaukee Child Welfare.]

Base funding for these payments is \$96,880,500 (\$50,181,800 GPR and \$46,698,700 FED).

#### **GOVERNOR**

Reduce funding by \$1,536,900 (-\$1,626,400 GPR and \$89,500 FED) in 2009-10 and increase funding by \$1,503,600 (-\$458,200 GPR and \$1,961,800 FED) in 2010-11 to reflect reestimates of the amount of funding required to support foster care payments, adoption assistance payments, and subsidized guardianship payments. The bill estimates the amount needed for foster care, adoption assistance, and subsidized guardianship payments to be \$95,343,600 (\$48,555,400 GPR and \$46,788,200 FED) in 2009-10 and \$98,384,100 (\$49,723,600 GPR and \$48,660,500 FED) in 2010-11.

In addition, reduce funding by \$504,100 GPR annually to reflect an across-the-board 1% reduction in most non-federal appropriations. As a result, the bill provides \$94,839,500 (\$48,051,300 GPR and \$46,788,200 FED) in 2009-10 and \$97,880,000 (\$49,219,500 GPR and \$48,660,500 FED) in 2010-11 for state costs for foster care, adoption assistance, and subsidized guardianship payments.

## MODIFICATION

Increase funding in the bill by \$1,753,100 (\$1,266,400 GPR and \$486,700 FED) in 2009-10 and by \$2,605,500 (\$1,684,300 GPR and \$921,200 FED) in 2010-11 to reflect reestimates of state costs for foster care, adoption assistance, and subsidized guardianship payments in the 2009-11 biennium. Funding would total \$96,592,600 (\$49,317,700 GPR and \$47,274,900 FED) in 2009-10 and \$100,485,500 (\$50,903,800 GPR and \$49,581,700 FED) in 2010-11.

**Explanation:** This modification reflects: (a) more recent expenditure information than was available when the Governor's budget was prepared (payment data through March, 2009, instead of data through June, 2008, used in developing the Governor's bill); 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 0.3% each month; (b) one-year average expenditures for foster care will increase by 3.5% in each year; and (c) one-year average expenditures for subsidized guardianship payments will increase by 3.5% in each year.

Payments for out-of-home care placements are made to individuals and providers for court-ordered placements of children in the custody or guardianship of the state. The court, not DCF, decides where a child is placed, and the costs of individual placements are determined by that decision. DCF indicates that it has a legal obligation to pay child welfare providers. In addition, federal law states that the adoption assistance amounts cannot be unilaterally reduced once an agreement is finalized with a family.

Change to Bill Funding	
GPR	\$2,950,700
FED	<u>1,407,900</u>
Total	\$4,358,600

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