



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

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Joint Committee on Finance

Paper #180

Program and Federal Revenue Reestimates (Children and Families -- Departmentwide)

[LFB 2013-15 Budget Summary: Page 93, #3]

CURRENT LAW

Ongoing federal grant and program revenue funding supports a variety of programs in the Department of Children and Families (DCF), including many child welfare programs. These revenue sources are reestimated every biennium to reflect the most recent estimates of revenues available to support these programs.

GOVERNOR

Provide \$9,498,500 (\$8,569,900 FED and \$928,600 PR) in 2013-14 and \$8,156,600 (\$7,955,600 FED and \$201,000 PR) in 2014-15 to reflect the reestimates in the following table:

TABLE 1**Program and Federal Revenue Reestimates Under AB 40**

	<u>2013-14</u>	<u>2014-15</u>
Chafee Foster Care Independence Program Funding (FED)	\$33,900	\$33,900
Chafee Education and Training Vouchers Funding (FED)	3,400	3,400
Child Abuse Prevention and Treatment Act (CAPTA) Funding (FED)	13,200	13,200
CAPTA Training and Technical Assistance Funding (FED)	-2,000	-2,000
Child Welfare Education Collaboration (FED)	235,000	123,000
Abstinence Grant Funding (FED)	724,100	724,100
Methamphetamine Grant Funding (FED)	-500,000	-500,000
Family Connections Grant Funding (FED)	-116,000	-116,000
Domestic Abuse Funding (FED)	8,800	8,800
Home Visiting Funding (FED)	3,570,000	3,570,000
Title IV-B, Part 1 (FED)	344,000	344,000
Title IV-B, Part 2 (FED)	135,200	135,200
Title IV-E (FED)	76,000	76,000
Adoption Assistance Funding (FED)	-140,400	-140,400
American Recovery and Reinvestment Act Funding for the Early Care and Education Advisory Council (FED)	-200,000	-303,000
Race to the Top Funding (FED)	6,074,600	5,675,300
Community Services Block Grant Funding (FED)	-250,000	-250,000
Refugee Assistance Funding (FED)	-1,439,900	-1,439,900
Expiration of a Three-Year Grant for the Midwest Child Welfare Implementation Center (PR)	-100,000	-316,200
Income Augmentation Funds for eWisACWIS (PR)	1,000,000	500,000
Income Augmentation Funds for Program Improvement Plan and Provider Rate Regulation Staff (PR)	-710,300	-710,300
Social Services Block Grant Operations Funding (PR)	-61,100	-72,500
Economic Support Information Technology Costs (PR)	-1,000,000	-1,000,000
General Administration Information Technology Costs (PR)	<u>1,800,000</u>	<u>1,800,000</u>
FED Total	\$8,569,900	\$7,955,600
PR Total	<u>\$928,600</u>	<u>\$201,000</u>
Total	\$9,498,500	\$8,156,600

Included in these reestimates are the elimination of one-time funding for the early care and education advisory council and the Midwest child welfare implementation center, as well as new or expanded funding for race to the top and home visiting. New funding for race to the top (\$6,074,600 FED in 2013-14 and \$5,675,300 in 2014-15) and expanded funding for home visiting (\$3,570,000 FED annually) make up most of the increase in the revenue reestimates.

Although Wisconsin did not receive an initial grant for the race to the top early learning challenge grants, an additional five applicants, including Wisconsin, were subsequently approved for funding. DCF anticipates the receipt of \$22.7 million over a four-year period. The amounts in the above table would be received in the first two years of the four-year period.

The increase in home visiting funding is due to additional grant funding made available

under the federal Patient Protection and Affordable Care Act for a comprehensive maternal, infant, and early childhood home visiting program.

DISCUSSION POINTS

1. Due to funding reductions under the federal Budget Control Act (BCA) sequestration, DCF has prepared new estimates for the ongoing federal and program revenues used to support programs in DCF. As a result of the federal BCA sequestration, federal revenues budgeted in DCF are decreased by \$2.4 million in 2013-14 and \$2.8 million in 2014-15. Program revenue, which consists of federal social services block grant (SSBG) funds transferred from the Department of Health Services, is decreased by \$0.2 million annually. The new estimates are shown in Table 2 below:

TABLE 2

Revised Program and Federal Revenue Estimates

	<u>Reestimate</u>		<u>Change to Governor</u>	
	<u>2013-14</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2014-15</u>
Chafee Foster Care Independence Program Funding (FED)	\$33,900	\$33,900	\$0	\$0
Chafee Education and Training Vouchers Funding (FED)	-52,100	-63,200	-55,500	-66,600
Child Abuse Prevention and Treatment Act (CAPTA) Funding (FED)	2,700	2,700	-10,500	-10,500
CAPTA Training and Technical Assistance Funding (FED)	-37,900	-45,000	-35,900	-43,000
Child Welfare Education Collaboration (FED)	235,000	123,000	0	0
Abstinence Grant Funding (FED)	677,500	677,500	-46,600	-46,600
Methamphetamine Grant Funding (FED)	-500,000	-500,000	0	0
Family Connections Grant Funding (FED)	-116,000	-116,000	0	0
Domestic Abuse Funding (FED)	-152,100	-177,400	-160,900	-186,200
Home Visiting Funding (FED)	3,269,000	3,269,000	-301,000	-301,000
Title IV-B, Part 1 (FED)	-171,500	-248,200	-515,500	-592,200
Title IV-B, Part 2 (FED)	-211,600	-298,200	-346,800	-433,400
Title IV-E (FED)	76,000	76,000	0	0
Adoption Assistance Funding (FED)	-140,400	-140,400	0	0
American Recovery and Reinvestment Act Funding for the Early Care and Education Advisory Council (FED)	-200,000	-303,000	0	0
Race to the Top Funding (FED)	6,074,600	5,675,300	0	0
Community Services Block Grant Funding (FED)	-1,051,100	-1,175,100	-801,100	-925,100
Refugee Assistance Funding (FED)	-1,575,700	-1,587,100	-135,800	-147,200
Expiration of a Three-Year Grant for the Midwest Child Welfare Implementation Center (PR)	-100,000	-316,200	0	0
Income Augmentation Funds for eWiSACWIS (PR)	1,000,000	500,000	0	0
Income Augmentation Funds for Program Improvement Plan and Provider Rate Regulation Staff (PR)	-710,300	-710,300	0	0
Social Services Block Grant Operations Funding (PR)	-218,300	-235,500	-157,200	-163,000
Economic Support Information Technology Costs (PR)	-1,000,000	-1,000,000	0	0
General Administration Information Technology Costs (PR)	<u>1,800,000</u>	<u>1,800,000</u>	<u>0</u>	<u>0</u>
FED Total	\$6,160,300	\$5,203,800	-\$2,409,600	-\$2,751,800
PR Total	<u>\$771,400</u>	<u>\$38,000</u>	<u>-\$157,200</u>	<u>-\$163,000</u>
Total	\$6,931,700	\$5,241,800	-\$2,566,800	-\$2,914,800

2. The Chafee education and training vouchers (ETV) program helps youths transition to self-sufficiency and receive the education, training, and services necessary to obtain employment. A portion of the ETV funds are distributed to counties, tribes, and the Bureau of Milwaukee Child Welfare. The remaining funds support the DCF scholarship program. The DCF scholarship program awards scholarships of up to \$4,000 for youth who have been in out-of-home care and are entering a degree, license, or certificate program. The scholarship awards may be used for tuition, fees, and books for youth who have been approved to attend a post-secondary education or training institution.

3. The Child Abuse Prevention and Treatment Act (CAPTA) funding is intended to: (a) strengthen and support families with children; (b) protect children from abuse, neglect, and maltreatment; (c) improve services for victims of domestic violence and children exposed to domestic violence; and (d) improve adoption assistance. CAPTA also enhances and improves flexibility in child welfare programs, such as including the use of differential response systems in investigating abuse or neglect cases, training, and the collaboration, communication, and coordination among the various participants in the child welfare system.

4. The abstinence grant funding supports programs that teach: (a) the social, psychological, and health gains to be realized by abstaining from sexual activity; (b) abstinence from sexual activity outside marriage as the expected standard for all school-age children; (c) abstinence from sexual activity is the only certain way to avoid out-of-wedlock pregnancy, sexually transmitted diseases, and other associated health problems; (d) mutually faithful monogamous relationships in the context of marriage is the expected standard of human sexual activity; (e) sexual activity outside the context of marriage is likely to have harmful psychological and physical effects; (f) bearing children out-of-wedlock is likely to have harmful consequences for the child, the child's parents, and society; (g) young people how to reject sexual advances and how alcohol and drug use increase vulnerability to sexual advances; and (h) the importance of attaining self-sufficiency before engaging in sexual activity.

5. The domestic abuse funding supports grants to: (a) enable survivors of domestic abuse to achieve both safety and self-sufficiency; (b) help break the inter-generational cycle of abuse by meeting the emotional and developmental needs of children and youth affected by domestic abuse; (c) enhance the capacity of domestic abuse programs to meet the needs of domestic abuse survivors; and (d) provide accessible, effective, and culturally-appropriate services to survivors of domestic violence from traditionally under-represented groups and from across the life span. Services include case management, job readiness, training, education, career development, financial literacy and education, securing safe and affordable housing, legal advocacy, programming for children, and services for older survivors and underserved survivors.

6. The home visiting funding is combined with other federal funds and GPR for services provided in the homes of pregnant women, children from birth to eight years, and their families. Home visiting programs target outcomes to achieve a reduction in child maltreatment, improve school readiness and achievement, and improve maternal and child health. Programs must also focus on improvements in family stability, economic self-sufficiency, parenting skills related to child development, and the coordination and referrals to other community resources, services, and

supports. Programs must reduce family violence and hospital emergency department visits.

7. Funding under Title IV-B of the federal Social Security Act, Subpart 1 may be used to: (a) protect and promote the welfare of all children; (b) prevent the neglect, abuse, or exploitation of children; (c) support at-risk families through services that allow children, where appropriate, to remain safely with their families or return to their families in a timely manner; (d) promote the safety, permanence, and well-being of children in foster care and adoptive families; and (e) provide training, professional development, and support to ensure a well-qualified child welfare workforce. Funding under Title IV-B, Subpart 2 is allocated to counties for family preservation, family support, and family reunification activities.

8. Community services block grant funding provides states and tribes with funds to lessen poverty in communities. The funds are used to assist the needs of low-income individuals, including the homeless, migrants, and the elderly, and must be used to address: (a) employment; (b) education; (c) better use of available income; (d) housing; (e) nutrition; (f) emergency services; or (g) health. Federal law requires eligibility for persons who receive these services to be set at or below 125% of the federal poverty level.

9. Refugee assistance funding enables refugees, their children, and their families to achieve economic and personal self-sufficiency through employment. Services include bilingual and bicultural employment services, health screening, English as a second language, family-focused case management, employment assessment, vocational training, job application support, job referral, job retention, and job upgrading.

10. Finally SSBG operations funding is used by DCF to administer the SSBG funding for the children and family aids program. DCF's portion of SSBG funding is distributed to counties and tribes for child welfare services.

11. A small portion of the reduction in funding would have supported staff in DCF to administer the programs at the state level. DCF indicates that while these reductions would probably be absorbed in the near term, the combined and continued reductions could result in staff reductions. Overall, the remaining reductions would result in fewer individuals receiving services, fewer services provided to the individuals, or both.

12. Examples of specific impacts from these reductions have been identified by DCF. The Chafee ETV program funded \$450,500 in scholarships for 209 youth in 2011. There was an average scholarship of \$2,155. The reduction in funding would result in 15 fewer scholarships or the average scholarship being \$1,998. Funding for refugee assistance is combined with other federal funds to provide \$1.25 million, which serves approximately 1,200 refugees. DCF indicates that the BCA sequestration reduction would result in 76 fewer refugees receiving services or fewer services being provided to refugees.

13. The Committee should modify the Governor's reestimates of federal revenues to reflect the reductions under the BCA sequestration (Alternative 1). Given that the reductions were done at the federal level, the Committee cannot replace the loss of federal funds with additional federal funds.

14. On the other hand, the loss of federal funding would have a direct impact on those receiving services from these funds. The Committee could choose to replace some or all of the reduction in funds with GPR in order to minimize the impact the BCA sequestration reductions would have on individuals (Alternatives 2a through 2j).

15. Finally, the Committee could choose to replace some, but not all, of the amount of funding that is reduced by the federal BCA sequestration. The fiscal effect would depend on which programs the Committee chooses to fund and the amount of funding for the programs (Alternative 3).

ALTERNATIVES

1. Modify the Governor's reestimates of federal and program revenue reestimates to reduce funding by \$2,566,800 (-\$2,409,600 FED and -\$157,200 PR) in 2013-14 and by \$2,914,800 (-\$2,751,800 FED and -\$163,000 PR) in 2014-15 to reflect the impact of the federal BCA sequestration reductions.

ALT 1	Change to Bill Funding
FED	- \$5,161,400
PR	- <u>320,200</u>
Total	- \$5,481,600

2. In addition to Alternative 1, restore federal BCA sequestration reductions with GPR for one or more of the following.

a. Provide \$55,500 GPR in 2013-14 and \$66,600 GPR in 2014-15 to replace the reduction to Chafee education and training vouchers funding.

ALT 2a	Change to Bill Funding
GPR	\$122,100

b. Provide \$46,400 GPR in 2013-14 and \$53,500 GPR in 2014-15 to replace the reduction to CAPTA funding.

ALT 2b	Change to Bill Funding
GPR	\$99,900

c. Provide \$46,600 GPR annually to replace the reduction in abstinence grant funding.

ALT 2c	Change to Bill Funding
GPR	\$93,200

d. Provide \$160,900 GPR in 2013-14 and \$186,200 GPR in 2014-15 to replace the reduction in domestic abuse funding.

ALT 2d	Change to Bill Funding
GPR	\$347,100

e. Provide \$301,000 GPR annually to replace the reduction in home visiting funding.

ALT 2e	Change to Bill Funding
GPR	\$602,000

f. Provide \$515,500 GPR in 2013-14 and \$592,200 GPR in 2014-15 to replace the reduction in Title IV-B, Subpart 1 funding.

ALT 2f	Change to Bill Funding
GPR	\$1,107,700

g. Provide \$346,800 GPR in 2013-14 and \$433,400 GPR in 2014-15 to replace the reduction in Title IV-B, Subpart 2 funding.

ALT 2g	Change to Bill Funding
GPR	\$780,200

h. Provide \$801,100 GPR in 2013-14 and \$925,100 GPR in 2014-15 to replace the reduction in the community services block grant funding.

ALT 2h	Change to Bill Funding
GPR	\$1,726,200

i. Provide \$135,800 GPR in 2013-14 and \$147,200 GPR in 2014-15 to replace the

reduction in funding for refugee assistance.

ALT 2i	Change to Bill Funding
GPR	\$283,000

j. Provide \$157,200 GPR in 2013-14 and \$163,000 GPR in 2014-15 to replace the reduction in funding for SSBG operations.

ALT 2j	Change to Bill Funding
GPR	\$320,200

3. Provide GPR to replace a portion of funding for selected programs. The fiscal effect would depend on which programs were selected and how much funding was provided.

Prepared by: Kim Swissdorf