



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #430

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

[LFB 2003-05 Budget Summary: Page 257, #1]

CURRENT LAW

In 2002-03, the Department of Health and Family Services (DHFS) is budgeted \$58,556,900 (\$30,597,800 GPR and \$27,959,100 FED) to fund out-of-home care costs for children under guardianship of the state 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. These payments are partially supported with federal funding available under Title IV-E of the Social Security Act.

GOVERNOR

Provide \$9,996,500 (\$5,644,200 GPR and \$4,352,300 FED) in 2003-04 and \$17,478,200 (\$9,503,900 and \$7,974,300 FED) in 2004-05 to reflect estimates of the amount of funding that will be required to support foster care and adoption assistance payments for children with special needs who are under the guardianship of the state.

MODIFICATION

Reduce funding by \$1,513,300 (-\$851,800 GPR and -\$661,500 FED) in 2003-04 and by \$1,075,000 (-\$583,900 GPR and -\$491,100 FED) in 2004-05 to reflect reestimates of state costs for foster care and adoption assistance payments in the 2003-05 biennium.

Explanation: This modification reflects: (a) more recent expenditure information than was available when the Governor's budget was prepared (through February, 2003, instead of through November, 2002); 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 increase by 0.5% each month.

<u>Modification</u>	<u>GPR</u>	<u>FED</u>	<u>TOTAL</u>
2003-05 FUNDING (Change to Bill)	- \$1,435,700	- \$1,152,600	- \$2,588,300

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