



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

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Joint Committee on Finance

Paper #241

Alternate Care (DOC -- Juvenile Corrections)

[LFB 2005-07 Budget Summary: Page 134, #3]

CURRENT LAW

The residential aftercare appropriation (alternate care) funds the costs of care for juveniles placed in residential care centers for children and youth, foster care homes, treatment foster care homes, group homes and certain other living arrangements. Base funding for the residential aftercare appropriation is \$11,871,500 PR annually. DOC charges counties and the state (for certain serious juvenile offenders) statutory daily rates for juveniles placed in alternate care settings.

GOVERNOR

Reduce base funding by \$5,395,100 PR in 2005-06 and \$5,154,200 PR in 2006-07 for juvenile residential aftercare (alternate care) to reflect decreased population estimates and updated average daily rates for each type of alternate care setting. The following table summarizes the statutory alternate care rates for 2004-05 and the average rates projected under the bill for 2005-06 and 2006-07.

<u>Type of Placement</u>	Statutory Rates <u>7-1-04 thru 6-30-05</u>	Governor	
		<u>7-1-05 thru 6-30-06</u>	<u>7-1-06 thru 6-30-07</u>
Residential Care Centers	\$239.00	\$227.00	\$235.00
Group Homes	149.00	170.00	179.00
Treatment Foster Homes	92.00	85.00	89.00
Regular Foster Homes	49.00	51.00	54.00

DISCUSSION POINTS

1. The residential aftercare appropriation funds the costs of care for juveniles placed in residential care centers for children and youth, foster care homes, treatment foster care homes, group homes, and certain other living arrangements following their release from secured correctional facilities. Base funding for the residential aftercare appropriation is \$11,871,500 PR (based on an estimated average daily population of 159 juveniles in 2004-05). The average daily population (ADP) for alternate care totaled 121.3 in 2003-04. Through March 31, 2005, the 2004-05 ADP totals 83.7. Under the bill, the alternate care ADP is projected at 114 in both 2005-06 and 2006-07.

2. Of the 114 juveniles projected under the bill to be placed in alternate care, an ADP of 88 juveniles is estimated for placements in residential care centers for children and youth, group homes, treatment foster homes, and foster homes. The remaining alternate care ADP estimate of 26 juveniles relates to serious juvenile offenders that are placed in certain supplemental living arrangements. These settings are monitored living situations (dorm-style settings or small apartments). The Department utilizes these settings for serious juvenile offenders who are 18 to 21 years of age and still subject to a juvenile disposition, but who are too old to be placed in a juvenile facility. The daily costs for these supplemental placements (estimated under the bill at \$103 in 2005-06 and \$108 in 2006-07) are paid directly from the GPR appropriation for serious juvenile offenders and are not used to calculate the funding needs of the alternate care appropriation.

3. The portion of the alternate care ADP attributable to SJO juveniles (26 juveniles) in supplemental living arrangements is in error. The funding decision item under the bill for setting the SJO appropriation in the 2005-07 biennium is based on approximately 16 juveniles annually being placed in supplemental living arrangements. An analysis of the SJO populations in the next biennium supports the estimate of 16 juveniles. An adjustment to this factor means that a comparable reduction to the overall alternate care ADP estimate under the bill (114 juveniles) must also be made.

4. Another factor indicating that an ADP of 114 for alternate care should be reestimated is the fact that the while alternate care population totaled 121.3 in 2003-04, it has now declined to 83.7 in 2004-05 (through March 31, 2005). This trend reflects the general decline in juvenile populations in recent years and, more specifically, the decline in the number of juveniles receiving aftercare services following their release from secured correctional facilities. Under a separate paper (Paper #240), the Committee is provided with an alternative to reduce the ADP for aftercare services from 167 annually under the bill to 125 annually. Alternate care is a subset of the aftercare services population and should also be adjusted to reflect current population trends.

5. Based on revised aftercare services populations, the alternate care ADP should be modified to 80.5 juveniles annually in 2005-06 and 2006-07. This modification would include changed assumptions about the relative placement of juveniles in residential care centers, group homes, foster homes and treatment foster homes, based on more recent placement data. It would also correct for the number of SJO placements in supplemental living arrangements discussed

above.

6. The change would result in reductions to the bill of \$1,776,600 PR in 2005-06 and \$1,839,200 PR in 2006-07.

7. Alternate care rates are estimated under the bill by taking the actual average rates paid for each type of care for the first five months in 2004, and applying annual percentage rates of increase (3.5% for residential care centers for children and youth and 5% for the other types of alternate care) to estimate 2004-05, 2005-06, and 2006-07 average rates. The estimated 2005-06 and 2006-07 average rates and projected ADP of 88 juveniles are then used to calculate the budget recommendation for alternate care.

8. While a single rate for each type of alternate care is established by statute, facilities providing each type of care vary in the daily rates that are charged. It is the Department's responsibility to manage these costs within the alternate care budget calculated on the basis of a single, average rate and estimated juvenile populations.

9. The estimated alternate care rates under the bill were examined in light of: (a) more recent data on the costs of alternate care facilities used by the Department in 2004 and 2005; and (b) estimated increases for the 2005-07 biennium. This analysis indicates that the proposed rates under the bill should also be modified. These reestimated daily rates would reduce the alternate care appropriation by an additional \$11,800 PR in 2005-06 and \$8,300 PR in 2006-07.

10. The following table shows the rates proposed under the bill and the rates as reestimated under this alternative.

<u>Type of Placement</u>	<u>Governor</u>		<u>Modification</u>	
	<u>7-1-05 thru 6-30-06</u>	<u>7-1-06 thru 6-30-07</u>	<u>7-1-05 thru 6-30-06</u>	<u>7-1-06 thru 6-30-07</u>
Residential Care Centers	\$227.00	\$235.00	234.00	244.00
Group Homes	170.00	179.00	157.00	163.00
Treatment Foster Homes	85.00	89.00	83.00	87.00
Regular Foster Homes	51.00	54.00	47.00	50.00

11. In summary, the correcting adjustments to the bill would result in appropriations of \$4,688,800 PR in 2005-06 and \$4,869,800 PR in 2006-07. These amounts represent reductions to the bill of \$1,788,400 PR in 2005-06 and \$1,847,500 PR in 2006-07. Of these total reductions, \$1,776,600 PR in 2005-06 and \$1,839,200 PR in 2006-07 relate to the reestimate of average daily populations for each type of care, and \$11,800 PR in 2005-06 and \$8,300 PR in 2006-07 relate to the reestimated daily rates for each type of care.

ALTERNATIVES

1. Approve the Governor's recommendation to reduce base funding by \$5,395,100 PR in 2005-06 and \$5,154,200 PR in 2006-07 for juvenile residential aftercare (alternate care) to reflect decreased population estimates (an annual ADP of 114 juveniles in alternate care in 2005-06 and in 2006-07). Establish the following statutory daily rates for alternate care settings as shown in the following table:

<u>Type of Placement</u>	<u>Governor</u>	
	<u>7-1-05 thru 6-30-06</u>	<u>7-1-06 thru 6-30-07</u>
Residential Care Centers	\$227.00	\$235.00
Group Homes	170.00	179.00
Treatment Foster Homes	85.00	89.00
Regular Foster Homes	51.00	54.00

2. Modify the Governor's recommendation by deleting an additional \$1,788,400 PR in 2005-06 and \$1,847,500 PR in 2006-07 for juvenile residential aftercare (alternate care) to reflect modified population estimates (an annual ADP of 80.5 juveniles in alternate care in 2005-06 and in 2006-07) and reestimating average daily rates for each type of alternate care. Modify the statutory daily rate for alternate care settings as shown in the following table:

<u>Type of Placement</u>	<u>Modified Daily Rates</u>	
	<u>7-1-05 thru 6-30-06</u>	<u>7-1-06 thru 6-30-07</u>
Residential Care Centers	\$234.00	\$244.00
Group Homes	157.00	163.00
Treatment Foster Homes	83.00	87.00
Regular Foster Homes	47.00	50.00

<u>Alternative 2</u>	<u>PR</u>
2005-07 FUNDING (Change to Bill)	- \$3,635,900

Prepared by: Art Zimmerman