



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #430

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

Bill Section

[LFB 2007-09 Budget Summary: Page 317, #3]

CURRENT LAW

DHFS is budgeted funds to support: (a) adoption assistance payments to persons who adopt children with special needs; and (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. (Funding for foster care payments DHFS 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 \$92,744,900 (\$48,040,600 GPR and \$44,704,300).

GOVERNOR

Reduce funding by \$288,900 (-\$231,900 GPR and -\$57,000 FED) in 2007-08 and provide \$5,261,900 (\$2,449,800 GPR and \$2,812,100 FED) in 2008-09 to reflect reestimates of the amount of funding required to support adoption assistance payments and foster care payments. The bill would provide a total of \$92,456,000 (\$47,808,700 GPR and \$44,647,300 FED) in 2007-08 and \$98,006,800 (\$50,490,400 GPR and \$47,516,400 FED) in 2008-09 for DHFS to make these payments.

MODIFICATION

Reduce funding in the bill by \$928,900 (-\$6,100 GPR and -\$922,800 FED) in 2007-08 and by \$1,258,400 (-\$398,900 GPR and -\$859,500 FED) in 2008-09 to reflect reestimates of state costs for foster care and adoption assistance payments in the 2007-09 biennium.

Explanation: This modification reflects: (a) more recent expenditure information than was available when the Governor's budget was prepared (payment data through February, 2007, instead of data through October, 2006, 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 0.5% each month; and (b) expenditures for foster care will remain flat at the average rate over the past two years.

	Change to Bill Funding	Change to Base Funding
GPR	- \$405,000	\$1,812,900
FED	<u>- 1,782,300</u>	<u>972,800</u>
Total	- \$2,187,300	\$2,785,700

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