



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #186

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

[LFB 2013-15 Budget Summary: Page 96, #2]

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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 foster parents who become guardians of foster children 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. Funding for subsidized guardianship payments to foster parents who become guardians of foster children outside of Milwaukee County is included in the children and family aids allocations distributed to counties.

Base funding for these payments is \$104,522,700 (\$53,801,400 GPR and \$50,721,300 FED). The federal funding is from Title IV-E of the federal Social Security Act.

#### **GOVERNOR**

Provide \$749,700 (\$2,447,100 GPR and -\$1,697,400 FED) in 2013-14 and \$2,912,200 (\$3,568,900 GPR and -\$656,700 FED) in 2014-15 to reflect reestimates, based on historical expenditures, of the amount of funding required to support adoption assistance payments, state foster care payments, and subsidized guardianship payments. The bill would provide a total of \$105,272,400 (\$56,248,500 GPR and \$49,023,900 FED) in 2013-14 and \$107,434,900 (\$57,370,300 GPR and \$50,064,600 FED) in 2014-15 for DCF to make these payments.

## MODIFICATION

Reduce funding in the bill by \$3,882,600 (-\$2,097,800 GPR and -\$1,784,800 FED) in 2013-14 and by \$4,040,100 (-\$2,162,600 GPR and -\$1,877,500 FED) in 2014-15 to reflect reestimates of state costs for foster care, adoption assistance, and subsidized guardianship payments in the 2013-15 biennium.

**Explanation:** This modification reflects more recent expenditure information than was available when the Governor's budget was prepared (payment data through April, 2013, instead of data through June, 2012, used in developing the Governor's bill). This estimate assumes that: (a) expenditures for adoption assistance will increase by approximately 0.14% each month; (b) expenditures for foster care will increase by 2.5% annually over the next two years; and (c) expenditures for subsidized guardianship payments will increase monthly, with monthly increases ranging from 1.3% at the beginning of the biennium to 1.0% at the end of the biennium.

Change to Bill Funding	
GPR	- \$4,260,400
FED	<u>- 3,662,300</u>
Total	- \$7,922,700

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