



# Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #248

## Alternate Care (Corrections -- Juvenile Corrections)

### *Bill Agency*

[LFB 2007-09 Budget Summary: Page 119, #5]

### **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 \$4,869,800 PR annually. The Department of Corrections 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 \$311,700 PR in 2007-08 and \$38,600 PR in 2008-09 for juvenile alternate care to reflect decreasing population estimates and updated average daily rates for each type of alternate care setting. The following table summarized the statutory alternate care rates for 2006-07 and the average rates project under the bill for 2007-08 and 2008-09.

	Statutory Rates <u>7-1-06 thru 6-30-07</u>	Governor	
		<u>7-1-07 thru 6-30-08</u>	<u>7-1-08 thru 6-30-09</u>
Residential Care Centers	\$244.00	\$277.00	\$296.00
Group Homes	163.00	165.00	172.00
Treatment Foster Homes	87.00	132.00	145.00
Regular Foster Homes	50.00	67.00	74.00

## MODIFICATION

Modify the Governor's recommendation by \$530,200 PR in 2007-08 and \$564,100 PR in 2008-09 for juvenile alternate care to reflect modified population estimates of 59.5 juveniles annually. The bill's estimated daily rates for alternate care would remain the same.

	Change to Bill Funding	Change to Base Funding
PR	\$1,094,300	\$744,000

## EXPLANATION

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 juvenile detention facilities. Base funding for the residential aftercare appropriation (alternate care) is \$4,869,800 PR. The average daily population (ADP) for alternate care totaled 53.5 in 2005-06. The year-to-date ADP (through April, 2007) is 58.8 juveniles. Under the bill, the alternate care ADP is projected at 54 annually.

2. Alternate care rates are estimated by taking the actual average rates paid for each type of care for the first six months in 2006, and applying annual percentage rates of increase (7% for residential care centers for children and youth, 4% for group home placements, and 10% for treatment foster homes and regular foster homes). The estimated 2007-08 and 2008-09 average rates for each type of care and projected ADP for each type of care (a total of 54 juveniles annually) are then used to calculate the budget recommendation for alternate care.

3. As indicated, the bill projects the alternate care ADP to be 54 annually. However, the year-to-date ADP for alternate care is 58.8 juveniles. Further, under a separate budget paper, the ADP for aftercare care services is reestimated from 75 juveniles annually to 85 annually. Alternate care is a subset of the aftercare services population and should also be adjusted to reflect current population trends.

4. Based on revised aftercare services populations, the alternate care ADP should be modified to 59.5 juveniles annually. This modification would include the changed assumptions regarding the relative placement of juveniles in residential care centers, group homes, treatment foster homes and regular foster homes based on more recent placement data. This change would result in increases to the bill of \$530,200 PR in 2007-08 and \$564,100 PR in 2008-09; a total increase to base of \$218,500 PR in 2007-08 and \$525,500 PR in 2008-09.

5. Alternate care rates are estimated under the bill by taking the actual average rates paid for each type of care in 2005-06, and applying annual percentage rates of increase (7% for residential care centers for children and youth, 4% for group home placements, and 10% for foster homes) to estimated 2006-07, 2007-08, and 2008-09 average rates.

6. While a single rate for each type of juvenile care is established by statute, facilities providing each type of care vary the 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.

7. A review of more recent data on the costs of alternate care facilities used by the Department through March, 2007, indicates that the daily rates for alternate care in the bill are appropriate.

	<b>Change to Bill Funding</b>	<b>Change to Base Funding</b>
PR	\$1,094,300	\$744,000

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