



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #273

Alternate Care (Corrections -- Juvenile Corrections)

[LFB 2011-13 Budget Summary: Page 157, #8]

CURRENT LAW

The residential aftercare appropriation (alternate care) funds the costs of care for juveniles placed in residential care centers for children and youth, group homes, foster care homes, treatment foster care homes, and certain other living arrangements. Base funding for the alternate care appropriation is \$5,514,900 PR annually. Corrections charges counties and the state (for certain serious juvenile offenders) statutory daily rates for juveniles placed in alternate care settings.

GOVERNOR

Reduce funding by -\$65,400 PR in 2011-12 and provide \$182,500 PR in 2012-13 for alternate care to reflect population and rate adjustments. Under the bill, the alternate care average daily population (ADP) is projected at 53 juveniles annually. Further, delete the specified rates for residential care centers, group homes, foster homes, and treatment foster homes, and instead specify that the daily cost assessment for these placements be an amount equal to the amount the provider charges the Department.

DISCUSSION POINTS

1. The alternate care appropriation funds the costs of care for juveniles placed in residential care centers for children and youth, group homes, foster care homes, treatment foster care homes, and certain other living arrangements following their release from juvenile correctional facilities. Base funding for the residential aftercare appropriation is \$5,514,900 PR (based on an estimated average daily population of 56 juveniles in 2010-11). The average daily population (ADP) for alternate care totaled 54 in 2009-10.

2. Alternate care placements include placements in residential care centers for children

and youth, group homes, treatment foster homes, and foster homes. Alternate care funding is estimated under the bill by taking the actual average rates paid for each type of care for the first five months in 2010, and applying annual percentage rates of increase (5% for residential care centers for children and youth, treatment foster care, and group home placements, and 4% for foster homes) to estimate 2010-11, 2011-12, and 2012-13 average rates. The estimated 2011-12 and 2012-13 average rates and projected ADP of 53 juveniles are then used to calculate the budget recommendation for alternate care. Based on a review of the calculations and population projections, funding in the bill appears appropriate.

3. Under current law, a single rate for each type of alternate care placement is established by statute. However, each facility that provides alternate care varies in the daily rates charged. It is the Department's responsibility to manage these costs within the alternate care budget, calculated on a single, average rate. The bill would delete the statutory language establishing a single, average rate for each type of alternate care, and instead provide that the daily cost assessment for these placements be an amount equal to the amount the providers charge the Department.

4. Deleting the statutory language establishing a single, average rate for each type of alternate care pertains to a provision enacted in 2009 Act 28 that required the Department of Children and Families (DCF) to create and implement a graduated foster care licensing system, including establishing the rate that residential care centers for children and youth, and group homes can charge for services, and the administrative rate that a child welfare agency can charge for the administrative portion of its foster care services. On March 1, 2011, DCF notified area administrators, human services coordinators, bureau directors, care providers, and various county departments by memorandum on the established rates for residential care centers, group homes, and fosters homes for the period of July 1, 2011 through December 31, 2011.

5. The DCF memorandum identifies the following maximum daily rates: (a) \$351.04 for residential care centers for children and youth; (b) \$206.97 for group homes; and (c) \$73.15 for the administrative portion of foster care services. For alternate care funding in the bill, Corrections utilized the following average rates: (a) \$321 in 2011-12 and \$337 in 2012-13 for residential care centers for children and youth; (b) \$194 in 2011-12 and \$202 in 2012-13 for group homes; (c) \$78 in 2011-12 and \$81 in 2012-13 for foster homes; and (d) \$118 in 2011-12 and \$124 in 2012-13 for treatment foster homes. It should be noted that, under Act 28, reference to "treatment foster homes" was deleted in the statutes and replaced with Level 3 Foster Care.

6. Corrections indicates that since DCF is now required to set the rates, and since Corrections pays the actual rates that providers charge (as opposed to the average rate set in statute), there is no need to statutorily set the rates. As such, the Committee may wish to approve the Governor's recommendation.

7. Alternatively, the Committee may wish to retain the statutorily-specified alternate care rates. Although DCF is now required to establish rates for residential care centers for children and youth, group homes and foster care, the established rates are the maximum rates allowed to be charged, not the actual rates that providers will charge. Setting the maximum rates differs from the current alternate care rates, which represent the average rates for care and are utilized to calculate funding for alternate care program. It is unclear how Corrections will calculate alternate care

funding under the revised statutory language. [Alternative 3] On the other hand, the Department has historically calculated funding based on the average cost of alternate care rates and could continue to do so under the statutory changes in the bill.

ALTERNATIVES

1. Approve the Governor's recommendation to adjust funding for alternate care by -\$65,400 PR in 2011-12 and \$182,500 PR in 2012-13 to reflect population estimates and adjusted rates. Further, delete the specified rates for residential care centers, group homes, treatment foster homes, and regular foster homes, and instead specify that the daily cost assessment for these placements be an amount equal to the amount the provider charges the Department.

2. Approve the Governor's recommendation related to funding for the alternate care program (-\$65,400 PR in 2011-12 and \$182,500 PR in 2012-13) but delete the statutory provision removing language specifying the rates for alternate care placements. Specify the alternate care rates as follows: (a) \$321 in 2011-12 and \$337 in 2012-13 for residential care centers for children and youth; (b) \$194 in 2011-12 and \$202 in 2012-13 for group homes; (c) \$78 in 2011-12 and \$81 in 2012-13 for foster homes; and (d) \$118 in 2011-12 and \$124 in 2012-13 for treatment foster homes.

3. Delete provision.

ALT 3	Change to Bill
	Funding
PR	- \$117,100

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