

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-2719/1	Introduction Number AB-0794
Description secured residential care centers for children and youth and granting rule-making authority	
Fiscal Effect	
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
Local: <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
Agency/Prepared By DCF/ ELIZABETH ELGAR (608) 422-6344	Authorized Signature Kim Swissdorf (608) 422-6351
Date 1/26/2018	

Fiscal Estimate Narratives

DCF 1/26/2018

LRB Number	17-2719/1	Introduction Number	AB-0794	Estimate Type	Original
Description secured residential care centers for children and youth and granting rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

This bill transfers licensing authority for a secured residential care center for children and youth (SRCCCY) from the Department of Corrections (DOC) to the Department of Children and Families (DCF). Additionally, the proposed bill:

- requires Milwaukee County to establish or contract for enough SRCCCYs to accommodate all Milwaukee County juveniles who are under a secure correctional placement,
- allows other counties to establish or contract for SRCCCYs, and
- authorizes DCF to establish uniform reimbursement rates for services offered at an SRCCCY.

Data obtained from DOC for calendar year 2016 show approximately 320 juveniles in a juvenile correctional placement. Of these, 190 juveniles were from Milwaukee. The bill allows for a maximum of 12 juveniles per secure RCC, which would require 16 secure RCCs in Milwaukee County. Additional secure RCCs may be established in the balance of the state.

DCF does not license or have specialized knowledge regarding secure facilities. DOC has indicated that it does not currently license secure RCCs. Secure RCCs would add more complexity to what current staff do. The caseload makeup of a current DCF child welfare licensor includes approximately three RCCs, ten group homes, five child placing agencies, and two shelter care facilities. RCCs in general are more complex and time consuming than the other types of facilities. Given this type of facility has not been licensed before by DCF staff, it is estimated that one licensor could license and monitor from 4-6 facilities. Therefore, an additional five licensing staff would be needed (538,600). The following staff would also be needed to respond to the additional caseload: (a) one supervisor (\$153,100); (b) one program and policy analyst (\$115,300); (c) one office program associate (\$77,400); (d) one accountant (\$122,900); and (e) one auditing staff to support the rate-setting process (\$120,000). In addition, one accountant contractor would be needed to help with the initial rate-setting implementation for a one-time cost of \$90,000. Because secure facilities are subject to numerous federal laws, regulations, and litigation risk not present in nonsecure facilities, one additional legal counsel would be required at an annual cost of \$171,300.

The fiscal effect for DCF would be \$1,388,600 for the eleven FTE and one contractor position. Ongoing costs would total \$1,298,600.

It is unknown if costs for counties for secure RCCs would be within their current Youth Aids allocation.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): A contractor to help implement rate setting process would be one-time cost of \$90,000.		
II. Annualized Costs:		
	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$946,600	\$
(FTE Position Changes)		
State Operations - Other Costs	352,000	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$1,298,600	\$
B. State Costs by Source of Funds		
GPR	844,100	
FED	454,500	
PRO/PRS		
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$1,298,600	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By Authorized Signature Date		
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