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ADMINISTRATOR'S MEMO TO COUNTIES

MEMO # 10-01

DATE: January 6, 2010
TO: County Departments of Human/Social Services Directors
FROM: Margaret C. Carpenter, Administrator 
SUBJECT: Adjustments to Youth Aids Funding for CY 2009

This memo is to inform you of adjustments in Youth Aids funding for CY 2009. Due to continued decreases in federal funding provided through Title IV-B to Youth Aids, DJC has determined that as specified in s. 301.031 (2g)(b) and s. 301.26 (7) of Wisconsin Statutes, it must withhold all Emergency Funds in CY 2009 to ensure counties' CY 2009 Youth Aids allocations are adequately funded.

Background

According to Chapter 20 of Wisconsin Statutes, DJC is scheduled to receive \$2,449,200 annually in federal funds. These federal funds represent a portion of the \$100,790,200 in Youth Aids funds DJC allocates to counties annually. Of this amount of federal funds, \$1,100,000 is provided through Title IV-B (Child Welfare) and \$1,349,200 is provided through Title IV-E (Foster Care). Statutory amounts have remained unchanged since the appropriation was established through 1997 Wisconsin Act 27. The amount of Title IV-E funding received for Youth Aids has remained unchanged at \$1,349,200 annually. However, since CY 2002 the amount of Title IV-B funding received for Youth Aids has decreased and is less than the statutory amount. The table on the following page shows Title IV-B funding levels awarded for Youth Aids in each of the last five years and the funding shortfall created each year as a result of reductions in those federal funds.

**Federal Title IV-B Shortfall
CY 2004 through CY 2008**

CY	Statutory Amount	Title IV-B Funding	Shortfall
2004	\$1,100,000	\$1,023,700	(\$ 76,300)
2005	\$1,100,000	\$1,023,700	(\$ 76,300)
2006	\$1,100,000	\$1,023,700	(\$ 76,300)
2007	\$1,100,000	\$982,240	(\$ 117,760)
2008	\$1,100,000	\$916,670	(\$ 183,330)

Despite the shortfall in federal Title IV-B funds over the past several years, DJC has fully funded Youth Aids each calendar year. To cover past shortfalls, DJC used Youth Aids State Carryover, the amount of unused Youth Aids funds from the previous year above the 5% of the initial contract that counties can carry over into the following calendar year.

Based on funding decreases over the last two years, DJC anticipates Title IV-B funding will decrease further for CY 2009. DJC will not be notified of final Title IV-B funding amount for CY 2009 until the first quarter of CY 2010. In addition, DJC anticipates the Youth Aids State Carryover will decrease in CY 2009 as fewer counties will have unused funds available to carry over. The combination of these two factors makes it unlikely Youth Aids State Carryover will be able to sufficiently fund the Title IV-B shortfall for CY 2009.

Statutory Requirements for Youth Aids Funding & Allocations

According to s. 301.26 (7) of Wisconsin Statutes, Youth Aids funds are to be allocated “*within the limits of the availability of federal funds and of the appropriations under 20.410 (3)(cd), (ko), and (o)*”. In addition, according to s. 301.031 (2g)(b), Wis. Stats. “*The department may not approve contracts for amounts in excess of available revenues*”. These sections of statutes authorize DJC to make adjustments to Youth Aids allocations and contracts when the amounts received from the sources that fund Youth Aids are reduced. All Youth Aids allocations have been funded in past years based on the amounts specified in Chapter 20 of Wisconsin Statutes, despite the fact that the amount of federal funds provided has been insufficient since CY 2002. Additional decreases to federal Title IV-B funding require DJC to take further action to ensure it only allocates funds it will receive.

DJC Strategy to Address Shortfall of Federal Funds

As noted, s. 301.26 (7), Wis. Stats., requires DJC to allocate funds within the limits of the availability of federal funds and specific state appropriations. The delay in notification of Title IV-B funding levels limits DJC’s options to address the shortfall, especially for CY 2009. Since the Youth Aids Basic State & Community Allocation has already occurred for CY 2009, it would be impractical to reduce amounts already allocated through the Basic State & Community Allocation.

As prescribed in s. 301.26 (7)(e), Wis. Stats., the Youth Aids Emergency Funds allocation is “not to exceed” \$250,000. This provides DJC with flexibility to reduce the amount of Emergency Funds allocated. Since federal Title IV-B funding has continued to decrease and it is likely Youth Aids State Carryover will no longer be sufficient to fund current and future shortfalls, DJC must elect to withhold CY 2009 Emergency Funds. This is DJC’s strategy to address the CY 2009 Title IV-B shortfall and ensure counties’ CY 2009 Youth Aids allocations are fully funded.

By taking this action, DJC will be able to sufficiently fund Youth Aids for CY 2009. DJC will re-assess the condition of Youth Aids funding after the CY 2009 reconciliation is complete to determine if additional action will be necessary to adequately fund Youth Aids allocations for CY 2010 and CY 2011.

If you have any questions regarding Youth Aids funding, please contact David Bajkiewicz, DJC Budget & Policy Analyst, at (608) 240-5920 or by e-mail at David.Bajkiewicz@wisconsin.gov.

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