

STATE OF WISCONSIN  
Department of Children and Families  
Division of Safety and Permanence

DSP Memo Series 2010 - 09  
September 17, 2010  
Re: Funding Changes for  
Foster Care and Kinship Care  
(SSBG and TANF allocations)

To: Area Administrators/ Human Services Area Coordinators  
Bureau Directors  
Child Placing Agency Directors  
Child Welfare Agency Directors  
County Departments of Community Programs Directors  
County Departments of Developmental Disabilities  
Services Directors  
County Departments of Human Services Directors  
County Departments of Social Services Directors  
Indian Child Welfare Directors  
Licensing Chiefs/Section Chiefs  
Tribal Chairpersons/Human Services Facilitators

From: Cyrus A. Behroozi  
Administrator



This memo explains funding transfers between the Kinship Care allocation and the Children and Families Allocation (CFA) and eWiSACWIS documentation for counties to implement the Levels of Care foster care licensing initiative approved in the 2009 biennial budget, Wis. Act 28.

### **Background**

Under the Levels of Care licensing initiative, Level 1 Foster Care replaces court-ordered Kinship Care (COKC). This will ensure that relatives caring for children under court order are licensed as foster parents. All existing COKC providers and new relative providers must be given the opportunity to be licensed as foster parents. Conversion of existing COKC providers is expected to be completed by the Spring of 2011, with the conversion of COKC providers expected on the provider's Kinship Care annual renewal date. New relative providers are to be licensed as foster parents and may receive Kinship Care payments until the foster care licensing is complete.

As COKC providers convert to foster care, Kinship Care funds can no longer be used to make foster care payments to the providers. To address the funding impacts of the Levels of Care initiative, the Department is transferring funds between the Kinship Care allocation and the CFA so funds that would have otherwise been used for Kinship Care payments are available to counties for foster care payments. Decreases are being made to Kinship Care allocations and corresponding increases are being made to the CFA allocations for Calendar Year (CY) 2010.

Under the s.13.10 process, the Department received approval from the Joint Committee on Finance to transfer funding from the Temporary Assistance for Needy Families (TANF) Block Grant to the Social Services Block Grant (SSBG), which allows TANF funds currently in the Kinship Care allocation to be reallocated as SSBG funds in the CFA. The additional CFA funds will allow counties to cover the Level 1 foster care payments for former COKC providers or the first \$215/month of Level 2 foster care payments for relatives licensed as Level 2 foster parents.

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### Document Summary

This memo explains funding transfers for the Levels of Care foster care licensing, documentation requirements in the eWiSACWIS system, and the availability of assistance for counties with the conversion of kinship providers to foster care licenses.

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Per DSP Numbered Memo 2010-05, the conversion of COKC providers only applies to placements made by county human/social service departments. The Levels of Care initiative does not apply to children placed by a tribal court with relatives receiving Kinship Care payments. Tribal Kinship Care allocations are not affected by this memo.

### **Transfer of Funds**

For the Kinship Care allocation and the CFA allocation, counties will continue to receive the same overall amount of funds for CY2010. The Kinship Care allocation is reduced by the estimated amount of reduced Kinship Care payments for COKC providers converted during CY 2010. A corresponding increase is made to the CFA allocation so funds are available to counties to make foster care payments to the converted providers. The attached schedule shows the CY 2010 allocations before the adjustment, the corresponding adjustment for each county, and the amount of the allocations after the adjustment.

Act 28 assumed that 90% of the current COKC providers would convert to foster care. The conversion to foster care was assumed to begin in April 2010 and conclude in March 2011. Each month, one twelfth of the total Court-Ordered Kinship Care population was expected to convert to foster care. Using these assumptions, the Department estimated that \$1,416,800 was needed to transfer from the Kinship Care to the CFA in State Fiscal Year (SFY) 2011. The \$1,416,800 transfer to the CFA split by CY is \$551,500 for conversions from April – December 2010 and \$865,300 for conversions from January 2011 to July 2011. For CY 2011, the transfer will be \$1,768,100.

The transfer amount was calculated on the COKC caseloads for the first five months of CY 2010. Using the 90% assumption from Act 28, DCF estimated the costs shifting from Kinship Care to the CFA due to COKC conversions. The funds transferred to the CFA for CY 2010 will be added to the CFA funds available for the period of July – December and counties may use the funds to pay for foster care payments for COKC providers converted in CY 2010.

Adding funds to the CFA has the effect of slightly increasing the required minimum county match for the CFA. The attached schedule shows the revised minimum county match for CY 2010. The larger transfer for CY 2011 will have a greater impact on the minimum county match.

The Department will process CY 2010 contract amendments so the funding transfers are reflected in the CARS system. The adjustments for CY 2011 will be reflected in the CY 2011 allocations and contract sent to counties.

### **Impact on Kinship Care**

The transfer of funds from the Kinship Care allocation is only for the expected conversion of COKC providers to foster care. The amount of Kinship Care funding for voluntary Kinship Care cases is not affected by the Levels of Care initiative. The Department will continue to make Kinship Care funds available for the voluntary caseload and monitor voluntary caseloads to determine the need to make funding adjustments between counties. The Department will continue the annual de-obligation and re-obligation process in the fall, focusing on the voluntary portion of the Kinship Care caseload.

The transfer of funds from Kinship Care to the CFA is based on the expected conversion of COKC providers. It is possible that depending on the timing of when conversions actually occur, counties may have more Kinship Care costs for their COKC cases than the COKC-related funding remaining in the adjusted Kinship Care allocation. In that situation, counties are expected to use CFA funds to cover any shortfall in the COKC portion of their Kinship Care allocation.

### **Incentive Funding**

In addition to the transfer of funds, the Department has developed an incentive to encourage the conversion of COKC providers to foster care licensing. The incentive will give counties a financial reward for converting more than 60% of their COKC cases. For each COKC conversion (based on children) above the 60% threshold, the Department will award counties a \$1,000 incentive payment. Counties must convert at least 60% of their COKC providers to foster care to be eligible for incentive payments. The attached schedule shows the number of COKC cases by county and the 60% level to earn incentive payments for conversion.

The incentive payments will be made from TANF funds and calculated based on kinship provider conversions completed by the end of CY 2010. The amount of incentives earned by counties will be added to the Kinship Care Assessment allocation in the 2011 contracts for use during CY 2011. The incentive funds can be used for administrative costs of assessing and licensing kinship providers and for services to kinship providers to enable the providers to take placements. Specific direction on the use of incentive funds will be issued in early 2011 once the incentive amounts have been determined.

### **Levels of Care Monitoring Report**

The Department is developing a new eWiSACWIS report identifying the COKC cases to track the progress of cases through the Levels of Care conversion process. The report will identify the COKC providers, the Kinship Care annual renewal date and the licensing status of the providers so that counties can monitor their conversion efforts. The foster care licensing decision will be reflected in the report, including the certification level of providers who become licensed. The new report will be available in September and information about the report will be sent to county eWiSACWIS contacts. The report will be run regularly in the middle of each month and will be available for On-Demand use. The new report will also be used to determine counts of conversions for the incentive payments.

### **Levels of Care Webcast**

On September 22, 2010, there will be a Levels of Care webcast from 1:00 – 3:00 p.m. regarding the funding transfers and the eWiSACWIS reports for tracking conversion cases. The specific link will be posted on the Levels of Care web page one day prior to the webcast under the Upcoming Training Section of that web page at:

<https://dcf.wisconsin.gov/loc>

### **eWiSACWIS Documentation**

Modifications were made to the eWiSACWIS system in February to implement the Levels of Care initiative, including enhancements to track relative providers while in the licensing process with a new requirement to enter information *within 5 days or by the end of the calendar month, which ever is earlier when a foster care application is provided to a relative caregiver*. The policy requirements and eWiSACWIS documentation guide for foster care licensing activities are attached to this memo. Agencies should use this instruction for documenting foster care licensing activities.

The conversion of COKC providers to foster care will increase the amount of Title IV-E administrative revenue associated with relative placements because licensed foster care is a IV-E reimbursable placement setting. Improving IV-E revenue is important because IV-E revenue is one of the major funding sources for the Children and Families Allocation. Federal IV-E policy allows administrative claiming to begin for children placed with relative providers while the providers are going through the licensing process since relatives are typically licensed after the placement is made. Following the attached documentation instructions for licensing COKC providers will allow IV-E revenue to be claimed during the licensing process as well as after the foster care license is issued.

### **State Assistance with Conversion Cases**

The Department has contracted with the Professional Services Group (PSG) for regional out-of-home care (OHC) liaisons that can provide licensing assistance to county agencies for the conversion of COKC providers seeking foster care licensure. DSP Info Memo 2010-09 describes the availability of the OHC liaison staff for licensing assistance. Counties can request assistance for both conversion of existing kinship providers and licensure of new relative providers.

The process for requesting assistance was explained in DSP Info Memo 2010-03. In addition to the process explained in that memo, a workflow for conversion requests and sample letters are attached to this memo. Counties should use these materials to request licensing assistance.

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