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Pay For Itself*Proposed Reforms of Children's Services Will Save Money in FY 2010*

The Maryland Can Do Better for Children campaign has proposed a package of reforms to improve services for children in the areas of education, health, juvenile justice, child welfare, economic security and racial equity. A large array of influential people and organizations has endorsed this reform agenda. Advocates for Children and Youth, with the help of a fiscal expert, calculated the cost of implementing these reforms during FY 2010, which starts July 1, 2009. The table below provides the result of this analysis. A technical appendix provides the details.

The bottom line is that the Maryland Can Do Better for Children reforms will *save* the State money during FY 2010. Initial costs are more than offset by redirected resources and savings from avoided costs. This means that the tight fiscal situation is not a barrier to these reforms; in fact, efforts to improve outcomes and save money have even more appeal.

Campaign Reforms	Cost (millions)	Savings (millions)	Total (millions)
Education: Recruiting strong principals to the most challenging schools and expanding proven interventions that reduce disruptive classroom behavior. FY 2010 expenses are offset by redirecting part of an existing state fund that no longer serves its original purpose.	\$3.5	- \$3.5	= \$0.0
Children's Health: Improving health care for women before and during their pregnancies in order to improve Maryland's dismal birth outcomes. The cost of providing continuing health insurance for at-risk women is offset by the reduced cost of medical services for premature and low birth weight babies.	\$4.4	- \$5.0	= -\$0.6
Juvenile Justice: Expanding evidence-based community services for delinquent youth and using the proven Missouri Practice Model in facilities for higher risk youth. The extra cost of community services is offset by reduced residential placements needed because of improve public safety.	\$5.0	- \$6.2	= -\$1.2
Child Welfare: Implementing family-centered case practice and expanding support for foster families. The cost of training caseworkers and adding services is offset by reduced out-of-home placements, particularly in group homes.	\$3.5	- \$5.1	= -\$1.6
Economic Security: Expanding use of food stamps for eligible families and planning comprehensive preventive services in distressed services, modeled after the Harlem Children's Zone. Food stamps are federally-funded.	\$0.0	- \$0.0	= \$0.0
Racial Equity: Requiring agencies to focus on racial disparities through the Governor's StateStat process of reporting data on key measures of effectiveness.	\$0.0	- \$0.0	= \$0.0
Total Campaign Costs and Savings in FY 2010 (Millions)	\$16.4	- \$19.8	= -\$3.4



Pay for Itself

Technical Appendix

Education

Recruitment Incentives for Strong Principals

Calculation of Cost of Recommended Intervention: The campaign recommends bonuses of \$200,000 over four years for principals with a proven track record who work in challenging schools. There are about 200 such schools. With a four-year phase-in, during the first year there will be 50 principals receiving bonuses of \$50,000 each, for a total FY 2010 cost of \$2.5 million.

Calculation of Reduced Costs & Net Savings Related to Intervention: The campaign proposes redirecting \$2.5 million from an existing state program, called School Improvement Grants. This program initially earmarked funds for low-performing schools; however, the funds no longer go to these schools and can be redirected to principal incentives. This means that there is no FY 2010 net cost.

Positive Behavioral Interventions and Supports

Calculation of Cost of Recommended Intervention: The campaign recommends expansion of Positive Behavioral Interventions and Supports (PBIS) to additional schools and adding interventions for students who need more intensive help. Schools will receive technical assistance at a cost of an additional \$1 million in FY 2010.

Calculation of Reduced Costs & Net Savings Related to Intervention: The campaign proposes redirecting \$1 million from the state School Improvement Grants in FY 2010 (see above). This means that there is no FY 2010 net cost.

Health

Pre-Conception Care

Calculation of Cost of Recommended Intervention: The campaign calls for a targeted state-financed health care extension to address the health care needs of women who previously had a Medicaid-financed birth with a poor outcome.¹ ACY used data from calendar year 2007 to estimate the number of low-income women not covered by Medicaid beyond two months post-partum who are at risk of a subsequent poor birth outcome. In 2007, there were 29,196 Medicaid-financed births in Maryland, and 10.6 percent of those deliveries resulted in a low-birth weight baby.² Accounting for Maryland's multiple birth rate of 3.8 percent of live births,³ the number of women who had a Medicaid-financed birth is 28,078. ACY estimates that 21,662 women with a Medicaid-financed delivery were citizens or legal immigrants⁴ and that 2,302 of these women delivered a low birth weight baby.

Assuming a comparable number of women with poor birth outcomes, many are currently eligible for health coverage after their pregnancy. Teenagers who have a Medicaid-financed birth are eligible for medical assistance and Early Periodic Screening, Diagnosis and Treatment (EPSDT) services until they turn 21. So 196 of the 2,302

¹ Thirty percent of women who experience a first poor birth outcome go on to have a second poor outcome.

² Maryland Health Services Cost Review Commission data for calendar year 2007

³ See March of Dimes Perinatal Data Center at <http://www.marchofdimes.com/peristats>. Multiple birth rate data are 2005 data from the National Center of Health Statistics.

⁴ Despite the fact that pregnant women under 250 percent of poverty are eligible for Maryland Medicaid coverage, many of the 28,078 women who had a Medicaid covered birth were not covered by Medicaid during their pregnancy. In 2007, only 15,247 women were enrolled in Medicaid during their pregnancy. See Maryland FY 2009 Operating Budget, Department of Health and Mental Hygiene (DHMH), Volume II, page 294. (The federal Sixth Omnibus Budget Reconciliation Act (SOBRA) included authorization for Medicaid coverage of pregnant women.) A number of factors contribute to low enrollment numbers, including lack of knowledge about eligibility, enrollment barriers, substance abuse, and immigration status. ACY has not included undocumented immigrants in the state-financed extension at this time. For this cost estimate, ACY projects that 6,415 women, or half of the 12,831 unenrolled women who had a Medicaid-financed birth, were not enrolled due to undocumented immigration status.

women with a Medicaid-financed low birth weight delivery would be covered after their pregnancy, leaving 2,107 women eligible for the proposed state-financed extension.⁵ As a result of the July 1, 2008, Medicaid expansion for parents, all pregnant women with family incomes up to 116 percent of the federal poverty level (FPL) will remain eligible for Medicaid after their delivery.⁶ So of the remaining 2,107 women, only those with incomes between 116 percent and 250 percent FPL, an estimated 741 women, would need to be covered under the extension,⁷ at an annual state cost of \$4,390,753.⁸

Calculation of Reduced Costs & Net Savings Related to Intervention: Rhode Island's Rite Care Medicaid waiver offered primary care services for two years to women with a Medicaid-funded poor birth outcome. Within two years of implementation, the number of women with a Medicaid-funded birth who became pregnant again within 18 months declined by 30 percent.⁹ Colorado's Interconception Health Promotion Initiative provided pre-conception care to women with a previous poor birth outcome. Women who completed the program were 60 percent less likely to experience a subsequent low birth weight birth than eligible women who declined participation.¹⁰ While a 60-percent reduction in low-birth weight deliveries is unlikely in the first year of the extension, ACY projects at least a 10-percent first-year reduction in Medicaid-funded low birth weight deliveries. Medicaid-funded neonatal intensive care unit (NICU) costs in Maryland were \$100,331,493 in FY 2007.¹¹ At a 50-percent federal/state match, reducing these costs by 10 percent would save \$5,016,575 in state-funded Medicaid NICU costs. A successful implementation of the targeted extension of health care coverage would yield net savings of \$625,822.

Juvenile Justice

Multi-Systemic Therapy

Calculation of Cost of Recommended Intervention: The campaign recommends investing \$3 million in the FY 2010 state budget to expand Multi-Systemic Therapy (MST). At a cost of \$10,000 per youth, an additional \$3 million for MST could pay for 300 more slots for appropriate youth.¹²

Calculation of Reduced Costs & Net Savings Related to Intervention: There is a 90-percent success rate at diverting Department of Juvenile Services (DJS) youth from residential placement for youth receiving MST through the Baltimore County MST Compact.¹³ Baltimore County youth referred for MST are committed to DJS, are post-adjudication, and otherwise would have entered residential placement. At a 90-percent diversion rate,

⁵ See KIDS COUNT Right Start indicator data for Maryland at www.aecf.org/kidscount. In 2005, 8.5 percent of Maryland births were to females under the age of 20.

⁶ For more information on the Working Families and Small Business Health Coverage Act, see <http://mlis.state.md.us/2007s1/billfile/sb0006.htm>.

⁷ ACY requested information on the income level of Medicaid SOBRA women from Department of Health and Mental Hygiene and the Department of Legislative Services. This information was not available, so ACY estimated that all of the unenrolled women and half of the Medicaid SOBRA women had income below 116 percent FPL. Using the percentage of total Medicaid births to SOBRA women, we estimated 55 percent of the deliveries with a low birth weight baby were to Medicaid SOBRA women.

⁸ See Maryland FY 2009 Operating Budget, Department of Health and Mental Hygiene, Volume II, page 294. The average annual cost for Medicaid for adults in the Temporary Cash Assistance (TCA) program was \$5,150 for FY 2006. ACY recommends adding a 15-percent premium for expanded outreach and intensive case management services, for a total annual average cost of \$5,923.

⁹ Hall, Elinor and Michelle Berlin, "Using Medicaid to Support Preterm Birth Prevention: Five Case Studies," May 2004, prepared for March of Dimes and available at http://www.marchofdimes.com/files/Medicaid_and_Prematurity_II_Hall-Berlin.pdf.

¹⁰ See "Interconception Health Promotion Initiative Final Report," The Research and Evaluation Group, Department of Family Medicine, University of Colorado, June 9, 2003, available at <http://www.thecoloradotrue.org/repository/publications/pdfs/IHPIFinalReport04.pdf>

¹¹ Medicaid NICU spending for FY 2007 provided by Maryland Health Services Cost Review Commission staff.

¹² ACY staff interviewed the Director of Compact Development for Baltimore's Safe and Sound Campaign who reported the cost of MST per youth in the Baltimore County MST Compact is \$10,000.

¹³ Interview with Director of Compact Development.

expanding MST to 300 similar youth would divert 270 from admission into residential placement. According to DJS StateStat reports, in FY 2008, there were 6,613 admissions to detention facilities for pre-adjudicated youth and 3,426 admissions to residential placement for post-adjudicated youth.¹⁴ If MST enabled 270 youth to avoid these post-adjudication residential placements, the diversion rate would be 8 percent of all post-adjudication admissions.

ACY used this 8-percent diversion rate to calculate line-item savings for costs related to residential placements in the DJS budget. Savings for youth diverted from contracted per diem placements are calculated by reducing the FY 2009 “Residential Contractual” General Fund allowances¹⁵ of \$15,418,799 for the Western Region and \$30,892,394 for other regions by 8 percent, for a savings of \$3,649,744. To calculate the savings related to avoided placements in state-operated facilities, the 8-percent diversion rate was applied to residential support and health services costs and further allocated with appropriate StateStat data on residential admissions and intake. The savings from diversions from admissions to state-run facilities is \$917,156.¹⁶ A similar methodology of allocated savings was used to determine the \$229,266 in administrative and health services savings related to reduced admissions to contracted, per diem placements.¹⁷ ACY estimates the total state savings from diverting 270 youth from post-adjudication residential placement at \$4,796,166. Since the additional 300 MST slots would cost \$3 million, the state would net a first-year savings of \$1,796,166.

Missouri Practice Model

Calculation of Cost of Recommended Intervention: The campaign recommends implementing the Missouri Practice Model to expand rehabilitative services and casework for delinquent youth in confinement and after release. These reforms have been implemented in other jurisdictions with no additional operating budget costs.¹⁸

Calculation of Reduced Costs & Net Savings Related to Intervention: The array of reforms in the Missouri Practice Model can reduce the recidivism rate for re-commitment to juvenile system or incarceration in the adult correctional system by up to 50 percent.¹⁹ In FY 2006, 14 percent of the 1,847 youth released from residential programs were re-committed to DJS or incarcerated within one year.²⁰ Reducing the recidivism rate to 7 percent would result in 130 fewer youth being re-committed or incarcerated within one year. ACY assumed that half of those youth would have been re-committed to the DJS system and half would have been incarcerated in the adult

¹⁴ The most recent StateStat data for DJS are available at <http://www.djs.state.md.us/djs-state-stats.xls>.

¹⁵ All spending and savings data are General Funds unless otherwise noted. The FY 2009 State of Maryland Operating Budget detail is available at www.dbm.maryland.gov.

¹⁶ The FY 2009 allowances for “Residential Operations” (\$6,792,705) and “Western Region – Residential Support” (\$656,965) were reduced by the 8-percent diversion rate and allocated to post-adjudication placements using StateStat average length of stay (ALOS) data that show that 80.31 percent of total days in DJS residential placements occur post-adjudication. The related savings due to expanded use of MST is estimated at \$844,897. For administrative savings in “Residential Services,” ACY reduced the FY 2009 allowance (\$1,261,085) by the 8-percent diversion rate, allocated that by the 80 percent post-disposition placement days rate, and further allocated that savings with StateStat ALOS data that report that 20.20 percent of post-adjudication residential placement days are spent in a state-operated facility. ACY estimates a related administrative savings of \$16,121. ACY also determined the savings from the reduced need for health and behavioral health services in state-run facilities. The “contractual” line items for “Health Services” (\$6,329,316) and “Behavioral Health Services” (\$7,411,354) were reduced by the 8 percent diversion rate and allocated using the 80 percent post-disposition placement rate and the 20.20 percent state-operated rate. In addition, these health savings are allocated using the percentage of residential admissions relative to the number of DJS continued at intake cases (31.96 percent). ACY estimates a related savings of \$56,138.

¹⁷ The FY 2009 “Residential Services” allowance and the “contractual” line items for health and behavioral health services were reduced by the 8-percent diversion rate, allocated by the 80 percent post-adjudication rate, and then allocated by StateStat ALOS data that report that 64.09 percent of post-adjudication residential placement days are spent in a private facility.

¹⁸ ACY staff interviewed Vinny Schiraldi, Director of the D.C. Department of Youth Rehabilitative Services, who reported that similar reforms were implemented at no additional operating cost.

¹⁹ Greenwood, Peter, “Prevention and Intervention Programs for Juvenile Offenders,” *The Future of Children*, Volume 18, Number 2, Fall 2008, page 205.

²⁰ FY 2009 Maryland Operating Budget, Department of Juvenile Services, Volume III, page 715

system.²¹ Using StateStat data, ACY calculated a DJS residential diversion rate of 0.64 percent with 65 fewer youth being placed due to recidivism. With a similar methodology to the MST savings calculation, ACY allocated the diversion rate to determine avoided costs for contractual residential (\$298,216), health and operations costs in state-run facilities (\$65,566) and health and operation costs in private facilities (\$61,909). ACY also calculated the avoided marginal costs of food and health services in the adult correctional system from a diversion rate of 0.29 percent²² with 65 fewer youth being incarcerated at \$269,057.²³ Since the Missouri Practice Model Reforms can be implemented with no additional operating cost, the \$694,747 in reduced costs is the net savings due to implementation.

Functional Family Therapy

Calculation of Cost of Recommended Intervention: The campaign recommends investing \$2 million to expand access to Functional Family Therapy (FFT) for 400 additional at-risk youth.²⁴

Calculation of Reduced Costs Related to Intervention: For youth that receive services, FFT has been shown to reduce recidivism or the onset of offending by up to 60 percent.²⁵ Therefore, FFT for 400 additional youth could divert 240 youth from entering the juvenile justice system. Using StateStat data on FY 2008 DJS referrals that are continued at intake (31,412), ACY determined that 240 diverted youth represented a diversion rate at intake of 0.76 percent and used this diversion rate to calculate avoided DJS costs. FY 2009 allowances for “Residential Contractual” and “Residential Support/Operations” in the Western Region and statewide were directly reduced by 0.76 percent for a savings of \$455,832. The contractual line items for “Health Services,” “Behavioral Health Services,” and “Community Services Supervision” were also reduced by the 0.76-percent diversion rate for a state savings of \$233,658. The total first-year reduced costs from an additional 400 FFT slots would be \$689,490. Thus, this intervention has a net cost of \$1,310,510; however, it is more than offset by the savings from Multi-Systemic Therapy and the Missouri Practice Model.

Child Welfare

Family Team Decision Making

Calculation of Cost of Recommended Intervention: The campaign recommends implementing Family Team Decision Making (FTDM) statewide by contracting for the development of a new Quality Service Review (QSR) tool and related technical assistance, re-training and re-tooling existing Department of Human Resources (DHR) staff and hiring 10 additional Quality Assurance (QA) staff. ACY estimates the total cost for the QSR tool and technical assistance at \$300,000²⁶ and the total cost of re-training all state child welfare staff at \$1.9 million.²⁷ The total cost of hiring ten additional QA staff would be \$481,000.²⁸ To estimate the portion of state funds for the QSR tool and the additional QA staff, ACY applied the 45 percent ratio of General Funds to total funds for FY

²¹ ACY staff interviewed officials in the Division of Youth Services, Missouri Department of Social Services, who reported about half of recidivating youth are re-committed to the juvenile system and half are incarcerated in the adult system.

²² See Department of Public Safety and Correctional Services, Division of Corrections, FY 2007 Annual Report, page 44. The total June 30, 2007, population in state correctional facilities was 22,464.

²³ See FY 2009 Maryland Operating Budget, Department of Public Safety and Correctional Services, Volume II. FY 2007 actual costs for “Dietary Services” and “Clinical and Hospital Services” in state correctional facilities totaled \$93,496,589.

²⁴ Interview with Director of Compact Development. Per youth cost of FFT is \$5,000.

²⁵ Sexton, Thomas, L. and James F. Alexander, “Functional Family Therapy,” U.S. Department of Justice, Office of Juvenile Justice and Delinquency Prevention, December 2000, page 2, available at <http://www.ncjrs.org/pdffiles1/ojjdp/184743.pdf>.

²⁶ ACY staff interviewed Paul Vincent, Executive Director, Child Welfare Policy & Practice Group, who estimated the cost of the new QSR instrument for Maryland.

²⁷ See Analysis of the FY 2009 Maryland Executive Budget, “DHR Child Welfare,” Maryland Department of Legislative Services, Exhibit 7, page 15. ACY used the number of filled positions and, based on ACY staff interviews with Anne Arundel County Department of Social Services officials who reported FTDM re-training was complete, subtracted Anne Arundel county staff from the total and added 10 additional staff for the new QA positions. ACY estimated that 1,917 staff would need training at a cost of \$1,000 per employee, or \$1,917,000.

²⁸ Eight additional QA staff and 2 additional QA supervisors would cost \$481,000 at \$35,000 per year for staff and \$45,000 per year for supervisors plus an additional 30 percent for fringe benefit costs.

2007 actual costs for “Local Child Welfare Services.”²⁹ At 45 percent state funding, the state cost of the QSR tool would be \$135,204 and the state cost of additional QA staff would be \$216,777. ACY estimates the state portion of the FTDM training cost at \$910,575.³⁰ The state cost for technical assistance, training and new QA staff related to FTDM implementation is \$1,262,556.

Calculation of Reduced Costs & Net Savings Related to Intervention: After implementing FTDM, San Francisco reported a 10-percent net drop in foster care entries within a year.³¹ ACY applied the 10-percent drop to StateStat data on FY 2008 monthly foster care entries.³² With StateStat case mix data, ACY distributed the reduction in entries to each placement type³³ and applied the monthly cost to determine monthly savings due to reduced entries in care for each placement type.³⁴ ACY estimates the first-year reduction in state costs related to a phased-in 10-percent drop in foster care entries at \$1,441,058.³⁵ The net savings from FTDM implementation would be \$178,502.

Group Home Reduction Efforts

Calculation of Cost of Recommended Intervention: The campaign recommends reducing the number of foster children in group settings through enhanced performance-based contracting, creating more treatment foster homes and placing more children in foster homes. As indicated below, the anticipated number of children impacted during the first year is 14 percent of children currently in group homes. A document recently published by the Department of Human Resources indicates that up to 90 percent of these children will need treatment foster homes while the remaining 10 percent can be placed in a family foster home.³⁶ In this scenario, the total cost of increased foster care payments due to children stepping-down from group care to treatment foster homes would be \$3,088,627 and to family foster homes would be \$79,599, for a total cost of \$3,168,226.³⁷ The state cost of these increased foster care payments is \$2,198,699.³⁸

²⁹ See the FY 2009 Maryland Operating Budget, Department of Human Resources, Volume II, page 451. FY 2007 actual General Funds were \$79,572,551 and total funds were \$176,343,048.

³⁰ State child welfare training costs are eligible for an enhanced federal Title IV-E match of 75 percent. (Title IV-E of the Social Security Act authorized federal financial participation in foster care costs.) States must first allocate the training cost to IV-E eligible children using the State’s IV-E eligibility rate before claiming the 75-percent federal match. To determine the state cost of the FTDM training, ACY assumed a 70-percent IV-E eligibility rate and applied the 75-percent federal matching rate to the \$1.9 million in training costs, for a state cost of \$910,575.

³¹ “Places to Watch: Promising Practices to Address Racial Disproportionality in Child Welfare Services,” The Center for the Study of Social Policy, see page 7 of the San Francisco case study/site visit report.

³² We assumed a phased-in reduction of entries related to the phased-in FTDM implementation. We projected no drop in entries for the first three months of the fiscal year with phase-in to the full 10 percent reduction by halfway through the year. Based on StateStat average length of stay data, we assumed the savings from avoided entries would continue for each month through the end of the fiscal year.

³³ Placement types counted are treatment foster care, kinship/family foster care, group homes, independent living, trial home visits, and other placements. Foster children are also placed in residential treatment centers, but those costs are paid through Medicaid and are not counted in this analysis.

³⁴ Fiscal staff in the Governor’s Office for Children (GOC) reported an average monthly cost for group care of \$5,522 and for treatment foster care of \$3,600. The monthly rate for family foster homes is \$835 and ACY assumed the monthly cost for trial home visits would be the same. ACY estimated a monthly cost for independent living and other placements of \$1,800.

³⁵ Total savings by placement type are \$591,369 for treatment foster care; \$406,635 for family foster homes; \$874,997 for group homes; \$43,514 for independent living; \$76,481 for other placements; and \$28,085 for trial home visits. See FY 2009 Maryland Operating Budget, Department of Human Resources, Volume II, page 454 for foster care payment spending data. The FY 2007 actual total cost was \$344,065,876, while the actual General Fund cost was \$248,784,145. So the \$1,993,039 reduction in total foster care payments would reduce state costs by \$1,441,058.

³⁶ The document distributed by the Department of Human Resources is titled “State of Maryland Department of Human Resources” and documents the change by jurisdiction in the number of foster children in group care and treatment foster care between September 2007 and September 2008. The data show a decrease of 807 children in group care and an increase of 750 children in treatment foster care. For this cost estimate, ACY assumes that all the increase in treatment foster care is due to children leaving group care; in fact, some of the increase is due to children entering treatment foster care for other reasons.

³⁷ For treatment foster care cost, see supra note 36. The monthly rate is \$835 for family foster homes. Similar to the FTDM methodology, ACY assumed that once a foster child stepped down, they would remain in the placement type for the rest of

Calculation of Reduced Costs & Net Savings Related to Intervention: According to StateStat data, in August 2008, there were 1,268 foster children in placed in group homes. A 14-percent reduction in the group home population would reduce the number of children care by 178 which would reduce state costs by \$3,653,142.³⁹ Considering the cost described above, the net savings from reducing group home placements in FY 2010 is \$1,454,443.

Economic Security

Maximizing Use of Food Stamps

Calculation of Cost of Recommended Intervention: The campaign recommends expanded outreach to families that are eligible but not enrolled in food stamps and removing unnecessary barriers to enrollment and recertification. The Governor recently proposed these reforms as part of his Partnership to End Childhood Hunger in Maryland. The cost of additional enrollees in food stamps is born by the federal government.

Calculation of Reduced Costs & Net Savings Related to Intervention: There are no changes in costs. As such, the overall cost to the State in FY 2010 is \$0.

Replicating the Harlem Children's Zone

Calculation of Cost of Recommended Intervention: The campaign recommends that the Governor name a point person who can facilitate efforts to replicate the Harlem Children's Zone, a proven model for providing comprehensive preventive services to families in distressed neighborhoods. The point person would be an existing position. As such, the FY 2010 cost is \$0.

Calculation of Reduced Costs & Net Savings Related to Intervention: There are no changes in costs. As such, the overall cost to the State in FY 2010 is \$0.

Racial Equity

Reporting Data on Racial Equity Indicators

Calculation of Cost of Recommended Intervention: The campaign recommends that child-serving agencies identify and report data on key indicators of racial disparity as part of the Governor's StateStat Initiative. There is no additional cost for FY 2010.

Calculation of Reduced Costs & Net Savings Related to Intervention: There are no changes in costs. As such, the overall cost to the State in FY 2010 is \$0

the year. Distributing the 14 percent reduction in group care population, ACY estimated the increase in treatment foster care placements at 160 children and the increase in regular foster care placements at 18. By phasing in this increase throughout the year, ACY determined a monthly foster care payments increase for each "step-down" month and then summed that for the full-year cost increase.

³⁸ For calculation of state portion of cost, see supra note 37.

³⁹ For group care cost, see supra note 36. The total reduced cost from reduced placements in group care is \$5,264,012. For calculation of state portion of cost, see supra note 37.