

WAIVER PLAN COST NEUTRALITY CALCULATION

(Example follows)

1. Cost of Project	\$20,000.
2. Foster Care Dollars to be transferred to Waiver Budget. (Amount in # 1 divided by 84%) NOTE: 84% is the average Federal and other dollars match portion given that some children will be served at home rather than in foster care. Dollars from parental support and Social Security will no longer be available to the agency.	\$23,810.
3. Average foster care rate. (\$419.00 is average unless a specific population is targeted i.e., young children to be served)	419
4. Number of months of foster care to be saved to be revenue neutral. (Number 2 divided by foster care rate.)	57
5. Reduction in branch Average Daily Population proposed as a result of project. (Divide #4 above, by number of months Waiver plan to be in effect.)	5 ADP
6. Current Branch Foster Care Population	80
7. Percentage of reduction in branch foster care population expected as a result of this Waiver expenditures for project (Divide #5 above by current branch population in #6.)	6%
8. Number of children project will serve. (Multiply families served by 1.7 children per family)	40
9. Months per child needed to be saved to be revenue neutral. (#4 - months for revenue neutral divided by #8 - number of children served in the project.) Note: This figure should not exceed six months. In actual practice the number of months may need to be greater if there is less than 100% success in keeping children out of care or returning them home is anticipated.	1 Month