

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 24, 2003

TO: Honorable Harold V. Dutton, Jr., Chair, House Committee on Juvenile Justice & Family Issues

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1908 by Farrar (Relating to reasonable efforts to return a child to the child's home in certain suits affecting the parent-child relationship.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1908, As Introduced: a negative impact of (\$11,900,006) through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$5,235,311)
2005	(\$6,664,695)
2006	(\$8,229,078)
2007	(\$9,922,198)
2008	(\$11,776,778)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE FUND</i> 1	Probable Revenue (Loss) from <i>FEDERAL FUNDS</i> 555
2004	(\$5,235,311)	(\$5,235,311)
2005	(\$6,664,695)	(\$6,664,695)
2006	(\$8,229,078)	(\$8,229,078)
2007	(\$9,922,198)	(\$9,922,198)
2008	(\$11,776,778)	(\$11,776,778)

Fiscal Analysis

The bill would remove provisions requiring a finding by a court that the Department of Protective and Regulatory Services (PRS) made reasonable efforts to return a child to the child's home in certain suits affecting the parent-child relationship, such as a proceeding that involuntarily terminates parental rights.

In order to receive federal foster care maintenance payments (Title IV-E), a state must make reasonable efforts to maintain the family unit and to effect the reunification of the child and family. (42 CFR 1356.21) If a judicial determination concerning reasonable efforts to prevent the removal of the child from his or her home is not made, the child is not eligible to receive Title IV-E federal funds.

Methodology

In cases where no judicial determination is made concerning reasonable efforts to prevent the removal of the child from the home, it is assumed that the state would receive no federal IV-E funds for that child. According to PRS, 8,884 children received IV-E funds for their foster care. PRS assumes that in FY 2004, approximately 5% of these children would no longer be eligible for IV-E federal funding for this reason. This percentage is assumed to increase by 1% each year thereafter.

The state and federal share of IV-E funding is determined by the Federal Medical Assistance Percentage (FMAP).

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 530 Department of Protective and Regulatory Services

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