

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 21, 2003

TO: Honorable Kenny Marchant, Chair, House Committee on State Affairs

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1911 by Talton (Relating to the placement of a child in foster care.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1911, As Introduced: a negative impact of (\$15,708,921) 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	(\$8,656,178)
2005	(\$7,052,743)
2006	(\$7,052,743)
2007	(\$7,052,743)
2008	(\$7,052,743)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE FUND</i> 1	Probable (Cost) from <i>GR MATCH FOR MEDICAID</i> 758	Probable (Cost) from <i>GR MATCH FOR TITLE IV-E</i> 8008	Probable (Cost) from <i>FEDERAL FUNDS</i> 555
2004	(\$6,533,462)	(\$66,927)	(\$2,055,789)	(\$3,721,164)
2005	(\$5,327,844)	\$0	(\$1,724,899)	(\$3,022,604)
2006	(\$5,327,844)	\$0	(\$1,724,899)	(\$3,022,604)
2007	(\$5,327,844)	\$0	(\$1,724,899)	(\$3,022,604)
2008	(\$5,327,844)	\$0	(\$1,724,899)	(\$3,022,604)

The bill would require the Department of Protective and Regulatory Services (PRS) to adopt minimum standards for licensed child-care facilities and registered family homes that would prevent the placement of children in foster homes with unmarried individuals. The bill would take effect on September 1, 2003.

Fiscal Analysis

PRS reports that 2,252 children were living in 1,560 foster homes with single parents as of February 1, 2003. There were 1,027 foster children in 850 PRS homes and 1,225 foster children in 710 private child-placing-agency homes. All of these homes would be closed over a three-month period of time during fiscal year 2004.

Methodology

PRS estimates that substitute care workers would require 4.61 hours to move each child to a new placement for a total of 10,381 hours in overtime expenses. The agency also anticipates making higher foster care payments for 272 Level One children who would be placed in an emergency shelter while waiting for a new home; 362 Level One children who would move into a residential facility; and 720 other children who would live in an emergency shelter for 60 days while waiting for a new home. There would be additional costs to recruit, train and verify new foster homes.

Temporary Assistance for Needy Families (TANF) Federal Funds could be substituted for \$4.3 million in General Revenue Funds for fiscal year 2004 and \$3.5 million in General Revenue Funds for each subsequent fiscal year.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 530 Department of Protective and Regulatory Services

LBB Staff: JK, JO, RR, NM