

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION
Revision 1

April 25, 2003

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB58 by Zaffirini (Relating to the creation of a relative caregiver placement program for certain children for whom the Department of Protective and Regulatory Services is appointed managing conservator.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB58, Committee Report 1st House, Substituted: a negative impact of (\$14,179,628) 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	(\$1,076,479)
2005	(\$13,103,149)
2006	(\$13,090,985)
2007	(\$13,090,986)
2008	(\$13,090,985)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/ (Cost) from <i>GENERAL REVENUE FUND 1</i>	Probable Savings/ (Cost) from <i>GR MATCH FOR MEDICAID 758</i>	Probable Savings/ (Cost) from <i>FEDERAL FUNDS 555</i>	Change in Number of State Employees from FY 2003
2004	(\$1,052,682)	(\$23,797)	(\$51,560)	2.0
2005	(\$12,911,264)	(\$191,885)	(\$445,884)	20.0
2006	(\$12,911,264)	(\$179,721)	(\$423,621)	20.0
2007	(\$12,911,264)	(\$179,722)	(\$423,619)	20.0
2008	(\$12,911,264)	(\$179,721)	(\$423,621)	20.0

Fiscal Analysis

The bill would require the Department of Protective and Regulatory Services (PRS) to develop and administer a relative caregiver placement program for certain children in the agency's managing conservatorship. It would require PRS to adopt rules that include eligibility criteria for the relative caregiver placement program. It would also require PRS to enter into an assistance agreement with each relative caregiver that may include the following:

- 1) A one-time cash payment of not more than \$1,000 on initial placement of one child or a sibling group;

- 2) Case management, training, and information about the child's or children's needs until the relative is appointed permanent managing conservator;
- 3) Reimbursement for all child-care expenses while the child is in PRS managing conservatorship and up to 50 percent child care expenses when the relative is appointed permanent managing conservator;
- 4) Reimbursement for other expenses not to exceed \$500 per year for each group of related children; and
- 5) Up to two years of family counseling not covered by Medicaid.

The bill would take effect on September 1, 2003.

Methodology

The Department of Protective and Regulatory Services (PRS) estimates that the relative caregiver placement program would serve 625 children in two regions during fiscal year 2004 and 7,900 children statewide during fiscal year 2005. The number of children served would rise five percent in each subsequent year. The agency assumes the following:

- 1) The number of relative families caring for children would be 272 in fiscal year 2004 and 3,435 in fiscal year 2005. This number would rise five percent in each subsequent year.
- 2) Each relative family would be eligible for the \$1,000 cash payment and the \$500 annual reimbursement. The total cost would be approximately \$400,000 in fiscal year 2004 and \$5.0 million in fiscal year 2005. These costs would rise five percent in each subsequent year.
- 3) Fifty percent of the children would receive day care services. The total cost would be approximately \$550,000 in fiscal year 2004 and \$7.0 million in fiscal year 2005. These costs would rise five percent in each subsequent year.
- 4) Twenty-five percent of the families would receive family counseling. The total cost would be approximately \$20,000 in fiscal year 2004 and \$260,000 in fiscal year 2005. These costs would rise five percent in each subsequent year.
- 5) All of the families would receive case management, training and information while the child is in PRS managing conservatorship.

The agency estimates that two regional staff (FTEs) would be required in fiscal year 2004 for a total cost of \$112,007 and 20 FTEs would be required in fiscal year 2005 for a total cost of \$1,088,317. The total costs include salary, fringe benefits, travel, furniture, equipment and standard overhead items. They would fall to \$1,008,503 in subsequent fiscal years due to one-time costs that occur only in the first two years of the program.

It is assumed that TANF Federal Funds would not be available to finance the relative caregiver placement program. The agency estimates that the following amounts of TANF Federal Funds could be substituted for General Revenue Funds if TANF Federal Funds were to become available: \$300,000 in fiscal year 2004, \$3.7 million in 2005, \$3.9 million in 2006, \$4.0 million in 2007 and \$4.2 million in 2008.

Technology

PRS estimates that 300 programming hours would be required to make system changes so the Child and Adult Protective System (CAPS) can provide eligibility determinations for relative families. The total cost would be \$30,000 (\$300 hours @ \$100 per hour).

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 530 Department of Protective and Regulatory Services

LBB Staff: JK, JO, EB, NM