

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 11, 2007

TO: Honorable Patrick M. Rose, Chair, House Committee on Human Services

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3007 by Pierson (Relating to the approval of relative caregivers by the Department of Family and Protective Services as foster homes.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3007, As Introduced: a negative impact of (\$56,195,961) through the biennium ending August 31, 2009.

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
2008	(\$27,149,700)
2009	(\$29,046,261)
2010	(\$31,416,383)
2011	(\$34,096,794)
2012	(\$36,992,967)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1	Probable Savings/(Cost) from <i>FEDERAL FUNDS</i> 555
2008	(\$27,149,700)	(\$18,698,168)
2009	(\$29,046,261)	(\$20,080,576)
2010	(\$31,416,383)	(\$21,722,145)
2011	(\$34,096,794)	(\$23,577,926)
2012	(\$36,992,967)	(\$25,581,374)

Fiscal Year	Change in Number of State Employees from FY 2007
2008	6.7
2009	7.2
2010	7.7
2011	8.4
2012	9.2

Fiscal Analysis

The bill would amend the Family Code to require the Department of Family and Protective Services (DFPS) to expedite the licensing or certification of relative caregivers as foster homes or agency foster homes. It would require the agency to develop a less stringent licensing or certification process for relative caregivers. It would also permit the agency to adopt rules providing for a waiver of licensing or certification requirements for relative caregivers. The bill would take effect immediately upon a two-thirds vote of all members elected to each house, or on September 1, 2007.

Methodology

DFPS reports that federal policy permits the waiver of licensing or certification requirements for individual relative foster parents in special situations; however, it does not permit the waiver of safety-related standards, or lesser standards for relative foster parents. The agency's current minimum standards permit the waiver of individual standards that are not statutory requirements. The agency would implement the bill by specifying which standards could be waived for relative caregivers on a case by case basis to ensure child safety. The expedited process would increase the number of relative caregivers receiving foster care payments.

Foster Care Payments. It is assumed that 90 percent of children placed with relative caregivers would be covered by the expedited process based on their relationship to the caregiver which is governed by Chapter 573, Government Code. Forty percent of these children would qualify for foster care payments based on caregiver participation. The average monthly number of relative foster children would be 3,205 in fiscal year 2008, 3,448 in fiscal year 2009, 3,730 in fiscal year 2010, 4,049 in fiscal year 2011, and 4,393 in fiscal year 2012. The average monthly payment per relative foster child would be \$1,177, for a total estimated cost of \$45.3 million in fiscal year 2008; \$48.7 million in fiscal year 2009; \$52.7 million in fiscal year 2010; \$57.2 million in fiscal year 2011; and \$62.0 million in fiscal year 2012. This estimate assumes the bill would not result in an overall increase in the number of children placed with relative caregivers.

Foster/Adoptive Home Development. DFPS has estimated that children would be placed in 570 new relative caregiver homes each month; 90 percent of the homes would be eligible to participate in the expedited process; 40 percent would actually participate; and 30 percent would be licensed or certified by the agency (with 70 percent licensed or certified by private child-placing agencies). The agency also indicates that one foster/adoptive home development caseworker can handle 26.4 cases per month, and one supervisor and one administrative assistant are needed for every six caseworkers. It is assumed that the average monthly number of relative caregiver homes would rise by about 8 percent each year. The agency would need 3.1 FTEs in fiscal year 2008, 3.3 FTEs in fiscal year 2009, 3.6 FTEs in fiscal year 2010, 3.9 FTEs in fiscal year 2011, and 4.3 FTEs in fiscal year 2012 to handle the additional workload. The total estimated cost would be \$0.2 million per year. This estimate assumes the agency would absorb the workload associated with licensing or certifying existing relative caregiver homes.

Residential Child Care Licensing. DFPS has estimated that the average number of relative foster children per home would be 1.5. The agency also indicates that one-third of the homes are inspected each year; three inspections equals one case; one licensing worker can handle 93 cases per month; and one supervisor and one administrative assistant are needed for every six workers. It is assumed that the average monthly number of relative caregiver homes would rise by about 8 percent each year. The agency would need 3.6 FTEs in fiscal year 2008, 3.9 FTEs in fiscal year 2009, 4.1 FTEs in fiscal year 2010, 4.5 FTEs in fiscal year 2011, and 4.9 FTEs in fiscal year 2012. The total estimated cost would be \$0.3 million per year.

Total Cost. The total estimated cost to implement the provisions of the bill is \$45.8 million All Funds (\$27.1 million General Revenue) for fiscal year 2008, \$49.1 million All Funds (\$29.0 million General Revenue) for fiscal year 2009, \$53.1 million All Funds (\$31.4 million General Revenue) for fiscal year 2010; \$57.7 million All Funds (\$34.1 million General Revenue) for fiscal year 2011; and \$62.6 million All Funds (\$37.0 million General Revenue) for fiscal year 2012. If available, Temporary Assistance for Needy Families (TANF) Federal Funds could be used in lieu of General Revenue Funds estimated to be \$10.1 million for fiscal year 2008, \$10.8 million for fiscal year 2009, \$11.7 million for

fiscal year 2010, \$12.7 million for fiscal year 2011, and \$13.8 million for fiscal year 2012. Costs would be higher if the bill is enacted immediately.

Technology

DFPS estimates that the technology impact would be approximately \$0.1 million in General Revenue Funds for one-time system enhancements in fiscal year 2008.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 530 Family and Protective Services, Department of

LBB Staff: JOB, CL, PP, NM