

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 21, 2007

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

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

IN RE: SB982 by West, Royce (Relating to the eligibility of certain grandparents for foster care payments.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB982, As Introduced: a negative impact of (\$101,662,375) 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	(\$39,781,276)
2009	(\$61,881,099)
2010	(\$72,281,894)
2011	(\$80,409,183)
2012	(\$88,523,832)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/ (Cost) from <i>GENERAL REVENUE FUND 1</i>	Probable Savings/ (Cost) from <i>FEDERAL FUNDS 555</i>	Probable Savings/ (Cost) from <i>GR MATCH FOR MEDICAID 758</i>	Change in Number of State Employees from FY 2007
2008	(\$39,623,383)	(\$242,343)	(\$157,893)	26.0
2009	(\$61,668,585)	(\$326,178)	(\$212,514)	40.0
2010	(\$71,935,333)	(\$531,920)	(\$346,561)	40.0
2011	(\$80,028,636)	(\$584,084)	(\$380,547)	40.0
2012	(\$88,105,945)	(\$641,396)	(\$417,887)	40.0

Fiscal Analysis

The bill would amend the Family Code as it relates to the eligibility of certain grandparents for foster care payments.

The bill would require the Department of Family and Protective Services (DFPS) to pay the cost of foster care for a child DFPS has initiated a suit and has been named managing conservator under an order rendered under this title, who is a resident of the state, and who has been placed by the department with a grandparent of the child.

In paying for foster care provided by grandparents, DFPS would be required to give priority to

grandparent with incomes below the federal poverty level who do not have access to other forms of financial assistance.

The bill would take effect immediately if it received a vote of two-thirds of all the members elected to each house. If the bill does not receive the vote necessary for immediate effect, the bill would take effect September 1, 2007.

Methodology

The Department of Family and Protective Services (DFPS) estimates that 9,455 children will be placed with grandparents in FY08, 12,764 in FY09, 14,632 in FY10, 16,242 in FY11, and 17,904 in FY12. This is based on a 10 percent estimated yearly growth rate. The department also assumed that 25 percent of the children from each prior fiscal year would remain in care during the subsequent fiscal year.

It is assumed that the department would pay the basic rate (\$627 per month) for the state program only, which would result in a yearly payment of \$38,533,607 in FY08, \$60,171,711 in FY09, \$70,635,068 in FY10, \$78,810,121 in FY11, and \$86,969,019 in FY12.

According to DFPS, each eligibility FTE can carry an average monthly caseload of 200. Therefore, it is assumed that the department would need an additional 26 FTEs in FY08, and 40 FTEs in each subsequent fiscal year. The cost associated with these additional FTEs would be \$1,490,011 in FY08, \$2,119,789 in FY09, \$2,026,885 in FY10 and each subsequent fiscal year.

The overall cost would be \$40,023,618 in FY08, \$62,291,500 in FY09, \$72,661,953 in FY10, \$80,837,006 in FY11, and \$88,995,904 in FY12.

Technology

The agency estimates that any changes to its system would be handled using existing resources.

Local Government Impact

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

Source Agencies: 530 Family and Protective Services, Department of

LBB Staff: JOB, CL, PP, SJ