

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 24, 2009

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

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

IN RE: HB324 by Raymond (Relating to monetary assistance for substitute care provided to a child by a relative caregiver.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB324, Committee Report 1st House, Substituted: a negative impact of (\$5,259,852) through the biennium ending August 31, 2011.

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
2010	(\$3,025,336)
2011	(\$2,234,516)
2012	(\$2,713,447)
2013	(\$3,289,295)
2014	(\$4,008,550)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>General Revenue Fund</i> 1	Probable Savings from <i>General Revenue Fund</i> 1	Probable (Cost) from <i>Federal Funds</i> 555	Probable Savings from <i>Federal Funds</i> 555
2010	(\$3,082,286)	\$56,950	(\$276,858)	\$298,150
2011	(\$2,294,314)	\$59,798	(\$49,168)	\$313,058
2012	(\$2,776,234)	\$62,787	(\$49,168)	\$328,710
2013	(\$3,355,222)	\$65,927	(\$49,168)	\$345,146
2014	(\$4,077,773)	\$69,223	(\$49,168)	\$362,403

Fiscal Year	Change in Number of State Employees from FY 2009
2010	4.0
2011	4.0
2012	4.0
2013	4.0
2014	4.0

Fiscal Analysis

The bill would require the Department of Family and Protective Services to pay monetary assistance to a relative providing substitute care for a child in temporary managing conservatorship, if the child

has a disability or the relative is also caring for one or more of the child's siblings. The relative must have a family income that is less than 200 percent of the federal poverty level, and the monetary assistance must be equal to at least 100 percent of the daily basic foster parent rate the agency would pay from state funds if the child were placed with a licensed foster parent. The bill would take effect on September 1, 2009.

Methodology

The Department of Family and Protective Services estimates that 670 children placed with relatives meeting the 200 percent poverty threshold would be eligible for the new monetary assistance benefit in fiscal year 2010. One-twelfth of the children would enter the program each month, for an average monthly number of 364 children in fiscal year 2010. It is assumed that the number of children entering the program would increase 5 percent each fiscal year and the average length of stay per child would be 14.2 months. The daily monetary assistance payment would be \$12.26 in fiscal year 2010 and \$12.43 in subsequent years. This is derived by multiplying the current basic foster parent daily rate of \$21.44 by the percentage financed with state funds which is assumed to be 57.18 percent in fiscal year 2010 and 57.96 percent in subsequent years. The total cost for the program would be \$1.6 million in General Revenue Funds in fiscal year 2010 and \$2.0 million in General Revenue Funds in fiscal year 2011, rising to \$3.8 million in General Revenue Funds in fiscal year 2014. The cost would be offset by a small savings due to no longer paying a \$500 annual reimbursement of expenses for each child. The total savings would be \$0.1 million in General Revenue Funds and \$0.3 million in TANF Federal Funds each year for the first four years, and \$0.1 million in General Revenue Funds and \$0.4 million in TANF Federal Funds for the fifth year (fiscal year 2014).

Technology

DFPS indicates it would need to make significant changes to the IMPACT automation system to allow the payment of monthly permanency care assistance benefits. The estimated cost for these changes includes a one-time cost of \$1.4 million in fiscal year 2010, and \$0.3 million in ongoing costs associated with adding 4.0 FTE positions (2 Systems Analysts IV and 2 Systems Analysts III) in fiscal year 2010. The total cost would be \$1.7 million in All Funds and \$1.5 million in General Revenue Funds for fiscal year 2010, and \$0.3 million in All Funds and General Revenue Funds in subsequent years. These costs are included above.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

LBB Staff: JOB, CL, NM, MB