

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 29, 2011

TO: Honorable Richard Pena Raymond, Chair, House Committee on Human Services

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

IN RE: HB420 by Alonzo (Relating to a subsidy under an adoption assistance agreement for certain adoptive parents of children in foster care.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB420, As Introduced: a negative impact of (\$1,121,034) through the biennium ending August 31, 2013.

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
2012	(\$635,471)
2013	(\$485,563)
2014	(\$796,288)
2015	(\$1,107,013)
2016	(\$1,417,737)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1	Probable (Cost) from Federal Funds 555	Probable Revenue (Loss) from Federal Funds 555
2012	(\$635,471)	(\$61,638)	(\$177,790)
2013	(\$485,563)	\$0	(\$485,563)
2014	(\$796,288)	\$0	(\$796,288)
2015	(\$1,107,013)	\$0	(\$1,107,013)
2016	(\$1,417,737)	\$0	(\$1,417,737)

Fiscal Analysis

The bill would require the Department of Family and Protective Services (DFPS) to subsidize the adoption of a child in foster care by a parent whose family income is less than 300 percent of the federal poverty level if, based on factors specified in rules, the agency determines the child would otherwise have remained in foster care to age 18. The subsidy amount must equal the amount that would have been paid to the child's foster parent based on the child's service level on the date of the adoption assistance agreement. The bill would take effect on September 1, 2011.

Methodology

DFPS estimates that 38 persons with a family income below 300 percent of the federal poverty level

would qualify each year for enhanced adoption subsidy payments at the daily rates established for children living in specialized and intense foster family placements (\$48.24 and \$85.76 respectively). The enhanced payments would be financed with General Revenue Funds because federal law requires payment amounts to be determined through agreement with adoptive parents based on the circumstances of the parents and the needs of the child. Since the bill would specify the amount of the subsidy, it would no longer be eligible for federal matching funds. The loss of federal matching funds would result in a General Revenue cost of \$177,790 in fiscal year 2012 and \$485,563 in fiscal year 2013, rising to \$1,417,737 in fiscal year 2016.

Technology

DFPS estimates the cost to modify automated systems to incorporate a new payment type and create eligibility edits would be \$519,319 in fiscal year 2012, including \$457,681 in General Revenue Funds and \$61,638 in federal matching funds. This cost is included in the tables above.

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, MB, NM, VJC