

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 18, 2013

TO: Honorable Richard Peña Raymond, Chair, House Committee On Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB165 by Flynn (Relating to suits affecting the parent-child relationship and placement decisions for children in foster care.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB165, As Introduced: a negative impact of (\$4,219,586) through the biennium ending August 31, 2015.

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
2014	(\$2,109,793)
2015	(\$2,109,793)
2016	(\$2,109,793)
2017	(\$2,109,793)
2018	(\$2,109,793)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from Federal Funds 555
2014	(\$2,109,793)	(\$1,200,171)
2015	(\$2,109,793)	(\$1,200,171)
2016	(\$2,109,793)	(\$1,200,171)
2017	(\$2,109,793)	(\$1,200,171)
2018	(\$2,109,793)	(\$1,200,171)

Fiscal Analysis

The bill would amend the Family Code to decrease the minimum time period before a foster parent would have legal standing to bring a suit affecting the parent-child relationship. Currently, foster parents don't have standing to bring such an action until a child has lived in their home for at least

12 months, ending not more than 90 days preceding the filing of the petition. The bill decreases this period to six months, or three months if an infant was placed with the foster parent when the child was under two months of age. The bill adds a specific requirement that the child must have resided with the foster parent before they have standing to bring suit. The bill also requires that when determining foster care placement modifications, the Department of Family and Protective Services consider certain criteria. The bill would take effect September 1, 2013.

Methodology

The Department of Family and Protective Services (DFPS) estimated that the bill would result in a significant increase in the amount of paid foster care days. DFPS reports that upon the bringing of such an action by a foster parent they would likely cease all reunification or permanent relative placement efforts, and that the child would remain in foster care until the suit was settled.

In fiscal year 2012, there were 747 infants less than two months old in DFPS conservatorship that had been placed in foster homes. Assuming that 25 percent of these foster parents intervened as soon as the bill allows would result in 187 intervention suits. DFPS estimates that 33% of these infants (62 children) would need mediation services at \$1,000 per instance. DFPS estimates that the anticipated delay would add another 120 days in foster care for each of these children, resulting in an estimated annual All Funds cost of \$948,828 (187 intervention suits multiplied by 120 additional days of foster care multiplied by the average foster care daily rate of \$39.52 plus \$62,000 for mediation services).

In fiscal year 2012, there were 7,367 children placed in foster care homes when older than two months old. Assuming ten percent of these foster parents intervened as soon the bill allows would result in 737 intervention suits. DFPS estimated that 20 percent of these children (147 children) would need mediation services, at \$1,000 per instance. DFPS estimates that the anticipated delay would add another 90 days before final case disposition, resulting in an estimated annual All Funds cost of \$2,768,362 (737 intervention suits multiplied by 90 additional days of foster care multiplied by the average foster care daily rate of \$39.52 plus \$147,000 for mediation services).

However, this analysis assumes that the estimates above would be offset by instances in which the bill results in adoptions occurring sooner than they would have otherwise. It is assumed that in such cases the adoption would occur 180 days sooner than it would have otherwise. In these instances, an adoption subsidy would be paid to the family instead of the foster care payment. An estimated 35 percent of the 2,682 non-relative adoptions occurring in fiscal year 2012 were of children older than age six, and it is assumed ten percent of those foster care parents would adopt sooner under the bill's provisions than they would have otherwise. This would result in an estimated 16,897 days fewer spent in foster care for this population, resulting in an estimated All Funds savings of \$647,721. It is assumed that 97 percent of these adoptions will receive a monthly adoption subsidy averaging \$427 monthly, reducing the savings to \$407,226.

Considering both the potential delay in case disposition and the potential offset by replacing some foster care days with adoption subsidies results in a net annual All Funds estimated cost of \$3,309,964.

Technology

There is no technology impact anticipated with the provisions of the bill.

Local Government Impact

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

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 530 Family and Protective Services, Department of

LBB Staff: UP, CL, MB, AM, VJC, SJ