

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 5, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB511 by Davis, Sarah (Relating to removing the deadline for the Department of Family and Protective Services to enter into permanency care assistance agreements.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB511, As Introduced: a positive impact of \$3,401,204 through the biennium ending August 31, 2019.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	\$1,022,527
2019	\$2,378,677
2020	\$3,768,106
2021	\$5,093,865
2022	\$6,424,059

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from GR Match For Title IV-E FMAP 8008	Probable Savings/(Cost) from Federal Funds 555
2018	\$737,340	\$285,187	\$358,205
2019	\$1,611,374	\$767,303	\$1,013,968
2020	\$2,528,395	\$1,239,711	\$1,651,192
2021	\$3,410,770	\$1,683,095	\$2,248,127
2022	\$4,284,407	\$2,139,652	\$2,862,798

Fiscal Analysis

The bill would repeal Section 264.857 of the Family Code, removing the deadline for the Department of Family and Protective Services (DFPS) to enter into new permanency care assistance (PCA) agreements.

Methodology

It is assumed removing the deadline for DFPS to enter into new PCA agreements will result in an increase in PCA agreements, reducing the need for relative caregiver monetary assistance payments and foster care placements. The actual number of children who might be diverted from foster care or relative caregiver monetary assistance is not known. The estimated fiscal implication of this legislation is based on the assumptions outlined below, but General Revenue savings would be higher if more children were diverted from foster care and lower if more children were diverted from relative caregiver monetary assistance. If 76 percent of children (or more) were diverted from relative caregiver monetary assistance, there could be a General Revenue cost from continuing new PCA agreements.

It is assumed 50 percent of new PCA agreements would otherwise have resulted in a foster care placement and the remaining 50 percent would otherwise have resulted in relative caregiver monetary assistance payments for families who would opt not to become licensed foster homes without the option of PCA. Relative caregiver monetary assistance payments have a lower cost than PCA while foster care has a higher cost.

It is assumed there will be 433 additional average monthly PCA payments at an estimated cost of \$2.1 million in All Funds, including \$1.3 million in General Revenue, for fiscal year 2018 increasing each fiscal year to 3,554 additional average monthly PCA payments at an estimated cost of \$17.4 million in All Funds, including \$11.3 million in General Revenue, by fiscal year 2022.

For children moving to PCA from foster care placements, it is assumed the average daily savings would be approximately \$40 (the average daily cost of foster care at the basic level of care) and that 98.5 percent of foster care costs would be paid by DFPS. The estimated savings to DFPS-paid foster care is \$3.1 million in All Funds, including \$2.0 million in General Revenue, in fiscal year 2018 increasing each fiscal year to \$25.5 million in All Funds, including \$16.5 million in General Revenue, by fiscal year 2022.

For children moving to PCA from relative caregiver monetary assistance, it is assumed there would have been a payment of \$1,000 in the first year of placement and \$495 in each subsequent year. The estimated savings to relative caregiver monetary assistance is \$0.4 million in All Funds in fiscal year 2018 increasing each fiscal year to \$1.2 million by fiscal year 2022. Relative caregiver monetary assistance payments are fully funded with General Revenue.

The net estimated savings from the provisions of the bill is \$1.4 million in All Funds, including \$1.0 million in General Revenue, in fiscal year 2018 with the cost expected to increase each year due to caseload growth, reaching \$9.3 million in All Funds, including \$6.4 million in General Revenue, by fiscal year 2022.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 530 Family and Protective Services, Department of
LBB Staff: UP, KCA, LR, JLi