

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0247-01  
Bill No.: SB 60  
Subject: Children and Minors; Family Services Division  
Type: Original  
Date: January 31, 2005

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	(\$10,958,280)	(\$27,168,001)	(\$42,598,458)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$10,958,280)</b>	<b>(\$27,168,001)</b>	<b>(\$42,598,458)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
Federal*			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Income and costs of approximately \$4,700,000 to \$18,000,000 annually would net to \$0.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Social Services- Children's Division (DOS-CD)** state this proposal requires that DOS-CD provide incremental increase of the foster care reimbursement rate and the adoption subsidy rate beginning in the 2006 fiscal year. Both rates shall be increased until they meet or exceed rates established by the United States Department of Agriculture.

FY 06 is for only 10 months (83.3%) of the full year cost.

ASSUMPTION (continued)

Foster Care Increases

	Total	General Revenue	Federal
FY 06	\$4,353,252	\$2,938,445	\$1,414,807
FY 07	\$4,719,144	\$3,185,422	\$1,533,722
FY 08	\$5,354,364	\$3,614,196	\$1,740,168
FY 09	\$6,619,584	\$4,468,219	\$2,151,365
Four Year Foster Care Total	\$21,046,344	\$14,206,282	\$6,840,062

Adoption Subsidy/Subsidized Guardianship Increases

	Total	General Revenue	Federal
FY 06	\$14,551,490	\$10,211,491	\$4,339,999
FY 07	\$15,436,754	\$10,832,643	\$4,604,111
FY 08	\$16,838,427	\$11,816,261	\$5,022,166
FY 09	\$19,672,508	\$13,805,841	\$5,866,666
Four Year Foster Care Total	\$66,499,179	\$46,666,236	\$19,832,942

The DOS-CD notes that their budget includes a request for funding to take Adoption Subsidy/Subsidized Guardianship rates and Foster Care rates to the USDA level over a 3 year period. This proposal requires rates to be increased incrementally over a 4 year period.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
<b>GENERAL REVENUE FUND</b>			
<u>Costs - Department of Social Services - Children's Division</u>			
Increased Foster Care Reimbursements	(\$2,448,704)	(\$6,123,867)	(\$9,738,063)
Increased Adoption Subsidies	(\$8,509,576)	(\$21,044,134)	(\$32,860,395)
<u>Total Costs - Department of Social Services-Children's Division</u>	<u>(\$10,958,280)</u>	<u>(\$27,168,001)</u>	<u>(\$42,598,458)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$10,958,280)</u></b>	<b><u>(\$27,168,001)</u></b>	<b><u>(\$42,598,458)</u></b>
<b>FEDERAL FUNDS</b>			
<u>Income - Department of Social Services</u>	\$4,795,672	\$11,892,639	\$18,654,973
<u>Costs - Department of Social Services - Children's Division</u>			
Increased Foster Care Reimbursements	(\$1,179,006)	(\$2,948,529)	(\$4,688,697)
Increased Adoption Subsidies	(\$3,616,666)	(\$8,944,110)	(\$13,966,276)
<u>Total Costs - Department of Social Services-Children's Division</u>	<u>(\$4,795,672)</u>	<u>(\$11,892,639)</u>	<u>(\$18,654,973)</u>
<b>ESTIMATED EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal requires the incremental increase of the foster care reimbursement rate and the adoption subsidy rate over four years beginning in the 2006 fiscal year. Both rates shall be increased until they meet or exceed rates established by the United States Department of Agriculture.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services -  
Children's Division



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Director  
January 31, 2005