

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2740-01  
Bill No.: SB 693  
Subject: Division of Family Services: Children and Minors  
Type: Original  
Date: January 3, 2002

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	\$0	(\$14,687,242)	(\$27,239,794)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>(\$14,687,242)</b>	<b>(\$27,239,794)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> Federal Funds*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Revenue and expenditures of approximately \$13 million annually net to \$0.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

**FISCAL ANALYSIS**

ASSUMPTION

Officials from the **Department of Social Services - Division of Family Services - Children's Services Unit (DFS-CSU)** stated that per the USDA, the cost of raising children in 2000 was \$425 per month for children aged 0-5 years; \$470.42 per month for children aged 6-12 years; and \$514.58 per month for teenagers. The DFS-CSU officials estimated the USDA rates for 2006 by applying a 4.08% COLA per year. (The increase in 2000 rates over 1999 rates) The DFS-CSU officials provided an extensive calculation of the additional costs which cannot be re-produced in the fiscal note, however, they anticipate the additional fiscal impact of this legislation, by year, to be:

	<u>Foster Care</u>	<u>Adoption</u>	<u>Total</u>
FY 04	\$6,817,863	\$11,472,918	\$18,290,781
FY 05	\$13,635,726	\$22,945,836	\$36,581,562

The costs were split between state and federal funds at a rate of 69.72% state and 30.28% federal.

Officials from the **Department of Social Services - Division of Family Services - Income Maintenance Unit (DFS-IMU)** stated the Grandparents as Foster Parents (GAFP) program is paid using Temporary Assistance for Need Family (TANF) funds at the same rate as the Foster Care Maintenance rates. The DFS-IMU officials gave average monthly costs per child in the GAFP program as of November, 2001, of: \$170 for ages 0 - 5; \$207 for ages 6 - 12; and \$230 for ages 13 and over. Section 453.325, RSMo, requires that GAFP rates be at least 75% of Foster Care Maintenance rates.

The DFS-IMU officials also assumed that the number of children receiving benefits through the Grandparents as Foster Parents program will remain at November, 2001, levels.

GAFP rate calculations are based on 75% of projected United States Department of Agriculture adoption rates for 2006 and a 3-year phase in of increases. (Anticipated GAFP rates for 2006 are: \$405.24 for ages 0 - 5; \$448.55 for ages 6 - 12; and \$490.67 for ages 13 and older. Estimate numbers of children are: 447 ages 0 - 5; 1185 ages 6 - 12; and 689 ages 13 and over.)

Using a three-year phase in, additional costs would be \$2,283,960.71 in FY 2004 and \$4,567,921.42 in FY 2005.

Costs would be to the General Revenue Fund. (Grandparents as Foster Parents is not an entitlement program; therefore, all additional funds are subject to appropriation and the estimates are maximum fiscal impacts.)

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b>GENERAL REVENUE FUND</b>			
<u>Costs - Department of Social Services -</u>			
<u>Division of Family Services -</u>			
<u>Children's Services Unit</u>			
Increased Foster Care and Adoption Reimbursements	<u>\$0</u>	<u>(\$12,752,333)</u>	<u>(\$25,504,666)</u>
Total <u>Costs</u> - Children's Services Unit	<u>\$0</u>	<u>(\$12,752,333)</u>	<u>(\$25,504,666)</u>
<u>Costs - Department of Social Services -</u>			
<u>Division of Family Services -</u>			
<u>Income Maintenance Unit</u>			
Increased Foster Care Reimbursements - Grandparents as Foster Parents Program	<u>\$0</u>	<u>(\$2,283,961)</u>	<u>(\$4,567,921)</u>
Total <u>Costs</u> - Income Maintenance Unit	<u>\$0</u>	<u>(\$2,283,961)</u>	<u>(\$4,567,921)</u>
<b>ESTIMATED EFFECT ON GENERAL REVENUE FUND</b>	<b><u>\$0</u></b>	<b><u>(\$15,036,294)</u></b>	<b><u>(\$30,072,587)</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b>FEDERAL FUNDS</b>			
<u>Income - Department of Social Services</u>			
<u>Foster Care Reimbursements</u>	\$0	\$5,538,448	\$11,076,897
<u>Costs - Department of Social Services -</u>			
<u>Division of Family Services -</u>			
<u>Children's Services Unit</u>			
Increased Foster Care Reimbursements	\$0	(\$5,538,448)	(\$11,076,897)
<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 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal would provide for a minimum foster care reimbursement rate which meets or exceeds the foster care reimbursement rates established by the U.S. Department of Agriculture. The cost is to be increased over the course of three years starting in FY 2004.

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



Jeanne Jarrett, CPA  
Director  
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