

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2932-01  
Bill No.: SB 793  
Subject: Department of Social Services: Children and Minors and Elderly  
Type: Original  
Date: January 8, 2002

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$3,798,849)	(\$5,505,422)	(\$6,242,915)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$3,798,849)</b>	<b>(\$5,505,422)</b>	<b>(\$6,242,915)</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>

<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**

**Division of Family Services** officials note that all costs of this proposal would be borne by the General Revenue Fund because all Temporary Assistance to Needy Families (TANF) funds are obligated.

Officials state that there were 2,938 children receiving Grandparents as Foster Parents (GAFP) benefits in August of 2001, before SB 236 of the 2001 session took effect. Forty-one of those children returned to Children's Services programs and officials anticipate that they would remain in the Foster Care and Subsidized Guardianship programs.

However, officials estimate that an additional 576 children would return to GAFP in September of 2002. The number of children entering the program was growing at a rate of 1.7% per month before SB 236 took effect. However that rate had been decreasing by .1% per month. Division of Family Services officials estimate that the growth rate would pick up where it left off and decline .1% per month until it leveled off at a .5% per month increase in September 2003.

The average cost per child would be \$297.77 in September 2002, based on the average cost per child in the twelve months before SB 236 took effect. The cost; which includes the monthly grant, support services and child care; would not be expected to change through FY 2005.

Officials computed monthly costs by multiplying the projected number of children by the average cost per child. Increased costs would be the difference between projected monthly costs before and after the proposal.

There would be savings to TANF because some children (414) moved to TANF aid after the implementation of SB 236.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b>GENERAL REVENUE FUND</b>			
<u>Savings</u> - TANF	\$484,380	\$581,256	\$581,256
<u>Cost</u> - Increased GAFP Payments	(\$4,283,229)	(\$6,086,678)	(\$6,824,171)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$3,798,849)</u></b>	<b><u>(\$5,505,422)</u></b>	<b><u>(\$6,242,915)</u></b>

FISCAL IMPACT - Local Government

FY 2003  
(10 Mo.)

FY 2004

FY 2005

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

DESCRIPTION

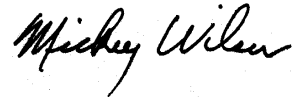
This proposal would modify the Grandparents as Foster Parents Program by:

- 1) removing provisions which currently make the program subject to appropriation;
- 2) removing the requirement that grandparents have an annual household income of less than 200% of the federal;
- 3) removing the requirement that the Division of Family Services review the program annually;
- 4) removing the 75%-of-foster-care-schedule limit on reimbursement to eligible grandparents;
- 5) requiring provision of support services to eligible grandparents and removing the requirement that eligibility for child-care services be based on eligibility for other child-care benefits provided by the Division of Family Services;
- 6) requiring providing of ancillary services to the children;
- 7) removing provisions allowing for reduction of benefits to grandparents providing care for three or more children under terms of the program;
- 8) removing the statement that the program is not an entitlement; and
- 9) allowing any grandparents to apply to the Division of Family Services for foster care reimbursement and assistance (currently grandparents who are under 50 or who are 50 or older and refuse to participate in program training but meet certain requirements may apply).

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

SOURCES OF INFORMATION

Department of Social Services - Division of Family Services



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