

## Department of Planning and Budget 2004 Fiscal Impact Statement

**1. Bill Number** House Bill 328

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron**        H. Morgan Griffith

**3. Committee**    Courts of Justice

**4. Title**           Foster care plans; reasonable efforts to be made to reunite child with parent

**5. Summary/Purpose:** This bill broadens bases for eliminating requirement to make "reasonable efforts" to reunite child with parent to include cases where the parent has been convicted of certain offenses against any child (rather than a "child of the parent" or "a child with whom the parent resided at the time" the offense occurred). The legislation also makes the reference to "aggravated circumstances" consistent with the proposed statutory change by defining such circumstances as being certain acts committed against, or allowed to occur against, any child (rather than a "child of the parent" or "a child with whom the parent resided at the time" the offense occurred).

**6. Fiscal impact is preliminary**

**Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2004-05	\$1,038,762	-	General Fund
	(\$1,038,762)		Federal
2005-06	\$1,142,639	-	General Fund
	(\$1,142,639)		Federal
2006-07	\$1,256,903	-	General Fund
	(\$1,256,903)		Federal
2007-08	\$1,382,593	-	General Fund
	(\$1,382,593)		Federal
2008-09	\$1,520,852	-	General Fund
	(\$1,520,852)		Federal
2009-10	\$1,672,937	-	General Fund
	(\$1,672,937)		Federal

**Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2004-05	(\$1,038,762)	-	Federal
2005-06	(\$1,142,639)	-	Federal
2006-07	(\$1,256,903)	-	Federal
2007-08	(\$1,382,593)	-	Federal
2008-09	(\$1,520,852)	-	Federal
2009-10	(\$1,672,937)	-	Federal

**7. Budget amendment necessary:** Yes. Item 357.

**8. Fiscal implications:** By allowing the department to forgo making a “reasonable effort” to reunite child with parent in cases where the parent has been convicted of certain offenses against any child, House Bill 328 provides broader exemption than Code of Federal Regulations (Title 45, Volume 4) requirements. As such, this expansion beyond the federal guidelines may cost the department federal reimbursement for otherwise Title IV-E eligible children.

At this time, the Department does not have readily available statistics on the number of foster care cases in which the parent involved has been convicted of murder, voluntary manslaughter, or a felony attempt, conspiracy, or solicitation to commit either of these crimes where the victim is a child (not the parent’s child or residing with the parent) or the parent of a child. Because of this, the fiscal implications of this bill are preliminary.

Total Title IV-E foster care maintenance expenditures were \$57,232,091 as of June 30, 2003.

Assuming a 10 percent rate of growth each year, estimated IV-E foster care expenditures would be \$62,955,300 ( $\$57,232,091 \times 1.10$ ) in FY 2004 and \$69,250,830 ( $\$62,955,300 \times 1.10$ ) in FY 2005. The current FMAP (Federal Medical Assistance Percentage) rate is 50 percent. Assuming 3 percent of the foster care cases would no longer be IV-E eligible, the net cost of this legislation would be \$1,038,762 ( $\$69,250,830 \times .50 \times .03$ ) of forgone federal reimbursement in FY 2005. There are no other federal funds available for these expenditures and so the cost would have to be covered with general fund.

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Estimated IV-E Foster Care Expenditures	69,250,830	76,175,913	83,793,504	92,172,855	101,390,140	111,529,154
FMAP Rate	0.50	0.50	0.50	0.50	0.50	0.50
IV-E Reimbursement	34,625,415	38,087,957	41,896,752	46,086,427	50,695,070	55,764,577
Percent of cases no longer eligible for Title IV-E	0.03	0.03	0.03	0.03	0.03	0.03
Foregone Federal Reimbursement	1,038,762	1,142,639	1,256,903	1,382,593	1,520,852	1,672,937

*\*Assumes a 10% growth rate each year*

**9. Specific agency or political subdivisions affected:**

Department of Social Services

Local departments of social services

**10. Technical amendment necessary:** None

**11. Other comments:** None

**Date:** 01/19/04 / kwm

**Document:** G:\2004 Fiscal Year\Efis\Hb328.Doc

cc: Secretary of Health and Human Resources