

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number Senate Bill 35

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

2. Patron Yvonne B. Miller

3. Committee Finance

4. Title Subsidized guardianship of children living with relative caregivers

5. Summary/Purpose: As amended, this bill directs the Department of Social Services to establish a subsidized custody program for the benefit of children in the custody of a local board on or after July 1, 2004, who are living with a relative caregiver other than a natural parent and for whom the options of reunification with natural parents and adoption by a relative have been eliminated. A relative caregiver means a person who is caring for a child related to such person for whom the option of reunification has been eliminated and termination of parental rights is not appropriate. Within the limitations of federal funding, the subsidized custody program shall provide for a special-need subsidy, which shall be a one-time lump sum payment for expenses resulting from the assumption of care of the child; a comprehensive range of services and supports for the child, including but not limited to, short-term casework, information and referral, and crisis intervention; and a monthly subsidy on behalf of the child payable to the relative caregiver. The monthly subsidy shall be equal to the prevailing foster care rate. The department may establish an asset test for eligibility under the program. The relative caregiver receiving a guardianship subsidy shall submit annually to the department a sworn statement that the child is still living with and receiving support from the guardian. Once the subsidy is granted, it continues until the child is 18 or 21 if a full-time student. This bill also provides that the subsidized custody program shall not become effective unless federal funds are made available through a federal Title IV-E waiver and there exists an appropriation of funds in the general appropriation act.

6. Fiscal impact is preliminary

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2003-04	-	-	-
2004-05	\$ 40,641	-	General Fund
	\$ 40,640		Nongeneral Fund
2005-06	\$ 40,641	-	General Fund
	\$ 40,640		Nongeneral Fund
2006-07	\$ 40,641	-	General Fund
	\$ 40,640		Nongeneral Fund
2007-08	\$ 40,641	-	General Fund
	\$ 40,640		Nongeneral Fund
2008-09	\$ 40,641	-	General Fund
	\$ 40,640		Nongeneral Fund

2009-10	\$ 40,641	-	General Fund
	\$ 40,640		Nongeneral Fund

7. Budget amendment necessary: Yes. Item 357.

8. Fiscal implications: As amended, this bill establishes a subsidized custody program. This fiscal analysis of the bill assumes that a federal Title IV-E waiver, which the Department has applied for, is received from the federal government. If the waiver is not received, the subsidized custody program does not become effective.

Because the federal IV-E waiver would replace the foregone federal reimbursement from children moving from foster care to the subsidized custody program, the major costs of the amended bill are the special need subsidy and staff costs. There were 341 children (4 percent of the total in foster care) with the goal of placement with a relative as of December 31, 2003.

Based on the average one-time lump sum of \$470 paid in the diversionary assistance program and projecting that 10 percent of the cases annually will request a one-time special need subsidy, a total of \$16,027 (341 x 10 percent x 470) is estimated. In addition, the department estimates that one wage employee in the central office will be needed to manage the subsidized custody program. This employee, a Program Administration Specialist II (pay band 5) with a mid-range salary of \$53,278, will provide outreach to all localities, conduct monitoring visits in localities that have children in the subsidized custody program, track data and evaluate the program as a whole statewide. Funds to cover the routine operating costs of postage, office, travel, supplies, telephone, rent, liability insurance, etc., are estimated at \$7,900 per employee. Since the subsidized custody program will use most of the software already developed for foster care, automated system changes will be minimal. Total costs are estimated to be \$81,281 in FY 2005 and thereafter, of which 50 percent is federal funds and 50 percent is general fund.

**SB 35 Amended Cost
Summary**

	FY 2005	FY 2006
Lump Sum Payments	\$ 16, 027	\$ 16,027
Wages and FICA	\$ 57,354	\$ 57,354
Operating Costs	\$ 7,900	\$ 7,900
Total Cost	\$ 81,281	\$ 81,281

Federal	\$ 40,640	\$ 40,640
General Fund	\$ 40,641	\$ 40,641

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: 02/12/04 / kwm

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cc: Secretary of Health and Human Resources