

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2094-03
Bill No.: SCS for SBs 551, 410, 539, 528, and 296
Subject: Revises Grandparents as Foster Parents Program, increases foster care reimbursement rates, revises child custody relocation notices, expands “reasonable efforts” exception, and modifies grandparent visitation provisions.
Type: Original
Date: March 21, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	\$4,758,006	(\$3,524,731)	(\$9,155,796)
Total Estimated Net Effect on All State Funds*	\$4,758,006	(\$3,524,731)	(\$9,155,796)

*** TANF and Subsidized Guardianship expenditures subject to appropriation.**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on All Federal Funds*	\$0	\$0	\$0

*** Revenues and expenditures to exceed \$5.5 million annually and net to \$0.**

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** stated the proposed legislation revising child custody relocation provisions should not have a significant impact on the workload or budget of the judiciary; therefore, there is no cost to the Courts.

Officials from the **Department of Social Services (DOS) - Division of Child Support Enforcement (CSE)** stated the proposed legislation would not fiscally impact the CSE.

Officials from the **Department of Social Services (DOS) - Division of Youth Services (DYS)** stated the DOS projects the United States Department of Agriculture (USDA) will set the foster care reimbursement rate at \$596 per month by FY 06. Currently, the DYS reimburses foster care at the rate of \$378 per month. Using the minimum assumptions that the USDA rate and the number of DYS youth requiring foster care services will remain constant, the DYS could see an increase of \$107,256 per year $[(\$596 - \$378) \times 41 \text{ youth (4 yr. avg.)} \times 12 \text{ months} = \$107,256]$ by 2007.

Officials from the **DOS - Division of Family Services (DFS) - Income Maintenance Unit (IMU)** stated that they assume that once GAFP funds are obligated, any new individuals determined eligible for the program would be placed on a waiting list until funding was available.

The IMU stated that the Grandparents as Foster Parents Program (GAFP) is paid using Temporary Assistance for Needy Family (TANF) funds at the same rate as the Foster Care Maintenance rates. It is assumed that all costs will be to the General Revenue Fund since all TANF monies are obligated. Based on the program's current anticipated growth rate, the following projections reflect the number of cash eligible children per month: FY 02 - 5,197; FY 03 - 6,934; FY 04 - 8,091; FY 05 - 8,767; and FY 06 - 9,132. In addition, based on the 1990 U.S. Census Data, 59.2% of Missouri households 50 years of age and older have an income below 200% of the Federal Poverty Level. Since there are currently no income limits for GAFP eligibility, it is assumed that 59.2% of the above anticipated cash eligible children would remain eligible. The anticipated cash eligible children would reduce to: FY 02 - 3,077 $(5,197 \times 59.2\%)$; FY 03 - 4,105 $(6,934 \times 59.2\%)$; FY 04 - 4,790 $(8,091 \times 59.2\%)$; FY 05 - 5,190 $(8,767 \times 59.2\%)$; and FY 06 - 5,406 $(9,132 \times 59.2\%)$. The number of children no longer eligible for the GAFP are estimated at: FY 02 - 2,120 $(5,197 - 3,077)$; FY 03 - 2,829 $(6,934 - 4,105)$; FY 04 - 3,301 $(8,091 - 4,790)$; FY 05 - 3,577 $(8,767 - 5,190)$; and FY 06 - 3,726 $(9,132 - 5,406)$.

The IMU assumes the decreased number of eligible families will reduce the overall supportive services costs. Cost savings are estimated to be \$83.60 for each child no longer eligible.

ASSUMPTION (continued)

The IMU assumes that the average cost per child in the GAFP will remain constant at \$275.33 per month. This rate reflects a Foster Care Maintenance rate increase of 5.0% for FY 01.

It is assumed that grandparents no longer eligible for the GAFP will become eligible for either Temporary Assistance as a Non-Parent Caretaker Relative who is not needy, or Subsidized Guardianship. Approximately 25% of the children currently receiving GAFP would be eligible for Subsidized Guardianship through Children's Services. The remaining 75% would be eligible for Temporary Assistance.

The average GAFP household has 1.8 children. The Temporary Assistance grant for a two person household is \$234.00. As all Federal TANF funds are obligated, Temporary Assistance payments for grandparents shifting from the GAFP will come from General Revenue. No staff were appropriated upon passage of the GAFP legislation in 1999; therefore, no staff reduction is anticipated as a result of this legislation.

The anticipated cost savings of this legislation, by year, would be:

FY 02	\$6,650,779
FY 03	\$5,556,482
FY 04	\$6,483,522

Officials from the **DOS - Division of Family Services (DFS) - Children's Services Unit (CSU)** stated the proposed legislation would fiscally impact their organization. The CSU stated that with fewer grandparents and relatives able to receive comparable benefits through the Grandparents As Foster Parents (GAFP), more would apply for Subsidized Guardianship. As a result, there would be a fiscal impact on the Adoption Subsidy funds.

The CSU officials stated there are 2,461 children receiving GAFP benefits. Of that number, 618 children have previously been in the custody of the DFS; 612 of those children live with grandparents; the remaining six children live with unspecified relatives. Therefore, approximately 25% ($612 / 2,461 = 24.8\%$) of the children receiving GAFP benefits would also be eligible for Subsidized Guardianship.

The CSU estimates the fiscal impact of the Subsidized Guardianship Program to the General Revenue Fund would be \$1,892,773 for FY 02 (10 months); \$3,030,476 for FY 03; and \$3,536,138 for FY 04.

ASSUMPTION (continued)

The CSU also stated that per the USDA, the cost of raising children in 1999 was \$408.33 per month for children aged 0 - 5; \$453.33 per month for children aged 6 - 12; and \$494.58 per month for teenagers. The CSU estimated the USDA rates for 2006 by applying a 2.7% COLA per year. The anticipated additional fiscal impact of this legislation, by year, would be:

<u>Year</u>	<u>Foster Care</u>	<u>Adoption</u>	<u>Total</u>
FY 03	\$ 4,568,476	\$ 7,050,649	\$11,619,125
FY 04	\$ 9,136,953	\$14,101,297	\$23,238,250
FY 05	\$13,705,429	\$21,151,946	\$34,857,375
FY 06	\$18,273,906	\$28,202,959	\$46,476,500

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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FEDERAL FUNDS

<u>Income - Department of Social Services</u>			
Maintenance Increases		\$5,596,835	\$11,193,670

<u>Costs - Department of Social Services - Division of Family Services - Children's Services Unit</u>			
Maintenance Increases		(\$5,596,835)	(\$11,193,670)

ESTIMATED NET EFFECT ON FEDERAL FUNDS		<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<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 act modifies the law relating to children and families.

The Grandparents as Foster Parents Program is revised. Section 208.029, RSMo, currently outlines the Program and its requirements. This act makes the Program subject to appropriations and adds a 200 percent of the federal poverty level income restriction to Program eligibility. Finally, Program duties become discretionary rather than mandatory in subsection 4. (Section 208.029)

Currently, Sections 210.536 and 453.073, RSMo, require the Division of Family Services to pay for the cost of foster care and to grant adoption subsidies. Beginning in fiscal year 2003, new language in both sections requires the incremental increase of the foster care reimbursement rate and the adoption subsidy rate over four years. Both rates shall be increased until they meet or exceed rates established by the United States Department of Agriculture. This portion of the act is similar to SB 410 (Sections 210.536 and 453.073).

DESCRIPTION (continued)

This act does not require reasonable efforts to be made when a child is abused by a person other than the parent and circumstances indicate the parent knew or should have known about it. Section 211.183, RSMo, currently defines "reasonable efforts" as reasonable diligence and care by the Division of Family Services to utilize all available resources to meet the needs of the juvenile and the family. This portion of the act is similar to SB 528. (Section 211.183).

Currently, Section 452.377, RSMo, requires a custodial parent to provide notice of any change in the principal residence of a child. New language allows a move of up to thirty miles before notice must be provided to any person with custody or visitation rights. Notice must be provided at thirty miles or over or for any out of state move. A requirement is also added for the court to enter findings of fact, based on four specific factors, when ruling on any objections to the move. Cases with credible evidence of domestic violence may constitute exceptional circumstances allowing the court to waive certain notification requirements. Finally, a separate motion must be filed for any modification of custody. This portion of the act is similar to SB 539. (Section 452.377).

Section 452.402, RSMo, currently allows the court to grant grandparent visitation in certain situations. As modified by this act, the situations are as follows:

- 1) When the parents are getting divorced or are divorced and have denied visitation;
- 2) When one parent of the child is deceased and the surviving parent denies visitation to a parent of the deceased parent of the child;
- 3) When the child has lived in the grandparent's home for at least six months of the previous two years;
- 4) When a grandparent has been denied visitation for over 90 days, however, if the natural parents are married and living together, then the grandparent may not file for unsupervised visitation; or
- 5) The child is adopted by a stepparent, another grandparent, or relative.

Currently, the court must decide if the grandparent visitation would be in the child's best interests. New language provides that if the natural parents are currently married and living together, then a rebuttable presumption exists that the parents know what is in the best interest of the child. This portion of the act is similar to SB 296. (Section 452.402).

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

L.R. No. 2094-01
Bill No. SB 551
Page 8 of 8
March 21, 2001

Department of Social Services
Office of State Courts Administrator

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with some loops and flourishes.

Jeanne Jarrett, CPA
Director

March 21, 2001