

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2094-01
Bill No.: SB 551
Subject: Revises Grandparents as Foster Parents Program.
Type: Original
Date: March 12, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	\$4,758,006	\$5,844,160	\$6,819,237
Total Estimated Net Effect on <u>All</u> State Funds*	\$4,758,006	\$5,844,160	\$6,819,237

* 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 <u>All</u> Federal Funds	\$0	\$0	\$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 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services (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 proposed legislation to the General Revenue Fund to be \$1,892,773 for FY 02 (10 months); \$3,030,476 for FY 03; and \$3,536,138 for FY 04.

Officials from the **DOS - 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. 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; and FY 04 - 8,091. 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 limits for the GAFP eligibility, the IMU assumed that 59.2% of the above anticipated cash eligible children would remain eligible. The anticipated cash eligible children per month would be reduced to: 3,077 ($5,197 \times 59.2\%$) for FY 02; 4,105 ($6,934 \times 59.2\%$) for FY 03; and 4,790 ($8,091 \times 59.2\%$) for FY 04. The number of children no longer eligible per month for the GAFP are estimated at: 2,120 ($5,197 - 3,077$) for FY 02; 2,829 ($6,934 - 4,105$) for FY 03; and 3,301 ($8,091 - 4,790$) for FY 04.

The IMU also 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.

The IMU assumes 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 the GAFP would be eligible for Subsidized Guardianship through Children's Services. The remaining 75% would be eligible for Temporary Assistance.

ASSUMPTION (continued)

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 GFAP 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 the proposed legislation. Therefore, the IMU has estimated the annual costs as a result of children moving from the GAFP to TANF to be \$2,480,400 for FY 02 (10 months); \$3,310,320 for FY 03; and \$3,862,560. Estimated savings as a result of reductions in non-eligible children for annual maintenance cost savings and annual support service costs saving are estimated to be \$9,131,179 for FY 02 (10 months); \$12,184,956 for FY 03; and \$14,217,935 for FY 04.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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GENERAL REVENUE FUND

Program Savings - Department of Social Services - Division of Family Services - Income Maintenance Unit

Maintenance Cost Savings	\$7,004,395	\$9,346,903	\$10,906,372
Support Services Cost Savings	\$2,126,784	\$2,838,053	\$3,311,563
Total <u>Savings</u> - Department of Social Services	<u>\$9,131,179</u>	<u>\$12,184,956</u>	<u>\$14,217,935</u>

Costs - Department of Social Services - Division of Family Services - Income Maintenance Unit

Movement from GAFP to TANF	(\$2,480,400)	(\$3,310,320)	(\$3,862,560)
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Costs - Department of Social Services - Division of Family Services - Children's Services Unit

Subsidized Guardianship Expenditures	<u>(\$1,892,773)</u>	<u>(\$3,030,476)</u>	<u>(\$3,536,138)</u>
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Total <u>Costs</u> - Department of Social Services	<u>(\$4,373,173)</u>	<u>(\$6,340,796)</u>	<u>(\$7,398,698)</u>
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- SUBJECT TO APPROPRIATION -

NET ESTIMATED EFFECT ON GENERAL REVENUE FUND	<u>\$4,758,006</u>	<u>\$5,844,160</u>	<u>\$6,819,237</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

DESCRIPTION

This act revises the Grandparents as Foster Parents Program. Section 208.029, RSMo, currently outlines the Program and its requirements. This act makes the Program subject to appropriations. It also adds an income restriction at 200 percent of the federal poverty level for Program eligibility. Finally, the act makes Program duties discretionary rather than mandatory.

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

March 12, 2001