

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 99-3994/4

INTRODUCTION # AB 706

Admin. Rule #

Subject

Kinship Care

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
- Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

s. 20.435 (3) (kc)

Assumptions Used in Arriving at Fiscal Estimate:

This bill would expand eligibility for kinship care payments to individuals who are between 18 and 19 years of age and finishing high school, provided they meet certain conditions. Under current law, monthly kinship payments (which total \$215) may only be made on behalf of children who are under 18-years of age. Under the bill, individuals would remain eligible for a kinship payment up until age 19 so long as they meet the following two conditions: (1) they are full-time students in good academic standing at a secondary school or its vocational or technical equivalent; and (2) they are reasonably expected to complete their program of study and be granted a high school or high school equivalency diploma.

Adding high school students between the ages of 18 and 19 to the statewide kinship care caseload would cost the Department up to \$458,900 annually. This estimate is based on caseload data from the Department's adoption assistance and foster care programs. Using foster care and adoption assistance data to estimate the bill's impact on kinship care expenditures is useful for a number of reasons. First, children in foster placements and adoptive homes are a similar population to those in kinship care. If not for their placement with a kinship relative, kinship children would be living in either a foster placement or an adoptive home. Second, the age requirements for foster care payments and adoption assistance are almost identical to those which the bill would add to kinship care. A child may remain eligible for foster care and adoption assistance payments up until 19-years of age so long as he or she is: (1) a full time student at a secondary school or its vocational or technical equivalent; and (2) reasonably expected to complete the program before reaching 19-years of age.

The \$458,900 estimate was derived by taking the percent by which the actual combined adoption assistance / foster care caseload is increased by allowing 18-year old students to receive benefits. January 1999 data was used since it is the most recent complete data available. Next, that percentage increase (1.9%) was applied to the monthly FY01 kinship care caseload projections assumed in the biennial budget. Finally, the caseload for each month was multiplied by \$215 and totaled. The following page shows in greater detail the step-by-step calculations used to arrive at the \$458,900 estimate.

It should be noted that \$458,900 should be viewed as the maximum amount by which Department kinship expenditures would increase under the bill. Assuming the kinship caseload projections for FY01 prove accurate, the actual cost will be less. The reason is that the adoption assistance / foster care caseload, which was used as a basis for deriving the 1.9% increase, includes children who are receiving supplemental social security income (SSI). However, children who receive SSI are not eligible for kinship care. As a result, there will be a slightly lower monthly increase than 1.9% in kinship care cases. Because no data is available on the number of children in foster care and adoptive homes who receive SSI, this adjustment cannot be calculated precisely.

Long-Range Fiscal Implications:

Prepared By: / Phone # / Agency Name

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Date

02/21/00

FISCAL ESTIMATE AB # 706: KINSHIP CARE

1. Combined Adoption Assistance / Foster Care Caseload (0-18 year olds)

Number of Children (0-18 years old) in Foster Care as of 1/99	12,292
Number of Children (0-18 years old) receiving Adoption Assistance as of 1/99	2,896
TOTAL	15,188

2. Combined caseload (18-year olds)

Number of 18-year olds in Foster Care as of 01/99	112
Number of 18-year olds receiving Adoption Assistance as of 1/99	167
TOTAL	279

3. Percent increase in combined caseload as a result of adding 18-year olds

15,188 Total caseload including 18-year olds					
-279 18-year olds					
14,909 Total caseload without 18-year olds	14,909	279	=	1.9%	

4. Estimated increase in Kinship Care expenditures

	Projected FY'01 Caseload	Projected FY'01 Expenditures	Total Projected Annual Expenditures	1.9% Caseload Increase	Adjusted Caseload	Adjusted Expenditures	Adjusted Annual Expenditures	Difference
Jul-00	9,163	\$ 1,970,046		171	9,334	\$ 2,006,913		
Aug-00	9,228	\$ 1,984,006		173	9,401	\$ 2,021,133		
Sep-00	9,292	\$ 1,997,764		174	9,466	\$ 2,035,149		
Oct-00	9,355	\$ 2,011,330		175	9,530	\$ 2,048,969		
Nov-00	9,417	\$ 2,024,712		176	9,593	\$ 2,062,601		
Dec-00	9,479	\$ 2,037,918		177	9,656	\$ 2,076,055		
Jan-01	9,539	\$ 2,050,956		179	9,718	\$ 2,089,336		
Feb-01	9,599	\$ 2,063,833		180	9,779	\$ 2,102,454		
Mar-01	9,658	\$ 2,076,556		181	9,839	\$ 2,115,416		
Apr-01	9,717	\$ 2,089,133		182	9,899	\$ 2,128,228		
May-01	9,775	\$ 2,101,570		183	9,958	\$ 2,140,898		
Jun-01	9,832	\$ 2,113,873	\$ 24,521,696	184	10,016	\$ 2,153,431	\$ 24,980,583	\$ 458,887

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

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Subject
Kinship Care

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

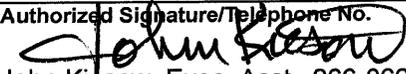
II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations - Other Costs		-
Local Assistance	458,900	-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$ 458,900	\$ -
B. State Costs by Source of Funds		
GPR	\$	\$ -
FED		-
PRO/PRS	458,900	-
SEG/SEG-S		-
State Revenues Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$	\$ -

NET ANNUALIZED FISCAL IMPACT

STATE

LOCAL

NET CHANGE IN COSTS	\$ 458,900	\$ 0
NET CHANGE IN REVENUES	\$ 0	\$ 458,900

Prepared By: / Phone # / Agency Name	Authorized Signature/Telephone No.	Date
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