

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 4 – SB 11**

January 17, 2019

**SUMMARY OF BILL:** Requires the Department of Children’s Services (DCS) to create a three-year pilot program, beginning January 1, 2020, and ending December 31, 2022, to provide child care payments equal to 50 percent of the full foster care rate to eligible relative caregivers who have custody of a child at-risk for entering state custody.

Requires relative caregiver to meet age and income requirements and agree to participate in any programs offered by the DCS to reduce the risk of the child entering state custody.

Requires payment to be subject to the initial and continuing eligibility of the relative caregiver and the child pursuant to this section and rules promulgated by the DCS. Authorizes the DCS to establish additional requirements for payment.

Requires the DCS to publish an annual report on the payments provided pursuant to this legislation no later than February 1 following the conclusion of each calendar year of the pilot program.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue – \$65,700/FY19-20/TBI**

**Increase State Expenditures – \$22,828,900/FY19-20/General Fund**

**\$45,657,700/FY20-21/General Fund**

**\$45,657,700/FY21-22/General Fund**

**\$22,828,900/FY22-23/General Fund**

**\$65,700/FY19-20/TBI**

**Increase Federal Expenditures – \$5,702,000/FY19-20**

**\$11,404,100/FY20-21**

**\$11,404,100/FY21-22**

**\$5,702,000/FY22-23**

Assumptions:

- This legislation requires the pilot program to take effect January 1, 2020, and to end December 31, 2022. This effective date provision will make the legislation effective for approximately 50 percent of FY19-20 and FY22-23.
- Of the 62,000 children in the custody of a relative caregiver, it is estimated that 10 percent or 6,200 children (62,000 x 10.0%) would meet the provisions in the proposed legislation.
- The average cost per day per child in foster care is \$27.74.
- Passage of this legislation would require the DCS to provide eligible caregivers 50 percent of the full foster care rate or \$13.87 (\$27.74 x 50.0%) per day per child.
- The increase in expenditures (for each year of the pilot program) associated with providing foster care payments for children not in state custody is estimated to be \$31,387,810 (6,200 children x 365 days x \$13.87).
- The increase in expenditures of \$31,387,810 for each year of the pilot program will be in state funding, as federal funding cannot be used for children who are not in state custody.
- Passage of this legislation would authorize the DCS to establish additional requirements to determine initial and continuing eligibility of payments to relative caregivers, including a national criminal background check, a home visit and an interview with the relative caregiver.
- A national criminal background check cost of \$35.15, to be paid by each relative caregiver.
- The disbursement of this fee are as follows:
  - Tennessee Bureau of Investigation (TBI): \$13.25;
  - Federal Bureau of Investigation (FBI): \$13.25; and
  - Applicable vendor: \$8.65.
- Of the 6,200 children who would meet the provisions of this legislation, it is estimated that approximately 4,960 caregivers provide care for these children on the basis that some caregivers provide care for more than one child (perhaps for sibling situations). This equates to an average of 1.25 children for each caregiver. Therefore, it is assumed that 4,960 (6,200 / 1.25) caregivers will be required to undergo a one-time background check at the start of the three-year pilot program.
- A one-time increase in state revenue to the TBI of \$65,720 (4,960 x \$13.25) in FY19-20.
- It is assumed that the cost for the TBI to perform such background checks offsets equally with the revenue collected to perform them.
- A one-time increase in state expenditures to the TBI of \$65,720 in FY19-20.
- Pursuant to Tenn. Code Ann. § 37-5-132(a)(2), the DCS is required to maintain staffing levels of case managers to allow caseloads not to exceed an average of 20 children monitored and supervised in active cases relating to ongoing services.
- Based on information provided by the DCS, one team leader is required for every five case managers. Additionally, one team coordinator is required for every four team leaders.

- To effectuate the provisions of this legislation and to confirm eligibility of relative caregivers on an on-going basis during the three-year pilot project, the DCS will require (for a three-year period) 310 additional case managers (6,200 children / 20 children per case manager), 62 team leaders (310 case managers / 5 case managers per team leader), and 16 team coordinators (62 team leaders / 4 team leaders per team coordinator) to account for the increase in children and families to be monitored as a result of this proposed legislation.
- The increase in expenditures associated with the additional positions is estimated to be \$25,674,002 (\$14,842,600 salaries + \$5,011,402 benefits + \$5,820,000 other costs) in each year of the pilot program.
- The increase in expenditures of \$25,674,002 for each year of the pilot program will consist of \$14,269,931 in state funding and \$11,404,071 in federal funding, as follows:
  - \$10,269,601 in DCS state funds (\$25,674,002 x 40.0%).
  - \$4,000,330 in TennCare state funds [(\$25,674,002 x 45.0%) x 34.625%].
  - \$7,552,970 in TennCare federal funds [(\$25,674,002 x 45.0%) x 65.375%].
  - \$3,851,100 in Title IV-E federal funds (\$25,674,002 x 15.0%).
- The total increase in state expenditures to the General Fund is estimated to be \$22,828,871 [(\$31,387,810 + \$14,269,931) x 50.0%] in each FY19-20 and FY22-23 and \$45,657,741 (\$31,387,810 + \$14,269,931) in each FY20-21 and FY21-22.
- The total increase in federal expenditures is estimated to be \$5,702,035 (\$11,404,071 x 50.0%) in each FY19-20 and FY22-23 and \$11,404,071 in each FY20-21 and FY21-22.
- Passage of this legislation will have no effect on policies or procedures of the Administrative Office of the Courts (AOC); therefore, any fiscal impact to AOC is not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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