

February 16, 2011

The Honorable Lance Kinzer, Chairperson
House Committee on Judiciary
Statehouse, Room 165-W
Topeka, Kansas 66612

Dear Representative Kinzer:

SUBJECT: Fiscal Note for HB 2142 by House Committee on Children and Families

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2142 is respectfully submitted to your committee.

Under current law, the Secretary of Social and Rehabilitation Services (SRS) makes placement decisions for children in the custody of the Secretary. The court is permitted to determine whether a particular placement is inadequate in meeting a child's needs and whether the child should be moved. If the court deems a placement inadequate, the Secretary is required to move the child. HB 2142 provides the court with the authority to direct a specific placement for children in the custody of the Secretary, thus eliminating the Secretary's authority under current law to return a child to a parent or select another suitable placement. The bill would require the court to be informed of the Secretary's recommendation. Under HB 2142, if the court does not select the placement recommended by the Secretary, the court must include its reasons in the court's order of placement. The court would also be permitted to direct where the child cannot be placed.

Estimated State Fiscal Effect				
	FY 2011 SGF	FY 2011 All Funds	FY 2012 SGF	FY 2012 All Funds
Revenue	--	--	--	(\$139,658,095)
Expenditure	--	--	\$139,658,095	--
FTE Pos.	--	--	--	--

The Department of Social and Rehabilitation Services (SRS) indicates that federal law requires the responsibility for placement and care of a child in the custody of the state is with the state agency. The law specifies that Federal Financial Participation (FFP) for Title IV-E foster care maintenance payments may not be claimed when the court chooses the child's placement. Title IV-E Foster Care funding is the largest federal funding source for the foster care program. In addition, as a condition to receive the Temporary Assistance for Needy Families (TANF)

The Honorable Lance Kinzer, Chairperson

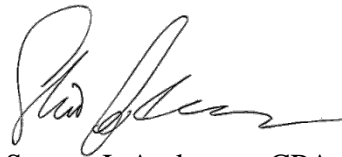
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Block Grant, the state must operate a foster care and adoption assistance program under an approved Title IV-E state plan. Therefore, should HB 2142 be enacted, the State's TANF Block Grant would also be at risk.

The Department of Social and Rehabilitation Services estimates that passage of HB 2142 would result in the loss of a total of \$139,658,095 in federal funds, of which \$115,614,998 is from the TANF Block Grant and \$24,043,097 is in federal foster care funding for FY 2012. For FY 2013 and FY 2014 the agency estimates a loss in federal funding of \$132,341,993 and \$127,191,340, respectively. These estimates assume that current services would continue, despite the loss in federal funding. Therefore, the loss in federal funds would be offset by appropriations from the State General Fund. Any fiscal effect associated with HB 2142 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Mary Rinehart, Judiciary
Dan Lewien, SRS