

Fiscal impact requests – CHFS estimated response

**SB 151 - AN ACT relating to relative and fictive kin caregivers.**

SB 151 is anticipated to have a significant fiscal impact with a modest estimate of \$119,340,000 per year in General Funds, plus an additional \$4.4 million-12.9 million for additional social workers to accommodate the increased workload, for the Cabinet for Health and Family Services (CHFS/cabinet), Department for Community Based Services (DCBS/department).

Since 2017, the department has spent approximately \$62,737,616 in General Funds on foster care per diems as a result of the *D.O. vs. Glisson* court ruling that determined relative and fictive kin caregivers should receive payments as if they were foster parents. Those per diems were paid out General Funds as they were not federally reimbursable because the children were not in foster care.

Over 13,000 individuals who have applied for the *D.O. vs. Glisson* foster care per diem were found not eligible to receive the payment. In the same way, the children and caregivers this legislation is seeking to cover would most likely not be eligible for federal reimbursement. Although a federal waiver could be sought, an application is not guaranteed to be approved.

The Cabinet has litigated the issue of how we pay Title IV-E funds in the matter of *J.B.-K., et al. v. Meier*, Case No. 18-cv-25 (E.D. Ky.). In this case the 6<sup>th</sup> Circuit Court of Appeals held that children that are not in the care and custody of the Cabinet are not eligible payments under Title IV-E. In this case the United States Dept. for Health and Human Services confirmed with the court that the Cabinet was correctly using Title IV-E funds.

Caregivers receiving *D.O. v. Glisson* payments receive an average of \$765 per child per month. Of the 13,000 individuals who did not qualify for payments, those numbers are based on caregivers, not children. Some caregivers have more than one child placed in their home; thus, the number of children would be greater.

A modest estimate includes:

13,000 individuals x \$765 per child per month x 12 months = \$119,340,000 per year in General Funds

Because the proposed bill allows the caregiver to make the request any time before or after placement of the child, this cost could be much greater because there could be thousands of caregivers who have custody of children who apply to become foster parents in order to receive financial supports.

As of January 4, 2024, the TWS-383 report shows that 1,299 children are placed with relatives or fictive kin who are not seeking child-specific certification. This number does not include cases that have been closed over the years with the relative or fictive kin having custody. Calculations for the cost for this modest estimate are:

1,299 children x \$765 per month x 12 months = \$11,924,820 per year in General Funds

If a child is removed from the custody of their caregiver into the custody of the cabinet, the caregiver cannot receive a federally reimbursed foster care per diem. The state would have to pay that per diem in General Funds.

Further, if the bill is passed, there could be a significant increase in call volume. Additional staff would be required to process requests and perform the required foster home study. Additional training would be needed for new and existing staff to properly process these requests. Without knowing the actual increase in requests, the department is unable to estimate the number of staff needed. However, the cost of one additional social service specialist is approximately \$130,000 per year including fringe.

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Out of the 13,000 estimated applicants, if only 1,000 were approved, DCBS would need 34 more social workers at \$130,000 including fringe to review applications, conduct home studies, and meet the requirements associated with cases = \$4.4 million.

Using a high estimate of 3,000 more open cases, DCBS would need approximately 99 more social workers = \$12.9 million. This is to maintain the current average caseload numbers, which are much higher than the national standard. To attempt to meet the national standard, even more social worker positions would be needed.