

STORAGE NAME: h4007.hhs

DATE: April 20, 1998

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
HEALTH AND HUMAN SERVICES APPROPRIATIONS
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 4007

RELATING TO: Children and Families

SPONSOR(S): Representative Dawson-White

COMPANION BILL(S): SB 1540

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) CHILDREN AND FAMILY EMPOWERMENT YEAS 5 NAYS 1
- (2) HEALTH AND HUMAN SERVICES APPROPRIATIONS
- (3)
- (4)
- (5)

I. SUMMARY:

House Bill 4007 creates s. 415.531, F.S., to provide a program of financial assistance and support services to relatives who are caring for children placed with them as a result of a court order, an agency placement or a voluntary agreement with a parent. The bill provides that monthly benefits to caretaker relatives are equal to benefits provided to a foster parent.

The Department of Children and Family Services is unable to estimate the exact cost of the bill but reports that it would be "enormous".

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Under s. 39.41(2)(a)3., F.S., the court may place a child who has been abused, neglected, or abandoned in the home of a relative approved by the court under the protective supervision of an authorized agent of the department. Under s. 39.41(2)(a)4., F.S., the court may place the child in the temporary legal custody of an adult relative approved by the court who is willing to care for the child.

Approximately 8,126 children under protective supervision who were removed from their homes as a result of a court and department determination of abuse, neglect, or abandonment are residing with relatives. Of these children, 6,257 are recipients of child-only Temporary Assistance for Needy Families (TANF) cash assistance benefits of \$180/month. However, if the relative becomes a licensed foster parent and complies with the licensing requirements contained in s. 409.175, F.S., the monthly minimum foster care maintenance payment for a child under the age of 12 years is \$296-\$332. The amount of the monthly foster care maintenance payment increases substantially when additional children are placed with a relative unlike the TANF cash assistance payment that increases only slightly. Whether financial support is provided by TANF or foster care maintenance payment, the child's medical care is covered by Medicaid.

The department reports that through the federal grant funds provided under the Federal Preservation and Support Services Act of 1993, district offices purchase a variety of community-based family support services for children and their caretakers. These services vary by district according to the needs identified in the local target populations. Access to these services is not means-tested but is defined by membership in a target population. Like many Floridians, caretaker relatives may be unaware of the availability of local community-based support services.

B. EFFECT OF PROPOSED CHANGES:

House Bill 4007 directs the department to establish a Relative Caretaker Program for relatives who are within the first, second, or third degree by blood or marriage to the parent or stepparent of a child to act as substitute parents as a result of a court order, an agency placement, or a voluntary arrangement by a parent. Relative caretakers who receive assistance under this program must be capable of providing a physically safe environment and a stable supportive home for the children under their care.

Relatives who qualify for the Relative Caretaker Program would be exempt from foster care licensing requirements under s. 409.175, F.S, but would receive a monthly relative caretaker benefit equal to the benefit provided to a foster parent. There would be neither an initial inspection nor ongoing oversight of the home to assure that the home in which the child resides is safe and conducive to good mental and physical development.

The bill authorizes an established payment for the care of children placed with a relative caretaker by the court or the department and requires that the department establish criteria for determining the benefit level for caretakers who care for a child through a voluntary agreement with the parent.

The bill requires the department to provide services if requested or needed in order to support the child's safety, growth, and healthy development. These services include subsidized child care and other family support and family preservation services available to children in foster care. This mandate for services to children who do not meet the at-risk criteria and are not in the protective supervision program could require a major infusion of funding for child care in all instances where a child is residing with a relative.

The bill requires the same medical coverage and tuition-free schooling for children living with a relative caretaker as for children participating in the Medicaid program.

The bill authorizes the department to maximize federal Title IV-E funds, as well as other appropriate state, federal, and private funds to operate the Relative Caretaker Program. The bill specifies that for each child served, the cost of providing assistance and services must not exceed the cost of providing out-of-home care in emergency shelter or foster care.

The department is directed to adopt rules to implement the Relative Caretaker Program.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

The department is directed to adopt rules to implement the Relative Caretaker Program.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

No

(3) any entitlement to a government service or benefit?

The bill increases the assistance for caretaker relatives to correspond to the assistance provided to foster parents.

b. If an agency or program is eliminated or reduced:

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(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No

b. Does the bill require or authorize an increase in any fees?

No

c. Does the bill reduce total taxes, both rates and revenues?

No

d. Does the bill reduce total fees, both rates and revenues?

No

e. Does the bill authorize any fee or tax increase by any local government?

No

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

No

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

No

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

The Department of Children and Family Services

- (2) Who makes the decisions?

Relatives of the child.

- (3) Are private alternatives permitted?

N/A

- (4) Are families required to participate in a program?

No

- (5) Are families penalized for not participating in a program?

No

- b. Does the bill directly affect the legal rights and obligations between family members?

No

- c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

Yes

(2) service providers?

No

(3) government employees/agencies?

Existing authority is maintained.

D. STATUTE(S) AFFECTED:

Section 415.531, F. S. is created.

E. SECTION-BY-SECTION RESEARCH:

Section 1 Is described above.

Section 2 provides an effective date of October 1 of the year in which enacted.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

The department reports that the fiscal impact of SB 1540 would be "enormous." Significant new resources would be needed in at least the following areas:

- State funds to augment the benefit paid to relative caretakers.
- New staff positions in the department to implement the Relative Caretaker Program.
- State funds to match federal Medicaid funds for serving children who live with a relative.
- State funds for providing tuition-free schooling to children living with a relative.

The amendment traveling with the bill narrows eligibility to court ordered placement, reducing these costs.

3. Long Run Effects Other Than Normal Growth:

N/A

4. Total Revenues and Expenditures:

N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

N/A

2. Direct Private Sector Benefits:

Relatives caring for children would benefit from the receipt of a higher reimbursement than they are currently eligible for under TANF.

3. Effects on Competition, Private Enterprise and Employment Markets:

N/A

D. FISCAL COMMENTS:

The provision in SB 1540 related to cash benefits for relatives who voluntarily agree to take a child could provide an adverse incentive for parents who participate in the time-limited WAGES program and receive lower cash benefits than those provided to foster parents. These TANF recipients may be encouraged to relinquish custody of their children to relatives who would receive a cash benefit that is higher and is not time-limited.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

B. REDUCTION OF REVENUE RAISING AUTHORITY:

N/A

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

N/A

V. COMMENTS:

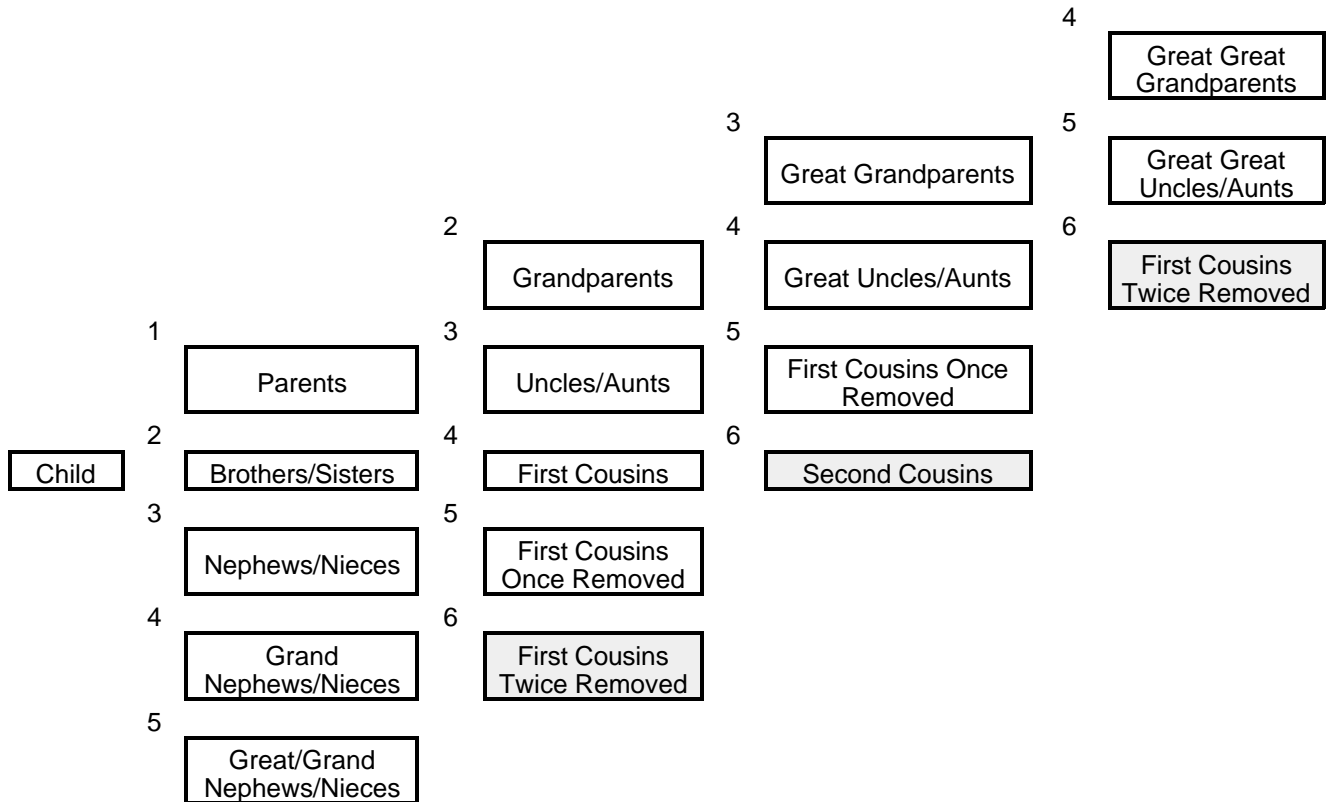
N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The Committee on Children and Family Empowerment adopted an amendment which conforms the bill to SB 1540. This amendment is traveling with the bill. The substantive changes contained in the amendment:

- substantially narrows the bill by limiting eligibility to situations where a child was placed with a relative by a court order,
- eliminates the college tuition waivers available to children in foster care that was provided in the original bill,
- clarifies that a family cannot be eligible for both Relative Caregiver benefits and WAGES benefits, and

- expands eligibility from relatives with up to a third degree relationship to up to a fifth degree relationship. This is the degree of blood relationship formerly recognized in federal law for this purpose. Currently the states may set their own consanguinity standards. The fifth degree of relationship is illustrated by the following chart. Each row in the chart is a peer generation. Degrees of relationship to the child are indicated by the numbers to the left of each category of relative. The shaded boxes do not fall within the fifth degree of relationship.



Source: <http://www.heirsearch.com/cons.html>

VII. SIGNATURES:

COMMITTEE ON CHILDREN AND FAMILY EMPOWERMENT:

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