

Bill

number: HB2536 Amended date: 3/18/2024Responding agency: Department for Children and FamiliesPrepared by: Tammy Tompkins DOB Analyst: Bill Schafer**Fiscal Impact**State—Would this bill have a fiscal effect on your agency? Yes ☒ No ☐Local—Would this bill have a fiscal effect on local government? Yes ☐ No ☒Tax Revenue—Would this bill affect State General Fund revenues? Yes ☐ No ☒Fee or Other Revenue—Would this bill affect revenues to other state funds? Yes ☐ No ☒Comparable program from another state available for reference? Yes ☐ No ☒

	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>
Expenditures			
State General Fund	175,261	464,687	827,841
Fee Fund(s)			
Federal Fund			
Total Expenditures	\$175,261	\$464,687	\$827,841
Revenues			
State General Fund			
Fee Fund(s)			
Federal Fund			
Total Revenues	\$0	\$0	\$0
FTE Positions	0	0	0

Bill Description

HB 2536 is related to the revised Kansas code for care of children which would establish SOUL family legal permanency as a permanency option for children in need of care who are 16 years of age or older. This legislation would allow courts to establish SOUL family legal permanency. This would amend K.S.A. 38-2234, 38-2263, 38-2264, 38-2266 and 38-2268 and K.S.A. 2023 Supp. 38-2202, 38-2203 and 38-2255 and repealing the existing sections; also repealing K.S.A. 2023 Supp. 38-2202a.

Methodology and Assumptions for Fiscal Effect Estimate

Expenditures:

In our initial fiscal note dated 1/22/2024, DCF included the costs for two categories that in hindsight should be eliminated. The first was the inclusion of youth subsidy added to the Adoption Support Program, that should be a program policy change and any additional funding would be requested through an enhancement request as part of the state budget cycle at the appropriate time.

The second category that we would now like to remove from the estimate are the annual medical costs. Initially the thought was that an amendment to the Medicaid State Plan would be needed for these youth to continue to be covered by the medical card. We now believe these youth would continue to be covered by the medical card without any change needed to the Medicaid State Plan.

DCF would also like to emphasize that a reduction of the length of stay for a youth in foster care would make this program cost neutral. The average cost for a youth in foster care for 6 months is \$25,890. In year 3 (full implementation) of this program if at least 32 (23%) of the anticipated 135 youth have a shortened stay in foster care by 6 months, the foster care savings would make this program cost neutral to the state.

DCF worked in conjunction with the Annie E. Casey Foundation, Mainsprings Consulting, and a stakeholder group to develop the benefits package and costs of implementing this new permanency option.

The following assumptions were used to calculate the costs of implementing the SOUL Family Permanency program.

Amended Assumptions

- 25% of youth who age out, and all youth ages 16+ who currently exit to guardianship will establish SOUL Families.
- Caregiver Benefits would be the same as provided in the current Adoption Support program.
- All youth who are expected to establish SOUL family legal permanency would have formerly aged out of foster care making Young Adult Subsidy, Independent Living Start-Up Costs and Vehicle Repair and Maintenance Cost budget neutral.
- 40% of youth who are expected to establish SOUL family legal permanency would be eligible to access state funded post-secondary educational benefits.
- Estimates 44 young people create a SOUL Family in year one, 91 in year two and full implementation with 135 young people choosing this option by year three.

Benefits for Young People and Caregivers who have Established SOUL Families	Year One (44 youth)	Year Two (91 youth)	Year Three (135 youth)
Caregiver Non-Recurring Expenses and One-Time Payments	\$36,917	\$73,833	\$110,861
Caregiver Subsidy	\$65,124	\$171,184	\$277,439
Young Adult Subsidy (<i>Cost Neutral</i>)	\$0	\$0	\$0
Independent Living Start-Up Costs (<i>Cost Neutral</i>)	\$0	\$0	\$0
Vehicle Repair and Maintenance Cost (<i>Cost Neutral</i>)	\$0	\$0	\$0
Post-Secondary Educational Benefits Costs	\$73,220	\$219,660	\$439,540
TOTAL SOUL FAMILY COSTS	\$175,261	\$464,687	\$827,841

Revenues:

None

Long-Term Fiscal Considerations

Fiscal impact would continue in all future years.

Local Government Fiscal Effect

None

References/Sources

If there are supporting documents or spreadsheets explaining calculations or assumptions, please attach them. Be specific when citing the methodology used to calculate the fiscal effect of this legislation.

Are there examples of actual costs or revenue changes from similar legislation passed in other states? If so, please detail how the estimated fiscal effect in Kansas compares to that of other states and identify any programmatic differences that would lead to a fiscal effect that is different in Kansas than in other states. **No, Kansas is one of the first states selected to pilot this program in the nation.**

If you have questions, please contact the Budget Analyst assigned to this fiscal note.

