



January 31, 2024

The Honorable Susan Concannon, Chairperson
 House Committee on Child Welfare and Foster Care
 300 SW 10th Avenue, Room 152-S
 Topeka, Kansas 66612

Dear Representative Concannon:

SUBJECT: Fiscal Note for HB 2581 by House Committee on Child Welfare and Foster Care

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2581 is respectfully submitted to your committee.

HB 2581 would eliminate the requirement that the court ordered child support be paid when a child is in the custody of the Department for Children and Families. The bill would also remove the requirement that child support payment requests be made in a child in need of care petition.

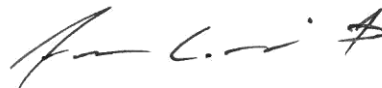
Estimated State Fiscal Effect			
	FY 2024	FY 2025	FY 2026
Expenditures			
State General Fund	--	\$1,028,503	\$2,007,464
Fee Fund(s)	--	(1,028,503)	(2,007,464)
Federal Fund	--	--	--
Total Expenditures	--	--	--
Revenues			
State General Fund	--	--	--
Fee Fund(s)	--	(\$1,028,053)	(\$2,007,464)
Federal Fund	--	--	--
Total Revenues	--	(\$1,028,503)	(\$2,007,464)
FTE Positions	--	--	--

Foster care cases are often the most difficult and least cost-effective cases to handle, and support collected does not directly benefit Kansas families. The Department for Children and Families (DCF) indicates that enactment of HB 2581 would reduce the number of foster care cases being referred to Child Support Services (CSS) in Kansas and would eventually lead to a reduction in foster care collections.

Foster care cases in the CSS caseload declined by 16.7 percent from FY 2022 to FY 2023. DCF estimated the FY 2024 caseload using that declining percentage. For FY 2023, children exiting foster care spent an average of 23.3 months in care. DCF estimates that foster care children currently in CSS would phase out in about two years. Although the foster care cases in the CSS caseload would be phasing out, the expenses would remain at the same levels due to the contracted privatization of CSS child support collections. Those costs would remain as contracted regardless of CSS caseload.

The Social Security Act requires IV-E agencies to collect child support for children receiving foster care services when appropriate. However, guidance was issued in June 2022 encouraging state welfare agencies not to secure child support in all foster care cases especially where it impedes the family reunification process and is generally not cost-effective. Based on estimates in the Social Welfare Fee Fund Report submitted in the most recent DCF budget, foster care collections are expected to be approximately \$2.1 million in FY 2025 and \$2.0 million in FY 2026. DCF estimates that enactment of the bill would result in a 50.0 percent reduction in FY 2025 and a complete phase out in FY 2026. The phasing out of foster care cases would reduce revenues for CSS by \$1.0 million for FY 2025 and \$2.0 million for FY 2026. Any fiscal effect associated with HB 2581 is not reflected in *The FY 2025 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Kim Holter, Department for Children & Families