Division of the Budget
Landon State Office Building
900 SW Jackson Street, Room 504
Topeka, KS 66612
Adam C. Proffitt, Director

Kansas
Division of the Budget

Phone: (785) 296-2436
adam.c.proffitt@ks.gov
http://budget.kansas.gov
Laura Kelly, Governor

January 24, 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 2552 by House Committee on Child Welfare and Foster Care

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2552 is respectfully submitted to your committee.

HB 2552 would prohibit the Secretary of the Department for Children and Families from using federal benefits received by a child in foster care for the costs of care while in state custody. The bill would also require the Secretary to create accounts for children receiving federal benefits and directing the use of the benefits to be for the best interests of the child.

Estimated State Fiscal Effect			
	FY 2024	FY 2025	FY 2026
Expenditures			
State General Fund	--	7,529,300	7,529,300
Fee Fund(s)	--	--	--
Federal Fund	--	970,700	970,700
Total Expenditures	--	$8,500,000	$8,500,000
Revenues			
State General Fund	--	--	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	--	--
FTE Positions	--	--	--

The Department for Children and Families (DCF) indicates that HB 2552 would no longer allow DCF to use SSA/SSI benefits to reimburse the state for cost of care. Currently DCF spends $8.5 million dollars a year in the Foster Care budget of Social Security Account (SSA)/Supplemental Security Income (SSI) revenues to cover eligible children's foster care maintenance such as food, clothing, shelter, education, and daily supervision. To remove that funding from the foster care budget would result in the need of $8.5 million from all funding sources, including $7.5 million of State General Fund, to replace the SSA/SSI funding. DCF is currently the representative payee for 874 children, including 456 receiving SSI, 363 receiving SSA, 54 receiving both SSA and SSI, and one child receiving Veteran Administration Benefits. The benefits are kept in the child's WARDS accounts and first used to reimburse costs for the children before being used for foster care costs.

The children for whom DCF is the Representative Payee of their benefits would need to have an Achieving a Better Life Experience (ABLE) account set up to deposit their SSA/SSI benefits into. These accounts are tax-advantaged savings accounts for individuals with disabilities and their families and are exempt as a countable resource when determining SSI eligibility. This type of account would be needed rather than a regular WARDS account because benefits would accumulate and exceed the allowed federal limits. DCF currently has a position in each region that handles the annual reporting to Social Security for these children and a Management Analyst position on the DCF Federal Reporting team to establish and maintain ABLE accounts. There would be no additional costs for these duties to be added.

The Office of Judicial Administration indicates that HB 2552 would have a negligible fiscal effect on expenditures and no fiscal effect on revenues. Any fiscal effect associated with HB 2522 is not reflected in *The FY 2025 Governor's Budget Report*.

The Kansas Association of Counties indicates that HB 2552 would increase expenditures of the general fund in a county if expenditures were not reimbursed.

In comparison to other states, DCF indicates that New Mexico was reimbursing themselves $7.9 million annually and took action to end that practice. The fiscal impact to their state would have been at a minimum that amount. Two other states that are also moving to end this practice are Arizona at $5.7 million and Oregon at $4.4 million reimbursed annually.

Sincerely,

Adam C. Proffitt
Director of the Budget

cc: Trisha Morrow, Judiciary
Kim Holter, Department for Children & Families
Jay Hall, Kansas Association of Counties