



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0057	Title:	Foster parent liability insurance
Primary Sponsor:	Franklin, Eve	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$58,072	\$60,975	\$64,024	\$67,225
Federal Special Revenue	\$58,072	\$60,976	\$64,024	\$67,226
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	\$58,072	\$60,976	\$64,024	\$67,226
Net Impact-General Fund Balance	<u>(\$58,072)</u>	<u>(\$60,975)</u>	<u>(\$64,024)</u>	<u>(\$67,225)</u>

Description of fiscal Impact:

This bill requires that the Department of Public Health and Human Services provide personal injury and property damage insurance for a foster parent.

FISCAL ANALYSIS

Assumptions:

1. Child and Family Services Division will pay the cost of the premium for liability insurance for each foster and therapeutic foster care family licensed by the State of Montana or by a licensed child-placing agency.
2. The estimated premium is \$122 per family per year. This premium was obtained from Willis of Seattle and includes liability plus property damage. The premium for liability only is quoted at \$100; property damage is \$22.00.
3. In November 2006 there were 952 licensed foster (including 623 youth foster homes, 28 specialized, 195 therapeutic, and 106 kin) families in the State of Montana.
4. Annual expenses are calculated with 952 families multiplied by \$122 annual premium, for \$116,144 for FY 2008.

5. Child and Family Services Division assumes a 5% inflation rate for the premium. This will make the total premium for FY 2009 \$121,951, FY 2010 \$128,048, and FY 2011 \$134,451.
6. The total annual premium is funded with 50% Title IV-E and 50% General Fund. This is a Title IV-E allowable expense and is reimbursable as an administrative cost.
7. The deductible on property damage will be the foster parent’s responsibility.
8. The bill contains an appropriation of \$70,000 general fund for each fiscal year for FY 2008 and FY 2009; it is assumed for evaluation of the fiscal impact for this bill that the funding will continue to be appropriated in FY 2010 and FY 2011.

	<u>FY 2008</u> <u>Difference</u>	<u>FY 2009</u> <u>Difference</u>	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Benefits	\$116,144	\$121,951	\$128,048	\$134,451
<u>Funding of Expenditures:</u>				
General Fund (01)	\$58,072	\$60,975	\$64,024	\$67,225
Federal Special Revenue (03)	\$58,072	\$60,976	\$64,024	\$67,226
TOTAL Funding of Exp.	<u>\$116,144</u>	<u>\$121,951</u>	<u>\$128,048</u>	<u>\$134,451</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$58,072	\$60,976	\$64,024	\$67,226
TOTAL Revenues	<u>\$58,072</u>	<u>\$60,976</u>	<u>\$64,024</u>	<u>\$67,226</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$58,072)	(\$60,975)	(\$64,024)	(\$67,225)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

Technical Notes:

1. The number of 720 families used in the August 2006 paper on Foster Parent Liability presented to the Children & Families Interim Committee did not include therapeutic, specialized, and kin foster families.
2. The bill contains an appropriation of \$70,000 general fund for each fiscal year for FY 2008 and FY 2009; federal funds will need to be appropriated.

Sponsor’s Initials

Date

Budget Director’s Initials

Date