

FISCAL NOTE
 [Third Reprint]
ASSEMBLY, No. 2137
STATE OF NEW JERSEY
214th LEGISLATURE

DATED: JUNE 15, 2010

SUMMARY

- Synopsis:** Provides for educational stability of children placed in resource family homes and that school district of residence for the child shall be present district of residence of parent or guardian.
- Type of Impact:** Possible General Fund expenditure increase
- Agencies Affected:** Departments of Children and Families and Education, and local school districts.

Executive Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	\$1.52 million	\$1.52 million	\$1.52 million
Local Cost	Unable to determine	Unable to determine	Unable to determine

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State/Local Cost	Unable to determine	Unable to determine	Unable to determine

- The Executive estimate is reasonable, however, the Office of Legislative Services (OLS) has no independent information to either verify or refute the Executive estimate.

BILL DESCRIPTION

Assembly Bill No. 2137 (3R) of 2010 establishes a system to support educational stability for children placed in resource family homes, in accordance with the provisions of the federal “Fostering Connections to Success and Increasing Adoptions Act of 2008,” Pub.L.110-351. The bill provides that in the case of a child placed in resource family care on or after the effective date of the bill, the child’s district of residence shall be the present district of residence of the

parent or guardian with whom the child lived prior to the most recent placement in a resource family home, pending a best interest determination. The bill also provides that the child's school district of residence shall be responsible for paying, as applicable, transportation costs for that child from the resource family home to the child's school.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The Department of Children and Families (DCF) has estimated the total cost of the legislation at \$1.69 million annually (\$1.52 million State and \$0.169 million federal).

The estimate assumes that 25 percent of the 250 school-aged children entering out-of-home placement each month, or approximately 63 children, will require transportation from their resource family homes to their school districts of residence, at a cost of \$150 per day. The DCF indicates that under the provisions of the bill, the department's share of the transportation costs would be \$1.52 million each year, and federal claims under the Title IV-E program will provide \$0.169 million federal funding. The DCF is unable to determine the potential costs to the Department of Education and the school districts that will be responsible for paying transportation costs for such children.

The DCF estimates that 20 percent of all children requiring transportation from resource family homes to their school districts of residence are eligible for federal Title IV-E funds, and the transportation costs associated with these children are claimable at a rate of 50 percent. Each year, DCF calculates the State's share of estimated transportation costs for children in out-of-home care, and does not request an additional appropriation if the legislation is enacted during the current fiscal year.

The DCF claims approximately \$125 million annually in federal Title IV-E funds to support children in resource family homes and adoptive placements, and has stated that if the State fails to implement the educational stability provisions of the federal "Fostering Connections to Success and Increasing Adoptions Act of 2008," the federal government could determine that DCF is not in compliance with the Title IV-E state plan, leading to a loss of all or part of the \$125 million.

OFFICE OF MANAGEMENT AND BUDGET

The Office of Management and Budget (OMB) has estimated that the total cost of the legislation could range from \$1.69 million to \$3.4 million annually, depending on the number of children entering out-of-home placement who require transportation services.

The estimate assumes that between 25 percent and 50 percent of the 250 school-aged children entering out-of-home placement each month, or approximately 63 to 125 children, will require transportation from their resource family homes to their school districts of residence, at a cost of \$150 per day. The OMB indicates that the potential costs to local school districts will also increase since local school districts will be responsible for paying transportation costs for such children.

OFFICE OF LEGISLATIVE SERVICES

Though the OLS believes the estimate provided by the DCF of \$1.52 million annually is reasonable, that the cost to the State will depend on the actual number of children entering out-

of-home placement who will require transportation services under the provisions of the new federal requirements, and the cost of such transportation. Thus, the actual State cost may be more than or less than \$1.52 million. It is noted that OLS cannot verify or refute the estimates used DCF or OMB to develop the fiscal estimate. Further, costs school districts may incur cannot be determined.

Section: Human Services

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This fiscal note has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).