

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 904 – SB 1477

April 2, 2019

SUMMARY OF BILL: Requires a grandparent who has maintained a significant existing relationship with a grandchild be a party to any termination of the parental rights of that grandparent's child. Requires the grandparent's rights to the grandchild be terminated by a court prior to an order of adoption for the child by other persons.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$7,838,200

Increase Federal Expenditures – \$6,264,000

Assumptions:

- Requiring a grandparent's rights to the grandchild be terminated prior to an order of adoption will delay permanency placements for children in the custody of DCS.
- The average cost per day per child in the custody of DCS is \$105.
- Based on information provided by the Department of Children's Services (DCS), the DCS currently maintains full guardianship of 3,028 children due to parental terminations.
- Of those 3,028 children, it is estimated that 33.33 percent or 1,009 children (3,028 x 33.33%) have a significant existing relationship with a grandparent.
- Based on the average length of time for previous court proceedings for termination of parental and grandparent's rights, the additional amount of time children will remain in the custody of DCS is estimated to be 120 days.
- The increase in expenditures associated with the extended length of in DCS custody is estimated to be \$12,713,400 [(1,009 children x 120 days) x \$105/day].
- The increase in expenditures of \$12,713,400 will consist of \$7,066,267 in state funding and \$5,647,133 in federal funding, as follows:
 - \$5,085,360 in DCS state funds (\$12,713,400 x 40.0%).
 - \$1,980,907 in TennCare state funds [(\$12,713,400 x 45.0%) x 34.625%].
 - \$3,740,123 in TennCare federal funds [(\$12,713,400 x 45.0%) x 65.375%].
 - \$1,907,010 in Title IV-E federal funds (\$12,713,400 x 15.0%).
- Pursuant to Tenn. Code Ann. § 37-5-132(a)(2), the DCS is required to maintain staffing levels of case managers to allow caseloads not to exceed an average of 20 children monitored and supervised in active cases relating to ongoing services.

- Based on information provided by the DCS, one team leader is required for every five case managers. Additionally, one team coordinator is required for every four team leaders.
- The extended length of time in DCS custody of 120 days for the 1,009 children equates to an increase of 332 children [(1,009 children x 120 days) / 365 days a year] requiring case management services.
- The DCS will require 17 additional case managers (332 children / 20 children per case manager), 3 team leaders (17 case managers / 5 case managers per team leader), and 1 team coordinators (3 team leaders / 4 team leaders per team coordinator) to account for the increase in children and families to be monitored as a result of this proposed legislation.
- The increase in expenditures associated with the additional positions is estimated to be \$1,388,830 (\$802,700 salaries + \$271,130 benefits + \$315,000 other costs).
- The increase in expenditures of \$1,388,830 will consist of \$771,929 in state funding and \$616,901 in federal funding, as follows:
 - \$555,532 in DCS state funds (\$1,388,830 x 40.0%).
 - \$216,397 in TennCare state funds [(\$1,388,830 x 45.0%) x 34.625%].
 - \$408,576 in TennCare federal funds [(\$1,388,830 x 45.0%) x 65.375%].
 - \$208,325 in Title IV-E federal funds (\$1,388,830 x 15.0%).
- The total recurring increase in state expenditures to the General Fund is estimated to be \$7,838,196 (\$7,066,267 + \$771,929).
- The total recurring increase in federal expenditures is estimated to be \$6,264,034 (\$5,647,133 + \$616,901).
- Based on information provided by the Administrative Office of the Courts, the proposed legislation could increase case disposition times for adoption cases where a qualifying grandparent is a party; however, any increase in expenditures to the trial courts will be absorbed within existing resources.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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