

March 10, 2017

The Honorable Vicki Schmidt, Chairperson
Senate Committee on Public Health and Welfare
Statehouse, Room 441-E
Topeka, Kansas 66612

Dear Senator Schmidt:

SUBJECT: Fiscal Note for SB 170 by Senator Faust-Goudeau

In accordance with KSA 75-3715a, the following fiscal note concerning SB 170 is respectfully submitted to your committee.

SB 170 would require the Department for Children and Families (DCF) to collaborate with community based partners and stakeholders to jointly develop a plan for implementation of a core set of performance-based contracts to provide an array of evidence-based prevention and intervention services. These services would target families who are at risk for an out-of-home placement or have a child in out-of-home care and for children who are awaiting adoption. DCF would need to consider the capacity for implementation, reporting requirements and whether there are existing work groups engaged in performance improvement or reform efforts region wide.

SB 170 would require DCF to report to the Governor, the House Committee on Children and Seniors and the Senate Committee on Public Health and Welfare by January 31, 2018, with a plan to begin implementation on July 1, 2018. By January 31, 2019, DCF would be required to provide the Governor and the Legislature with a status update and recommendations for continued progress.

DCF would also be required to develop a proposal for the reinvestment of savings from reduced foster care caseloads into evidence-based prevention and intervention programs designed to prevent the need for or reduce the duration of foster care placements. The proposal would include sufficient detail regarding accounting and budgeting and other procedures for legislative consideration. The bill would require the proposal to be submitted to the Legislature and the Governor by January 31, 2019.

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DCF states that SB 170 would require additional work. However, much of what the bill calls for regarding performance based contracts is already in place and performance based budgeting is being implemented under last year's Performance Based Budget law. Any additional work would be absorbed with no fiscal impact. The proposal that would allow DCF to reinvest savings from reduced foster care savings would require a modification to the current Consensus Caseload Estimating process utilized by the Division of the Budget, Kansas Legislative Research Department, and state agencies. The foster care contracts are a part of this process which resets budget estimates twice a year netting all savings and increases between all the caseloads. In addition, there is a portion of the federal foster care funding that cannot be used on prevention programs. Thus, total funding available for prevention would decline as funding shifted from foster care to prevention programs. However, state funds would remain constant resulting in no fiscal impact from the state funding perspective. Any fiscal effect associated with SB 170 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Jackie Aubert, Children & Families