

JBC Staff Fiscal Analysis
House Appropriations Committee

Concerning changes to practices related to federal benefits for youth in foster care.

Prime Sponsors:

Representatives Gilchrist; Brown
Senators Daugherty; Michaelson Jenet

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Fiscal Impacts

Appropriation Required, Amendments in Packet

General Fund Impact

Significant Appropriation Increase in the Second or Third Year

Fiscal Note Status

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/11/25.

No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill.

Amendments in This Packet

- J.001 Staff-prepared appropriation amendment
- L.003 Bill Sponsor amendment - changes out-year fiscal impact

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001

Staff amendment **J.001** (attached) appropriates a total of \$109,179 General Fund to the Department of Human Services for FY 2025-26. The appropriation reflects 1.0 FTE.

L.003

Bill Sponsor amendment **L.003** (attached) delays county implementation by one year to FY 2027-28. Legislative Council Staff and JBC Staff agree that the amendment delays the out-year fiscal impact, but does not change the appropriation required in the bill for FY 2025-26.

The Committee may adopt J.001 regardless of whether it adopts L.003.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2025-26 based on the March 2025 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes \$18.2 million in set-asides for legislation outside of the package (see table below). The budget package accounts for the 15.0 percent reserve associated with the placeholders.

General Fund Appropriation Placeholders for Other 2025 Legislation	
Description	FY 2025-26 Appropriation
Juvenile diversion, deflection, or detention	\$10,000,000
General Assembly legislative priorities	6,521,739
Voter approved initiatives	1,700,000
Total	\$18,221,739

This bill requires a General Fund appropriation of \$109,179 for FY 2025-26, reducing the \$18.2 million set aside by the same amount.

Future Fiscal Impact

The bill is projected to require General Fund appropriations of \$1.4 million in FY 2026-27. If the Committee adopts **L.003**, increased costs will be delayed until FY 2027-28.

Future Budget Processes

The bill is projected to increase county costs by \$1.6 million in FY 2026-27, or FY 2027-28 if **L.003** is adopted. Up to 80.0 percent of county child welfare costs are paid by the State's General Fund. This revised Fiscal Note projects \$1.3 million in out-year General Fund obligations for this purpose.

The most recent report by the Department of Human Services on April 11, 2025, indicates that the State share of child welfare funding is \$21.9 million General Fund below the amount required to cover 80.0 percent of county expenditures in FY 2024-25. This does not account for increased service requirements that may result from legislation.

JBC Staff anticipates that the out-year costs identified by the Final Fiscal Note for the bill will be included in the Department's budget requests in future years. The extent to which the out-year fiscal impact of the bill is borne by counties or the State's General Fund will be subject to future budget decisions made by the General Assembly. If additional General Fund is not provided through the budget process, the State share of child welfare costs will continue to fall below 80.0 percent of State responsibility.