

# Fiscal Note

**BILL #** HB 2543

**TITLE:** group foster homes; staffing requirements

**SPONSOR:** Jones

**STATUS:** House Engrossed

**PREPARED BY:** Maggie Rocker

## Description

The bill would require group foster homes to always have at least 2 adult employees on the premises.

## Estimated Impact

We anticipate the bill would result in cost increases for group home providers contracted with the Department of Child Safety (DCS). The magnitude of the cost impact to the state would depend on the extent to which DCS updates provider rates to reflect the new staffing requirements. Based on an analysis provided by the department, we estimate that group home provider costs could increase by at least \$12.3 million annually as a result of the additional staffing required under the bill.

## Analysis

Statute defines group foster homes as licensed or special foster homes that are suitable for the placement of 5 or more minor children, but not more than 10. For group homes with a capacity of fewer than 8 beds, the department only requires 1 staff member if the children are over 6 years of age.

The bill would amend the definition of group foster homes to always have at least 2 adult employees on the premises.

According to DCS, the department currently has 174 group homes in use. Of this amount, 60 have a capacity of fewer than 8 beds and would require an extra 24 hours/day of pay. The remaining group homes already have 2 staff members on site during the day but would require an additional group home worker for 8 hours at night. Assuming workers would be making minimum wage, the bill's provision would generate a total cost of \$12.3 million annually.

DCS noted that it is common to pay night staff a differential as an incentive to work nonconventional hours, which is not accounted for in the department's calculation. The DCS figures also do not include additional costs for employee-related expenses. Both of these factors could serve to increase the cost above \$12.3 million.

As DCS does not directly pay group home worker salaries, the actual cost of the bill's provisions would be dependent on the amended rates submitted by group homes, which are calculated based on staffing and other factors. In addition, some group home services continue to be eligible for federal matching funds from the federal government. We have asked DCS to provide their estimate of the federal share of the contracted group home rates.

## Local Government Impact

None

2/27/24

