

FISCAL NOTE

Requested by Legislative Council
01/15/2007

Bill/Resolution No.: HB 1390

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$354,048		\$375,610
Expenditures			\$279,312	\$354,048	\$296,322	\$375,610
Appropriations			\$270,492	\$342,868	\$296,322	\$375,610

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill requires the Department to provide liability insurance coverage for every licensed family foster care home. The insurance is to cover property damage to the property of the foster parent, which is caused by intentional or unintentional acts of a foster child placed in their care.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

This bill directs the department to obtain general liability insurance coverage as well as coverage to include property damage caused by the foster child which arises out of the operation or use of a motor vehicle, aircraft, or watercraft and any property damage that results from dishonest, fraudulent, criminal, or malicious conduct by the foster child. At this time a comprehensive policy is not obtainable for all four levels of coverage. The coverage mentioned in the bill would require four separate policies. A policy for general liability exists while policies would have to be developed for motor vehicle, aircraft, and watercraft liability. The amounts included in this fiscal note represent the cost of obtaining four separate policies. The amount is based on the last quoted price of the general liability policy which was \$78,000. The other three policies will cost a minimum of \$78,000 each. The policies would not require a per claim deductible paid by the foster parents or submission of a claim to a private insurer before the department's coverage is provided.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Other fund revenues would include federal Foster Care IV-E funds in 2007-2009 of \$354,048 and \$375,610 in 2009-2011.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The expenditure amounts listed above include the cost of obtaining four separate insurance policies for the 849 licensed family foster care homes with a total cost for the 2007-2009 biennium of \$633,360. The cost for the 2009-2011 biennium is \$671,932

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency*

and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.

The Department of Human Services would need a general fund appropriation of \$270,492 and other funds appropriation of \$342,868 for the 2007-2009 biennium. The 2007-2009 appropriation is \$8,820 (general funds) and \$11,180 (other funds) less than the expenditures due to funding contained in the 2007-2009 budget for these types of claims.

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