



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: S. 0380 Introduced on January 12, 2023
Author: Shealy
Subject: Kinship Guardianship
Requestor: Senate Family and Veterans Services
RFA Analyst(s): Boggs
Impact Date: February 2, 2023

Fiscal Impact Summary

This bill adds definitions for legal guardianship and legal guardian to the Children’s Code. This bill also provides procedures to establish legal guardianship when adoption is not an option and procedures for initiating the judicial establishment of legal guardianship. Additionally, this bill establishes a program (Kin GAP) of supplemental benefits for legal guardianship and eligibility requirements. The benefits and services under the Kin GAP program must be provided with funds appropriated to the Department of Social Services (DSS) for these purposes.

This bill will have no expenditure impact for Judicial as this is within normal course of business for family court.

DSS anticipates that this bill will increase its expenses by \$1,696,833 each year beginning in FY 2023-24. Of this amount, \$120,350 is for 1.0 FTE to administer the Kin GAP program and the remaining \$1,576,483 will be recurring operating expenses for supplies and client payments. DSS anticipates that the state will draw an estimated \$499,000 in additional Title IV-E Federal Funds revenue in FY 2023-2024 to cover a portion of these expenses. Additionally, the agency anticipates requesting a General Fund appropriation increase of \$1,198,018 to fund the remaining expenses.

Explanation of Fiscal Impact

Introduced on January 12, 2023

State Expenditure

This bill adds definitions for legal guardianship and legal guardian to the Children’s Code. This bill also provides procedures to establish legal guardianship when adoption is not an option and procedures for initiating the judicial establishment of legal guardianship. Additionally, this bill establishes the Kin GAP program. The benefits and services under this program must be provided with funds appropriated to DSS for these purposes.

Judicial. This bill will have no expenditure impact for Judicial as this is within normal course of business for family court.

Department of Social Services. This bill requires DSS to establish and administer Kin Gap, a program for supplemental benefits for legal guardianship, after a relative of fictive kin has agreed in writing to provide support for a child who, without supplemental support may not achieve permanency through legal guardianship. The benefits and services of this program must be provided by funds appropriated to DSS for this purpose. According to DSS, in 2022, 2.8 percent of all exits from foster care were to guardianship and an additional 21 percent were to “living with other relatives”. DSS anticipates children residing in licensed kinship care will follow this trend, and therefore, assumes 23.8 percent of all exits will be eligible for Kin GAP. DSS anticipates that by July 1, 2023, there will be 436 licensed kinship homes, with that number increasing over time.

Based on these assumptions, DSS anticipates that this bill will increase its expenses by \$1,696,833 each year beginning in FY 2023-24. Of this amount, \$120,350 is for 1.0 FTE to administer the Kin GAP program and the remaining \$1,576,483 will be recurring operating expenses for supplies and client payments. DSS anticipates these expenses will be split between General Fund and Federal Fund expenditures. The following table displays the breakdown of the sources of these funds.

Recurring General Funds		Recurring Federal Funds	
0.78 FTE	\$93,596	0.22 FTE	\$26,754
Operating Expenses	\$1,104,422	Operating Expenses	\$472,062
Total	\$1,198,018	Total	\$498,815

DSS anticipates that the state will draw an estimated \$499,000 in additional Title IV-E Federal Funds revenue in FY 2023-2024 to cover a portion of these expenses. Additionally, the agency anticipates requesting a General Fund appropriation increase of \$1,198,018 to fund the remaining expenses beginning in FY 2023-24. Additionally, as this bill specifies that benefits and services of the newly created Kin GAP program must be provided with funds appropriated to DSS for these purposes, the implementation of this program is subject to funding. DSS noted that key variables including, but not limited to, the number of licensed kinship homes and the number of exits from foster care to guardianship over time may result in costs differing in future years. However, DSS does not anticipate a material increase to the General Fund expenses following the implementation of this program.

State Revenue

This bill specifies that benefits and services of the newly created Kin GAP program must be provided with funds appropriated to DSS for these purposes. DSS anticipates that the state will receive additional Title IV-E revenue in FY 2023- 2024. The Title IV-E Program is authorized by Title IV-E of the Social Security Act and covers three separate programs – foster care, adoption assistance, and kinship guardianship assistance – each with its own eligibility requirements. Funding is awarded by formula as an open-ended entitlement grant and is contingent upon an approved Title IV-E plan to administer the program. The amount of Title IV-E funds available differs depending on which program and where within the program the funding is assigned. Title IV-E funding requires a state General Funds match. DSS anticipates that the

state will draw an estimated \$499,000 in additional Title IV-E Federal Funds revenue in FY 2023-2024 for this newly created program.

Local Expenditure and Revenue

N/A



Frank A. Rainwater, Executive Director