

# MONETARY ASSISTANCE FOR RELATIVES AND OTHER DESIGNATED CAREGIVERS

AN ISSUE BRIEF FROM LEGISLATIVE BUDGET BOARD STAFF

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## OBJECTIVE

Monetary assistance for relatives and other designated caregivers ensures the availability of kinship placements that may not have been sustainable for families due to a lack of finances.

## KEY FACTS

- ◆ Kinship caregivers meeting certain criteria may receive monetary assistance when caring for a child in substitute care through the Relative and Other Designated Caregiver program.
- ◆ Financial assistance includes a one-time integration payment, up to \$1,000 for each sibling group, and an annual reimbursement up to \$500 per child per year.
- ◆ In fiscal year 2011, a total of 6,531 families caring for 11,589 children received monetary assistance.

## BUDGETARY IMPACT

Preliminary analyses indicate that there is a cost savings to placing children with relatives compared to placing children in foster care. Subsidies provided to relatives are less costly than payments to foster parents; however, differences in method of financing and populations may minimize state cost savings. In fiscal year 2011, relative monetary assistance payments totaled \$9.3 million in All Funds.

## STATUTORY REFERENCE

Texas Family Code, Section 264.755

A kinship caregiver is a term used by the Department of Family and Protective Services (DFPS) that refers to relatives, close family and friends, and others who have a long-standing relationship with the child or youth. Non-biologically related kinship caregivers are also referred to as fictive kin or designated caregivers. DFPS caseworkers may seek kinship care as an alternative to foster care.

## LEGISLATION

Legislation passed in 2005 established the Relative and Other Designated Caregiver (RODC) Program. The program assists kinship caregivers who are not verified foster parents in meeting the needs of children placed in their care who are under the legal responsibility of DFPS. The program allows DFPS to provide support services to families, including monetary compensation to income-eligible relatives and close family friends caring for children in substitute care.

## PROGRAM BENEFITS

At the end of fiscal year 2011, there were 28,500 children in substitute care (or care outside of the child's home of origin). Approximately 10,000 children in substitute care were placed with a kinship caregiver who was not verified as a foster parent. Another 800 children were placed with a kinship caregiver who was a verified foster parent.

Relatives and other designated caregivers receive the following support services:

- Caregiver and parent training, support groups, and family counseling services;
- Case management services while DFPS has legal responsibility of the child in care;
- Information and referral services;
- Health benefits for the child through the STAR Health Program;
- Daycare services; and
- Employment training and support.

Relatives and other designated caregivers with income levels below 300 percent of the federal poverty level are eligible to receive monetary compensation including:

- Integration Payment (one-time)—up to \$1,000 for each sibling group in each initial placement;
- Annual Reimbursement—up to \$500 per child for child-related expenses until the child reaches 18 years of age.

During fiscal year 2011, a total of 6,531 families caring for 11,589 children received kinship caregiver monetary assistance. Approximately 37 percent of kinship caregivers received monetary assistance in fiscal year 2011.

Fig. 1 shows the average daily cost for children placed with a relative or other designated caregiver who received monetary assistance, compared to the average daily cost for a child in a foster care placement. Both analyses exclude additional services that foster children and children in RODC placements receive such as daycare services and health benefits.

**FIG. 1**  
**RELATIVE MONETARY ASSISTANCE COMPARED TO DFPS PAID FOSTER CARE IN ALL FUNDS, 2006–2011**

IN MILLIONS	RELATIVE MONETARY ASSISTANCE			DFPS PAID FOSTER CARE		
	ANNUAL EXPENDITURE	FULL-TIME EQUIVALENTS	AVERAGE COST PER CHILD PER DAY	ANNUAL EXPENDITURE	FULL-TIME EQUIVALENTS	AVERAGE COST PER CHILD PER DAY
2006	\$1.5	1,930.7	\$2.06	\$371.0	18,771.2	\$54.15
2007	\$5.1	5,079.4	\$2.77	\$372.3	18,751.8	\$54.39
2008	\$6.7	6,238.8	\$2.94	\$366.9	17,133.9	\$58.67
2009	\$7.0	6,026.9	\$3.20	\$347.4	15,642.2	\$60.85
2010	\$8.2	6,499.1	\$3.48	\$372.2	16,036.8	\$63.58
2011	\$9.3	7,270.0	\$3.49	\$380.7	16,703.4	\$62.44

SOURCE: 2011 Data Book and data requests provided by DFPS.

Preliminary analyses indicate that there are cost savings to the state when a child is placed with relatives as opposed to foster care. Subsidies provided to relatives are less costly than payments to foster parents in terms of the average cost per child per day; however, differences in method of financing and populations may minimize state cost savings. Monetary assistance provided to relatives and other designated caregivers is funded from General Revenue Funds and federal Temporary Assistance for Needy Families (TANF) funds. Some children in DFPS-paid foster care are eligible for federal Title IV-E funding and TANF, which decreases the financial obligation to the state. Foster caregiver reimbursement amounts are based on daily rates for a child's service level. A child's service level is dependent on their needs and is categorized as basic, moderate, specialized or intense. In fiscal year 2011, approximately 60 percent of the children and youth in foster care were at the basic service level, and 35 percent were at the moderate, specialized or intense service levels. The remaining children were placed in emergency shelters or in other transitional care.

Service level data is not collected for all children in RODC placements but, according to a 2009 DFPS study, children in kinship placements are typically younger and less likely to have special needs compared to the general substitute-care population. Due to these characteristics, if children and youth currently cared for by relatives were served in foster care the average daily cost would likely be lower than that of the foster care population on the whole.

#### USEFUL REFERENCES

[http://www.dfps.state.tx.us/documents/Child\\_Protection/pdf/2009-12-01\\_Progress-Report.pdf](http://www.dfps.state.tx.us/documents/Child_Protection/pdf/2009-12-01_Progress-Report.pdf)

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