

HF986 - 1A - "Liability Insur Coverage For Foster Home"

Chief Author: **Peggy Bennett**
 Committee: **Health and Human Services Finance**
 Date Completed: **03/16/2017**
 Agency: **Human Services Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings) Dollars in Thousands	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	151	163	163	163
Total	-	151	163	163	163
Biennial Total			314		326

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	-	-	-
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Travis Bunch Date: 3/16/2017 12:34:49 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	151	163	163	163	163
Total	-	151	163	163	163	163
	Biennial Total		314			326
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	151	163	163	163	163
Total	-	151	163	163	163	163
	Biennial Total		314			326
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
	Biennial Total		-			-

Bill Description

This bill amends Minnesota Statutes, section 245.814, Liability Insurance for Licensed Providers by providing adult and child family foster home additional insurance coverage for property damage. It expands the coverage to include the foster provider's property and increases the maximums compensation of this coverage for each occurrence.

Assumptions

Sections 1 and 2: If the bill becomes law, it will impact the coverage, rates and premiums required under Minnesota Statutes, section 245.814. Changes are assumed to be effective July 1, 2017.

Upon being effective, an immediate change to the policy language and declarations page will need to be made to the coverage obtained through the Minnesota Joint Underwriters Association, as coverage is extended to certain types of claims that were previously excluded and the property damage limit has been increased.

No systems changes or staff costs are required to implement this language.

Expenditure and/or Revenue Formula

	FY2018	FY2019	FY2020	FY2021
Sections 1-2: Foster care coverage	-	-	-	-
Current annual foster care insurance premiums and estimated increase due to increased licensed providers	\$756,652	\$816,652	\$816,652	\$816,652
Estimated increase to state premiums	20%	20%	20%	20%
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Increase in annual foster care insurance premiums	\$151,330	\$163,330	\$163,330	\$163,330

Fiscal Tracking Summary (\$000's)						
Fund	BACT	Description	FY2018	FY2019	FY2020	FY2021
GF	12	Children & Families Operations	151	163	163	163

		Total Net Fiscal Impact	151	163	163	163
		Full Time Equivalents	0	0	0	0

Long-Term Fiscal Considerations

As described

Local Fiscal Impact

None

References/Sources

Ralph McQuarter, Children and Family Services

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Date: 3/15/2017 12:48:02 PM

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