

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number House Bill 1041

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Christopher B. Saxman

3. Committee Courts of Justice

4. Title Child abuse and neglect; definition

5. Summary/Purpose: This bill amends the definition of child abuse and neglect to include any child whose parents or other person responsible for his care allows him to be in the presence of, or on the premises during the distribution, manufacture or attempted manufacture of, a controlled substance or marijuana.

6. Fiscal impact is preliminary

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2003-04	-	-	-
2004-05	\$2,609,519	-	General Fund
	\$1,550,712		Federal Match
	\$1,008,808		Local Match
2005-06	\$2,320,520	-	General Fund
	\$1,392,311		Federal Match
	\$928,208		Local Match
2006-07	\$2,320,520	-	General Fund
	\$1,392,311		Federal Match
	\$928,208		Local Match
2007-08	\$2,320,520	-	General Fund
	\$1,392,311		Federal Match
	\$928,208		Local Match
2008-09	\$2,320,520	-	General Fund
	\$1,392,311		Federal Match
	\$928,208		Local Match
2009-10	\$2,320,520	-	General Fund
	\$1,392,311		Federal Match
	\$928,208		Local Match

7. Budget amendment necessary: Yes. Items 357 and 362.

8. Fiscal implications: Child Protective Services (CPS) workers do not routinely investigate allegations of substance abuse unless a child is deemed to be in imminent danger or the behavior of the substance abuser is abusive or neglectful, according to existing definitions. Currently, CPS intervenes whenever a child is in danger of physical abuse, mental abuse, or

neglect regardless of the circumstances. This legislation would modify the definition of an abused or neglected child to include all instances cases where a child's "parents or other person responsible for his care allows him to be in the presence of, or on the premises during the distribution, manufacture or attempted manufacture of, a controlled substance or marijuana." The department estimates that this expansion of the "abused or neglected child" definition would have a significant impact on the CPS caseload since many more cases would meet the standard for intervention, often before the assessment of law enforcement.

The Department of Social Services (DSS) does not keep statistics on the number of child protective services cases that are substance abuse related. However, the National Center on Substance Abuse and Child Welfare estimates that 40-60 percent of children in the child welfare system are impacted by substance abuse and the U.S. Department of Health and Human Services has reported that substance abuse is a substantial factor in a third of all child abuse and neglect cases. It is acknowledged that substance abuse includes alcohol abuse, which is not part of this legislation. However, House Bill 1041 includes merely being in the presence of a controlled substance, which is much broader than substance abuse. Given the lack of data that exactly coincide with abuse as defined in this bill, the existing national data is used in this analysis.

In FY 2003, there were 31,209 completed reports of child abuse/neglect by the local departments of social services, of which 14 percent were founded. Using the Department of Health and Human Services statistics as a guide, the Department assumes that a third of the completed reports, 10,403 cases, are related to substance abuse. Given the high percentage of children in the child welfare system that are impacted by substance abuse, the Department of Social Services estimates that House Bill 1041 would cause the number of substance abuse related CPS cases to increase by 33 percent, thereby creating an additional 3,468 substance abuse related CPS cases each year.

In FY 2002, 461 full time CPS workers screened, investigated and assessed, and in some instances provided ongoing services to 31,755 cases of alleged child abuse and/or neglect. This equates to 69 cases (31,755/461) per position. To handle 3,468 additional substance abuse CPS cases based on the above assumptions, 50 (3,468/69) additional workers would be required. Using a mid-range salary of \$40,782 for a program administration specialist in pay band four, salaries and benefits for 50 positions would be \$2,698,186 per year. Funds to cover the routine operating costs of postage, office, travel, supplies, telephone, rent, liability insurance, etc., are estimated at \$7,900 per employee. One-time costs totaling \$6,500 per employee are included in the first year for office furniture and equipment. Personnel, equipment, and support costs for local CPS workers total \$3,418,186 in FY 2005 and \$3,093,186 in FY 2006.

In addition, due to the increased CPS cases, it follows that there would also be an increase in the number of foster care cases. Virginia has one of the lowest rates of children in foster care in the nation. Assuming 5 percent of the additional substance abuse CPS cases become foster care cases, there would be an additional 173 foster care cases. Using a weighted average foster care rate of \$388 per month, additional foster care maintenance costs are estimated to be \$805,488 ($\$388 \times 12 \times 173$). Based on an average of 15 foster care cases per foster care worker, an additional 12 (173/15) positions would be required. Using a mid-range salary of \$40,782 for a program administration specialist in pay band four, salaries and benefits for 12

positions would be \$647,565 per year. The same estimates for operating and equipment costs that were used for CPS workers were used for foster care workers. Personnel, equipment, and support costs for local foster care workers total \$820,365 in FY 2005 and \$742,365 in FY 2006.

This bill significantly changes the existing definition of “abused or neglected child.” This change would require all of CPS’s existing training and written materials to be revised. It is estimated that the Virginia Institute for Social Services Training Activities (VISSTA) could update the existing training curricula to include the definition change and the training content for approximately \$100,000. In addition, the training booklets and pamphlets could be updated for approximately \$25,000. The total costs for training materials would be in \$125,000 in FY 2005. Total estimated cost for this legislation is \$5,169,039 in FY 2005 and \$4,641,039 in FY 2006, with all costs except for training, being 50 percent general fund, 30 percent federal funds, and 20 percent local funds. Training costs are 30 percent federal funds and 70 percent general fund.

HB 1041 Cost Summary

	FY 2005	FY 2006
Salaries and Benefits – CPS	\$ 2,698,186	\$ 2,698,186
Salaries and Benefits - Foster Care	\$ 647,565	\$ 647,565
Operating Costs – CPS	\$ 395,000	\$ 395,000
Operating Costs - Foster Care	\$ 94,800	\$ 94,800
One-time Equipment - CPS	\$ 325,000	\$ -
One-time Equipment - Foster Care	\$ 78,000	\$ -
Additional Foster Care Costs	\$ 805,488	\$ 805,488
Training and Educational Materials	\$ 125,000	\$ -
Total Cost	\$ 5,169,039	\$ 4,641,039

Federal	\$ 1,550,712	\$ 1,392,311
General Funds	\$ 2,609,519	\$ 2,320,520
Local Funds	\$ 1,008,808	\$ 928,208

9. Specific agency or political subdivisions affected:

Department of Social Services
Local departments of social services

10. Technical amendment necessary: No

11. Other comments: None

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cc: Secretary of Health and Human Resources