

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 Passed Both Houses

4. Title Child abuse and neglect; definition

5. Summary/Purpose: Amends the definition of child abuse and neglect to include a child who is with his parent or other person responsible for his care either (i) during the manufacture or attempted manufacture of a Schedule I or II controlled substance, or (ii) during the unlawful sale of such substance by that child's parents or other person responsible for his care, where such manufacture, or attempted manufacture or unlawful sale would constitute a felony violation of §18.2-248.

**6. Fiscal impact is final
Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2004-05	\$364,812	-	General Fund
	\$218,887		Federal Match
	\$145,925		Local Match
2005-06	\$335,659	-	General Fund
	\$201,396		Federal Match
	\$134,264		Local Match
2006-07	\$335,659	-	General Fund
	\$201,396		Federal Match
	\$134,264		Local Match
2007-08	\$335,659	-	General Fund
	\$201,396		Federal Match
	\$134,264		Local Match
2008-09	\$335,659	-	General Fund
	\$201,396		Federal Match
	\$134,264		Local Match
2009-10	\$335,659	-	General Fund
	\$201,396		Federal Match
	\$134,264		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 current definitions.

Currently, CPS intervenes whenever a child is in danger of physical abuse, mental abuse, or neglect regardless of the circumstances. The department estimates that the expanded definition required by this legislation would cause more cases to meet the standard for mandated CPS intervention.

A controlled substance is a drug or drug product that comes under the jurisdiction of the Federal Controlled Substances Act of 1970, such as narcotics, depressants, stimulants, and hallucinogenics. Schedule I and II controlled substances include heroin, LSD, marijuana, cocaine, codeine, etc. and the department does not have statistics on the number of CPS cases that are related to illicit drugs. Child abuse and neglect cases are typically categorized by the type of abuse (e.g. physical or sexual), rather than the reason for the abuse. Currently, most child protective services cases where illicit drugs are involved relate to the abuse of these drugs by the user (possession) and thus the subsequent abuse or neglect of the child rather than the sale or manufacture of these drugs.

In 2002, there were 25,244 drug arrests in the state of Virginia. This number constitutes 22.6 percent of the total number of persons arrested for Group A, the most serious offenses. According to the U.S. Department of Justice's Bureau of Justice Statistics, approximately 80 percent of state and/or local drug law violation arrests are for possession. Conversely, approximately 20 percent of state and/or local drug violation arrests are for the unlawful sale, growing or manufacturing of illicit drugs. Typically persons arrested for the sale and distribution of drugs are charged with felonies and therefore this analysis will assume that all these arrests are felonies. Accordingly, the department assumes that of the 25,244 drug arrests in Virginia, 5,049 ($25,244 \times .20$) were for the sale, manufacture or attempted manufacture of illicit drugs. Again, due to the lack of supporting data, the department must make an assumption as to the number of children that would be present in these cases. Based on professional experience within the department, it is assumed that children would be present in a maximum of 10 percent of relevant drug cases. Therefore, it is estimated that CPS will have an additional 505 cases related to this legislation.

In FY 2002, 461 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 505 additional cases based on the above assumptions, 7.3 ($505/69$) additional workers would be required. Using a mid-range salary of \$40,782 for a program administration specialist in pay band 4, salaries and benefits for 7.3 positions would be \$393,936 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 additional local CPS workers total \$499,056 in FY 05 and \$451,606 each year thereafter.

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 CPS cases become foster care cases, there would be an additional 25 ($505 \times .05$) foster care cases. Using a weighted average foster care rate of \$388 per month, additional foster care maintenance costs are estimated to be \$116,400 ($\$388 \times 12 \times 25$). Based on an average of 15 cases per foster care worker, this bill would require an additional 1.67 positions. Using a mid-range salary of

\$40,782 for a program administration specialist in pay band 4, salaries and benefits for 1.67 positions would be \$90,120 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 \$114,168 in FY 05 and \$103,313 each year thereafter.

This bill would significantly change the existing definition of “abused or neglected child,” thereby requiring modifications to the existing training and educational materials. The department has contacted the Virginia Institute for Social Services Training Activities (VISSTA) who currently provides the curriculum development for local CPS training. The Institute initially determined that this legislation would require a re-write of the existing training curricula to include the definition change and estimated a cost of approximately \$100,000. In addition, the training booklets and pamphlets would cost an approximately \$25,000. However, the department has determined that the existing contract allows for policy changes and therefore VISTA would be required to cover the modifications required by this legislation.

Cost Summary

	FY 2005	FY 2006
Salaries and Benefits – CPS	\$ 393,936	\$ 393,936
Salaries and Benefits – Foster Care	\$ 90,120	\$ 90,120
Operating Costs – CPS	\$ 57,670	\$ 57,670
Operating Costs – Foster Care	\$ 13,193	\$ 13,193
One-time Equipment - CPS	\$ 47,450	\$ -
One-time Equipment – Foster Care	\$ 10,855	\$ -
Additional Foster Care Costs	\$ 116,400	\$ 116,400
Training and Education*	\$ -	\$ -
Total Cost	\$ 729,624	\$ 671,319

General Fund	\$ 364,812	\$ 335,659
Federal	\$ 218,887	\$ 201,396
Local Funds	\$ 145,925	\$ 134,264

*This cost will be absorbed in the existing contract.

9. Specific agency or political subdivisions affected:

Department of Social Services
Local departments of social services

10. Technical amendment necessary: No

11. Other comments: The Senate Conference Committee provided \$200,000 general fund each year to support the additional child welfare services required by Senate Bill 486, which was identical to this House Bill 1041. Senate Bill 486 was tabled in House Appropriations.

Date: 03/25/04 / kwm

Document: G:\2004 Fiscal Year\Efis\Enrolled\Hb1041er.Doc

cc: Secretary of Health and Human Resources