

Department of Planning and Budget

2006 Fiscal Impact Statement

1. Bill Number HB 728

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

2. Patron McQuigg, Michele B.

3. Committee Courts of Justice

4. Title Putative Father Registry Fund; created, additional adoption fee to be used for Fund

5. Summary/Purpose: This bill directs the Department of Social Services (DSS) to establish and maintain a putative father registry in Virginia. A putative father registry is a registry of men who desire to be notified of a proceeding for adoption or termination of parental rights regarding a child they may have fathered. DSS is required to give notice of a proceeding for adoption or termination of parental rights in the manner prescribed for service of process in a civil action, to search the registry in certain adoption cases, and to publicize the registry. This bill also establishes a non-reverting Putative Father Registry Fund. It adds an additional \$50 filing fee to each adoption petition filed to be deposited into the Putative Father Registry Fund and to be used solely for the administration of the registry.

6. Fiscal impact estimates are preliminary.

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2006-07	\$264,484	1.4	General Fund
2006-07	\$113,350	0.6	Nongeneral Fund
2007-08	\$ 95,889	1.4	General Fund
2007-08	\$143,945	0.6	Nongeneral Fund*
2008-09	\$ 95,889	1.4	General Fund
2008-09	\$143,945	0.6	Nongeneral Fund*
2009-10	\$ 95,889	1.4	General Fund
2009-10	\$143,945	0.6	Nongeneral Fund*
2010-11	\$ 95,889	1.4	General Fund
2010-11	\$143,945	0.6	Nongeneral Fund*
2011-12	\$ 95,889	1.4	General Fund
2011-12	\$143,945	0.6	Nongeneral Fund*

*Accounts for revenue generated by the filing fee increase.

7. Budget amendment necessary: Yes. Item 338

8. Fiscal implications: This legislation requires the Department of Social Services (DSS) to establish and maintain a putative father registry. This bill also requires the revenue from the additional \$50 filing fee that is collected for each adoption petition to be used solely for the

administration of the registry. There are three major costs involved in establishing a putative father registry: (1) information systems development and ongoing operational costs; (2) publicity for the registry; and (3) staffing costs for the registry. Start-up costs will be needed to fund the first year of operation of the registry as there will not be sufficient collections for year one expenses. Ongoing costs in subsequent years of the registry can be supported in part by the revenue from the additional filing fee. In addition, adoption assistance payments are projected to increase because if a child is in the custody of a local department of social services, has special needs, and is adopted with an adoption assistance agreement, the additional filing fee would most likely be reimbursed to the adoptive parents.

The department maintains that a putative father registry would require the establishment of a new information system within the Department. To develop a separate automated tracking system for the registry, it is estimated that it would cost \$150,000 in year one. This includes the costs for business analysts, technical writers, and testers to develop the system as well as the underlying software. Ongoing systems costs for routine maintenance and upkeep are estimated at \$25,000 in future years.

The department would produce and distribute a pamphlet or other public information documents informing the public about the putative father registry including the procedures for voluntary acknowledgement of paternity; the consequences of acknowledgement and failure to acknowledge paternity; a description of the putative father registry including to whom and under what circumstances it applies, the time limits and responsibilities for filing, paternal rights, and associated responsibilities. Pamphlets and publications, which must include a detachable registration form, shall be made available at all local departments of social services, the Department of Health and their local offices, hospitals, medical clinics, libraries, schools, universities, and other providers of child related services upon request. The department would also provide general public service announcements about the registry to the public at large. To produce and distribute all information pamphlets regarding the registry, the agency estimates a cost of \$25,000. This includes the development, design, printing, and mailing of the pamphlets. To produce public service announcements for the general public for the putative father registry, it is estimated to cost an additional \$25,000. This includes the costs for press releases, posters, graphic design, promotional items, displays and market boards. The total cost of the pamphlets and public service announcements is estimated to be \$50,000.

The department maintains that two additional staff would be needed to operate the registry. One position would help create and develop the pamphlets, help produce public service announcements, provide technical assistance and training to local agencies, and oversee the general administration of the registry. The other position would enter data into the registry, provide requests for publications as needed, perform searches in the registry, make vendor payments, and other clerical duties as needed. Using a mid-range salary of \$57,794 for pay band 5 and \$33,864 for pay band 3, salaries and benefits would total \$123,982. Funds to cover the routine operating costs of postage, office supplies, travel, telephone, rent, and etc. are estimated at \$7,570 per year. One-time costs of \$6,500 are included in the first year for furniture and equipment. Personnel, operating, and equipment costs are estimated at \$152,122 in the first year and \$139,122 each year thereafter.

In FY 2005, there were 2,057 adoption petitions finalized. At \$50 per petition, this would generate \$102,850 of additional revenue to be used solely for the administration of the registry. This additional revenue would be available in year two and thereafter for operations. Assuming 25 percent of these petition costs would be reimbursed to parents as non-recurring adoption assistance expenses, it is estimated that adoption subsidy expenses would increase by \$25,712 annually. All costs incurred for the putative father registry would be 70 percent general fund dollars and 30 percent federal funds.

HB 728 Cost Summary

	FY 2007	FY 2008
Pamphlets and Brochures	\$ 25,000	\$ 25,000
Media Campaign	\$ 25,000	\$ 25,000
Salaries and Benefits	\$ 123,982	\$ 123,982
Operating Costs	\$ 15,140	\$ 15,140
One-time Equipment	\$ 13,000	\$ -
Software Development/Maintenance	\$ 150,000	\$ 25,000
Additional Adoption Subsidy Payments	\$ 25,712	\$ 25,712
Total Cost	\$ 377,834	\$ 239,834

General Fund	\$ 264,484	\$ 95,889
Putative Father Registry Revenue	\$ 0	\$ 102,850
Federal	\$ 113,350	\$ 41,095

9. Specific agency or political subdivisions affected:

Department of Social Services

10. Technical amendment necessary: No

11. Other comments: None

Date: 1/20/06

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cc: Secretary of Health and Human Resources