

Department of Planning and Budget

2006 Fiscal Impact Statement

1. Bill Number HB 728

| | | | |
|------------------------|---------------------------------------|--|------------------------------------|
| House of Origin | <input type="checkbox"/> Introduced | <input checked="" type="checkbox"/> Substitute | <input type="checkbox"/> Engrossed |
| Second House | <input type="checkbox"/> In Committee | <input type="checkbox"/> Substitute | <input type="checkbox"/> Enrolled |

2. Patron McQuigg, Michele B.

3. Committee Appropriations

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

- 5. Summary/Purpose:** As amended, this bill directs the Department of Social Services (VDSS) 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. The child placing agency or adoptive parent(s) is required to give notice of a proceeding for adoption or termination of parental rights to registrants. 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. Adoptions of children placed into Virginia from a foreign country in accordance with Section 63.2-1104 of the Code of Virginia are excluded from the additional \$50 filing fee.

As amended, the bill would require a man who wants to protect his due process rights to register with the putative father registry upon having sexual intercourse with a woman that could result in a pregnancy. Any man who is a presumed father, an adjudicated father or acknowledges fatherhood would be exempt from the registry. Registering entitles the putative father to notice of a termination of parental rights and adoption proceedings. Failure to register will be sufficient evidence that the identity of the father is not reasonably ascertainable. Further, HB 728 establishes a presumption of a man's paternity if: (i) he and the mother are married to each other and the child is born during the marriage; (ii) he and the mother are married to each other and the child is born within 300 days (10 months) after the marriage is terminated by death, annulment, or divorce; or (iii) before the birth of the child, he and the mother married each other. Presumption of a man's paternity may be rebutted by sufficient evidence. This legislation also changes the Code of Virginia governing who must consent to an adoption or enter into an entrustment agreement for termination of parental rights to include a birth mother, an acknowledged father, an adjudicated father, a presumed father, and a man who has filed with the putative father registry. Consent is not required of the following persons: a birth father who denies under oath and in writing the paternity of the child; any person whose parental rights have been terminated; the non-consenting party who fails to appear at the scheduled hearing after proper notice has been given; and a birth parent who, without just cause, has neither visited nor contacted the child for a period of six months. This legislation makes numerous policy changes regarding adoption proceedings.

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 | \$112,510 | 0.6 | Nongeneral Fund |
| 2007-08 | \$101,769 | 1.4 | General Fund |
| 2007-08 | \$135,265 | 0.6 | Nongeneral Fund* |
| 2008-09 | \$101,769 | 1.4 | General Fund |
| 2008-09 | \$135,265 | 0.6 | Nongeneral Fund* |
| 2009-10 | \$101,769 | 1.4 | General Fund |
| 2009-10 | \$135,265 | 0.6 | Nongeneral Fund* |
| 2010-11 | \$101,769 | 1.4 | General Fund |
| 2010-11 | \$135,265 | 0.6 | Nongeneral Fund* |
| 2011-12 | \$101,769 | 1.4 | General Fund |
| 2011-12 | \$135,265 | 0.6 | Nongeneral Fund* |

* Accounts for the revenue generated by the additional adoption petition filing fee.

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.

It is estimated 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, of which 224 were intercountry adoptions. Intercountry adoptions would not be subject to the additional filing fee based on this legislation. As such, at \$50 per petition, \$91,650 $[(2,057 - 224) \times \$50]$ of additional revenue would be generated 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 \$22,912 annually. All costs incurred for the putative father registry would be 70 percent general funds and 30 percent federal funds.

Adoption policy changes are communicated to all local departments via a policy transmittal, usually in the form of a broadcast. Regional specialists currently follow up with training on the policy changes. Additional costs associated with the adoption policy changes related to the training of attorneys and others would be minimal and could be absorbed by the department.

HB 728 Amended 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 | \$ 22,912 | \$ 22,912 |
| Total Cost | \$ 375,034 | \$ 237,034 |
| | | |
| General Fund | \$ 262,524 | \$ 101,769 |
| Putative Father Registry Revenue Funds | \$ - | \$ 91,650 |
| Federal Funds | \$ 112,510 | \$ 43,615 |

9. Specific agency or political subdivisions affected:

Department of Social Services

10. Technical amendment necessary: No**11. Other comments:** None

Date: 02/08/06

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cc: Secretary of Health and Human Resources