

Commission on Local Government

Estimate of Local Fiscal Impact

2019 General Assembly Session

Bill: HB1730

Patron: Brewer

Date: 1/17/2019

In accordance with the provisions of §30-19.03 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced legislation:

Bill Summary:

Foster care; security freeze on credit report. Requires local departments of social services to request the placement of a security freeze on the credit report or record of any child who has been in foster care for at least six months in order to prevent cases of identity theft and misuse of personal identifying information. The bill directs local departments to request the removal of such security freezes upon the child's removal from foster care. The bill allows local departments, with the child's consent, to request the removal of a security freeze placed on the credit report or record of a child who continues to receive foster care or independent living services beyond his eighteenth birthday; however, in such instances, the local department is required to conduct annual credit checks on the child.

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**Executive Summary:**

Localities have evaluated a negative fiscal impact ranging from \$0.00 - \$100,000.00, however it should be noted that most localities that responded indicated that this bill would have little to no fiscal impact. One locality noted that according to federal law, there would be no costs for obtaining credit report and freezing credit. Others expressed concern about misplacing the unfreeze code over the years due to employee turnover, and others indicated that the fiscal impact of this bill would be additional duties, such as staff time to freeze and unfreeze the credit for the foster child.

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**Local Analysis:**

**Locality:** Augusta County

**Estimated Fiscal Impact:** \$2,550.00

The bill adds additional responsibilities to local departments beyond the credit check requirements that are already in place. There may be additional expenditures related to these activities. Will there be funding to cover this?

Consideration should be made for the ability to allow credit checks from outside sources for financial aid or credit building to support the independent living aged foster children subset of clients.

The costs would be related to the number of children in foster care, how many are over the 6 month window, and the fee for the credit freeze/unfreeze process. We have about 170 in foster care x 75% over 6 month window x \$10 estimated fee x 2 freeze/unfreeze \$2,550 estimated fiscal impact.

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Locality: City of Danville **Estimated Fiscal Impact:** \$0.00

Social Services Department does not anticipate an additional cost or undue work on foster care staff.

Locality: City of Martinsville **Estimated Fiscal Impact:** \$100,000.00

Actual financial impact is hard to assess, however, it would appear that this may require additional staff to monitor these situations. Social Services is already understaffed, underfunded, and simply unable to comply with existing regulations. Even though this may be a necessary regulation (don't know how prevalent foster child credit fraud is), this appears to be another unfunded mandate and burden upon the localities.

Locality: City of Norfolk **Estimated Fiscal Impact:** \$0.00

The impact of this bill will be additional duties placed on employees as well as an adjustment to procedures. It is unknown how much time will be necessary and what the cost of the change in procedures would be. The expected fiscal impact is minimal.

Locality: City of Virginia Beach **Estimated Fiscal Impact:** \$0.00

Annual credit reports and checks are already free to obtain. New federal law (S2155 of the 115th Congress) requires that all security freezes to also be free of charge. In addition, this law declares people 16 years or younger as a protected consumer. Therefore, no financial impact upon the City is envisioned by this bill.

Locality: Fairfax County **Estimated Fiscal Impact:** \$0.00

There is no fiscal impact on the County.

Locality: Henrico County. **Estimated Fiscal Impact:** \$0.00

This bill would have no fiscal impact.

Locality: Loudoun County **Estimated Fiscal Impact:** \$0.00

Loudoun County Department of Family Services staff discussed this at a State committee meeting. There doesn't seem to be a fiscal impact, unless the credit bureaus charge a fee. If a fee is charged, we believe it would be minimal.
The issues are more practical ones. As we understand it, staff/ social workers will have to contact all 3 credit bureaus to request the freeze. They will be given a code to unfreeze it. That code could easily get misplaced over the years, especially with worker turnover and then unfreezing it will be quite the ordeal.

Locality: Prince George County

Estimated Fiscal Impact: \$20,000.00

Although it seems like a simple process of checking credit reports annually (placing a freeze on a child's report, then unlocking it when they leave care), it can be a time consuming administrative task. It is important for the child's well-being and is essential in this day of identify theft. We have 21 children in care now that we would have to check with each new child that enters care also needing to be reviewed. There were nearly 40 recommendations from the JLARC review to enhance the safety and well-being of children and youth in the foster care system. We are incorporating many of the JLARC recommendations into our local budget request to support converting a part-time administrative support position into a full-time administrative support position that can be trained as a program aid for the foster care team and assist with many of these administrative functions that do not require the KSAs of a Case Manager but can work collaboratively with a case manager on collecting the data and documenting the data in the case record. This total reflects the approximate cost of converting a part-time administrative assistant to full time and adding full-time benefits. This conversion not only pertains to implementing this legislations, but to complying with all JLARC recommendations.

Locality: Richmond County

Estimated Fiscal Impact: \$0.00

minimal

Locality: Rockingham County

Estimated Fiscal Impact: \$0.00

No estimated Fiscal Impact. Rockingham County would be in support of allowing the freeze to be removed before the child is 18 for certain circumstances.

Locality: Spotsylvania County

Estimated Fiscal Impact: \$0.00

No material financial impact.

Locality: Town of Blacksburg

Estimated Fiscal Impact: \$0.00

The town does not have responsibility for foster care.

Locality: Town of Luray

Estimated Fiscal Impact: \$0.00

Town does not administer social services

Locality: Town of Marion.

Estimated Fiscal Impact: \$0.00

As a personal victim of attempted ID theft, I fully support this bill.

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**Locality:** Town of Warsaw

**Estimated Fiscal Impact:** \$0.00

This is not under the direct management or supervision of the Town of Warsaw.

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Professional and Other Organization

Analysis:

Organization: Accomack-Northampton Planning District
Commission

The cost to request the placement of security freeze and the cost to request the removal of such a security freeze is estimated to be 1 hour per child (\$41.80 per staff hour including salary, fringe and associated office costs) per request in foster care. In Accomack County, the November 2018 foster care data shows there are 13 children in foster care and the estimated impact to request thirteen security freezes are \$544. In Northampton County, there are five children in foster care the initial cost is estimated to be \$209.

The ongoing cost would be less than the initial costs. Children in Accomack have an average time in care of 20.12 months and in Northampton children have an average time of 16.01 months. The annual cost of the security requests for the projected children that will enter foster care for Accomack next year is \$84 and in Northampton \$126. The cost to remove the security freeze is based on the children near the age of 18 or older that are in foster care. In Accomack, the estimated annual cost to remove the security freeze is \$50 and the cost to remove security freezes for Northampton County children is \$94.

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