

Department of Planning and Budget 2020 Fiscal Impact Statement

1. **Bill Number:** HB1301-H2

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:** Hurst

3. **Committee:** Appropriations

4. **Title:** Office of the Children's Ombudsman established.

5. **Summary:** Establishes the Office of the Children's Ombudsman as a means of effecting changes in policy, procedure, and legislation; educating the public; investigating and reviewing actions of the State Department of Social Services, local departments of social services, child-placing agencies, or child-caring institutions; and monitoring and ensuring compliance with relevant statutes, rules, and policies pertaining to children's protective services and the placement, supervision, treatment, and improvement of delivery of care to children in foster care and adoptive homes. The Office of the Children's Ombudsman is headed by the Children's Ombudsman, who is appointed for a term of four years by the Governor and subject to confirmation by the General Assembly.

Additionally, the substitute creates the Children's Advocacy Fund for the purpose of supporting the operations of the Office of the Children's Ombudsman.

6. **Budget Amendment Necessary:** Yes. This legislation would require the creation of a new agency and Item in the Appropriation Act.

7. **Fiscal Impact Estimates:** Preliminary. See Item 8.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2020	-	-	-
2021	\$426,000	4.0	See Item 8
2022	\$806,000	8.0	See Item 8
2023	\$961,000	10.0	See Item 8
2024	\$961,000	10.0	See Item 8
2025	\$961,000	10.0	See Item 8
2026	\$961,000	10.0	See Item 8

7b. Revenue Impact: See Item 8.

8. **Fiscal Implications:** It is assumed that the number of complaints made to the Ombudsman will phase-in over the next three years. The Office of the Children's Ombudsman will accept

and investigate complaints related to any child-caring agency, child-placing agency, child-serving agency, or any program, service or facility licensed, funded or operated by a child-caring agency, child-placing agency, or child-serving agency. The fiscal impact and staffing reflect the assumption that the number of complaints received by the office will phase-in over three years.

In FY 2021, the first year after enactment, the office will require the services of four full-time positions, including a director, office assistant, as well as two human services analysts. This staffing level should ensure that the office is able to be established, provide preliminary outreach, and respond to any initial investigations. It is likely that additional staff will be needed in FY 2022 as the office begins to respond to additional complaints. The fiscal estimate assumes that three additional human services analysts and another office assistant would be added. The office's caseload is assumed to continue to grow in FY 2023. It is estimated that it would require the services of two additional human services analysts. The following table summarizes the staffing services associated with this proposal.

Positions	Annual Salary (Including Benefits)		
	FY 2021*	FY 2022	FY 2023
Director	\$105,000	\$140,000	\$140,000
Office Services Specialist(s)	\$30,000	\$81,000	\$81,000
Human Services Analyst(s)	\$126,000	\$420,000	\$590,000
Total	\$261,000	\$641,000	\$811,000

*Assumes 18 pay periods of compensation since it is unlikely that any positions would be hired and in place by July 1, 2020.

It is also assumed that the Office of the Children's Ombudsman would incur costs associated with operating as a separate agency. Based on the Department of General Services' yearly cost per square foot and the recommended amount of square footage per employee, it is assumed that the office would require an estimated \$70,000 for rent costs each year. In addition, the initial cost of furniture and equipment for each new employee is estimated at \$7,500 the first year. The agency can also expect to experience annual operating and information technology costs estimated at \$55,000. The office is also responsible for disseminating reports and information. An additional \$10,000 each year would be needed to cover these costs.

Nonpersonal Services	FY 2021	FY 2022	FY 2023
Office Space	\$70,000	\$70,000	\$70,000
Furniture/Equipment	\$30,000	\$30,000	\$15,000
Operating costs (including IT)	\$55,000	\$55,000	\$55,000
Publishing/Information distribution	\$10,000	\$10,000	\$10,000
Total	\$165,000	\$165,000	\$150,000

The fiscal implications of this legislation will need to be revisited before FY 2022, after the office has begun to receive complaints and has started investigations. The staffing estimates

are preliminary and will rely heavily on the number and complexity of complaints received by the office.

This Office will investigate complaints from, or about, six state agencies and local departments of social services, which all provide a variety of services to children and families; however, the Department of Social Services (DSS) was defined as "the Department" in the legislation. There would be marginal administrative costs associated with the Children's Ombudsman gaining access to DSS systems that can be absorbed by the agency. All state agencies addressed in this bill would have to establish procedures for working with the Ombudsman Office in regards to their scope of practice.

The funding for this office will be derived from the Children's Advocacy Fund, as prescribed by the bill. However, it is unclear how much revenue will be available through appropriation of the Fund.

9. Specific Agency or Political Subdivisions Affected: Department of Social Services, local departments of social services, Office of Children's Services, Department of Behavioral Health and Developmental Services, Department of Education, Department of Health, Department of Juvenile Justice

10. Technical Amendment Necessary: No.

11. Other Comments: None.