

Department of Planning and Budget 2006 Fiscal Impact Statement

1. Bill Number: HB2150

House of Origin: ☒ Introduced ☐ Substitute ☐ Engrossed

Second House: ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Fralin

3. Committee: General Laws

4. Title: Using Foster Care Prevention Services to Prevent Custody Relinquishment

5. Summary/Purpose: The bill amends the definition of foster care services (16.1-288) to clarify that the statutory definition of youth currently eligible for foster care prevention services includes those who are at-risk of custody relinquishment in order to access treatment services. It clarifies statewide policy that these youth are eligible to access mandated funds under the Comprehensive Services Act (CSA), without their families having to relinquish custody solely to access treatment services.

6. Fiscal Impact Estimates are: Preliminary (see Item 8)

7. Budget amendment necessary: Yes

8. Fiscal implications: While it is projected that there is a fiscal impact on this bill, an exact amount is difficult to determine. There is not sufficient information available to estimate the number of families who would access these services if they do not have to relinquish custody of their children.

The following chart illustrates the potential cost impact of this bill:

	Children	Average Cost	Total Cost	State Share	Local Share
	100	\$ 17,224	\$ 1,722,400	\$ 1,102,336	\$ 620,064
	200	\$ 17,224	\$ 3,444,800	\$ 2,204,672	\$ 1,240,128
	300	\$ 17,224	\$ 5,167,200	\$ 3,307,008	\$ 1,860,192
*	400	\$ 17,224	\$ 6,889,600	\$ 4,409,344	\$ 2,480,256
	500	\$ 17,224	\$ 8,612,000	\$ 5,511,680	\$ 3,100,320
	1000	\$ 17,224	\$ 17,224,000	\$ 11,023,360	\$ 6,200,640

For each additional 100 youth added to the program, an additional \$1,102,336 GF and \$620,000 local share will be required. Should any of these youth be eligible for Medicaid residential services, the GF and local share requirements would be cut in half.

In FY2005, the DSS reports there were 757 children who entered foster care under a voluntary placement agreement (entrustment or non-custodial agreement); 778 in FY2004; and 854 in FY2003. This is consistent with the information localities provided to OCS on the number of children who received CSA state pool funding for services through noncustodial agreements. These children have already received services. It is difficult to

estimate how many additional families have chosen not to enter a voluntary placement agreement and would choose to access services under the provisions of this bill.

As the number of children that would be impacted by this bill cannot be determined with any degree of accuracy, the impact on the Department of Social Services cannot be determined. However, there are children in foster care as a result of their parents relinquishing custody in order to obtain needed services. Therefore, if parents are no longer required to transfer custody in order to obtain these services, there could be a decrease in the number of children coming into care that are potentially eligible for Title IV-E, thus reducing foster care maintenance payments.

The major impact on the Department of Social Services involves the management of these cases. It would be the responsibility of local departments of social services to provide case management services for these children. Again, the number of cases is unknown as is the potential geographic dispersion of the new cases. But it can be assumed, that particularly in larger metropolitan areas, there could be a significant influx that would require additional local workers to be hired.

9. Specific agency or political subdivisions affected:

- Virginia Department of Social Services
- Virginia Department of Mental Health, Mental Retardation and Substance Abuse Services
- Local Governments
- Community Policy and Management Teams
- Local Departments of Social Services
- Local Community Services Boards
- Office of Comprehensive Services

10. Technical amendment necessary: No

11. Other comments: This bill has similar policy and fiscal impacts to HB2620 and SB1332, which currently are currently on the dockets in the General Laws committees in both the House and the Senate.

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cc: Secretary of Health and Human Resources