

## Department of Planning and Budget 2010 Fiscal Impact Statement

**1. Bill Number:** SB 702

House of Origin      X      Introduced                  Substitute                  Engrossed  
Second House                 In Committee              Substitute                  Enrolled

**2. Patron:**        Marsden

**3. Committee:** Rehabilitation and Social Services

**4. Title:**         Child welfare; placement of children

**5. Summary:** This bill would provide for the care of a child in residential facilities where reunification of a child in foster care with his parents is not in the child's best interests. Such placement would be sought when residential care would best meet the child's educational and other needs and protect the child's welfare especially when such placement would allow keeping siblings together. This bill also requires local boards to consider placing children in residential placements when reunification and placement in a kinship care is not in the best interest of the child and residential care affords the best alternative to meet the child's educational needs, protect the child's welfare and is the best option for keeping sibling groups together.

**6. Fiscal impact is unknown (see item 8)**

**7. Budget Amendment Necessary: Unknown**

**8. Fiscal Implications:** While the proposed legislation does not specifically mandate the placement of children in residential facilities to keep sibling groups intact, it clearly encourages this placement option rather than the placement of children in foster care homes or adoptive homes. Therefore, there is no way to determine the number of additional residential facilities placements that would take place as a result of this bill. Residential care facilities are considerably more expensive than foster care maintenance payments or adoption subsidies. On average, monthly maintenance costs for a child placed in residential care is \$5,650 per month (\$67,800 annually) while the average monthly maintenance costs for foster care or an adoption subsidy for the same child is \$1,667 (\$20,004 annually). Maintenance costs for a IV-E eligible child has a 50 percent reimbursement rate with a 50 percent general fund match while maintenance costs for a non-IV-E eligible child is funded solely by general fund.

This bill will also impact the Office of Comprehensive Services because they are responsible for paying for the cost of services provided to children in residential facilities. The average cost of a Comprehensive Services Act (CSA) placement is \$90,885 annually; \$46,720 is for the residential cost and \$44,165 is for the educational cost. The general fund impact would be \$26,163 for residential and \$28,707 for education resulting in a total general fund impact of \$54,870 per child.

**9. Specific Agency or Political Subdivisions Affected:**

Department of Social Services  
Local departments of social services  
Office of Comprehensive Services

**10. Technical Amendment Necessary:** No

**11. Other Comments:** The Children's Services System Transformation was implemented in December 2007 and set a goal to increase safe, stable and family-based permanent homes for children in the foster care system. Data from 2008 shows congregate care placements at 25 percent, above the national average of 18 percent, and well above the national goal of 10 percent. Since that time the number of children in congregate care has been reduced by 42 percent statewide.

**Date:** 1/28/2010

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