

Department of Planning and Budget 2014 Fiscal Impact Statement

1. Bill Number: SB 284

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Janet D. Howell

3. Committee: Rehabilitation and Social Services

4. Title: Kinship care; Board of Social Services to promulgate certain regulations within 280 days

5. Summary: The proposed legislation requires the Department of Social Services (DSS) to adopt regulations for the placement of children in kinship care as a means of preventing foster care. Regulations are to include: 1) a description of the rights and responsibilities of Local Department of Social Services (LDSS), birth parents and kinship caregivers; 2) a process for placement or transfer of custody; 3) written material explaining the differences between kinship care and foster care; 4) a process for developing a safety or service plan; 5) a description of funding sources available to support safety and service plans 6) a process for gathering and reporting data regarding the outcomes for children in kinship care and 7) a description of a training plan for LDSS workers.

6. Budget Amendment Necessary: Yes

7. Fiscal Impact Estimates: Preliminary

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2014		
2015	\$ 526,221	General
2016	\$2,078,245	General
2017	\$2,078,245	General
2018	\$2,078,245	General
2019	\$2,078,245	General
2020	\$2,078,245	General

8. Fiscal Implications: The bill requires the department to promulgate and implement regulations related to kinship care. Kinship care, also known as foster care diversion, in Virginia is defined as “a strategy to prevent foster care placement by engaging caregivers in a process to identify relatives who can provide short term care for their children.” In a survey conducted by DSS in 2010, 94 percent of the 113 agencies responding said that they diverted children from foster care, indicating that kinship care is a widespread prevention practice in Virginia. However, once diverted, the case is often closed and no additional tracking of the child occurs. If the child or family develops issues, in most cases DSS would not know about

it unless complaints were made to Child Protective Services (CPS). The regulations required by this bill would eliminate the closure of these cases, as the local departments would be required to report on the well-being and permanency of children placed in kinship care. The department estimates, based on the 2010 survey, that 1,600 children are annually diverted into kinship care.

The legislation also requires regulations that provide a process for developing a safety or service plan. After a relative has been located who can provide kinship care, local staff must visit the potential relative's residence to conduct a safety assessment. In addition, any needs or special needs of the child would have to be documented that may require services of the department. In most cases, both of these plans would be required. It is estimated that it would take a caseworker an average of five hours per child to complete these plans. The department must also gather and report data regarding the well-being and permanency of children in kinship care based on the regulations to be implemented. This is much like what is required to track the progress of a child in a CPS on-going case. Data from the 2010 survey estimates the length of time that a child would reside in a relative's home ranged from thirty days to two years. The department conservatively estimates that at a minimum: 1) the average time that a child would spend in kinship care would be nine months; 2) based on home visits similar to CPS on-going cases, caseworker visits to kinship care homes will be required at least once per month; and 3) the estimated average number of hours it takes to complete each home visit is 2.5 hours, which includes travel time to and from the home. Therefore, the department estimates it would take 22.5 hours (9 visits x 2.5 hours) to complete home visits for each child in kinship care.

There are other miscellaneous functions associated with tracking and documenting a child in kinship care. Those costs include data input, filing, copying, working with the family, researching, etc. The department estimates an additional five hours would be needed for miscellaneous functions. Based on these estimates, it would take a total of 32.5 (5+22.5+5) additional hours of staff time for each child in kinship care for a total of 52,000 hours (1,600 children x 32.5 hours per child) to implement the new regulations for kinship care.

The department reports that the average annual cost of employing (salary, benefits, nonpersonal services, etc.) a local case worker is \$70,946. Local governments are required to cover 15.5 percent of these expenses, so the state share of the estimated local case worker cost would be \$59,949. Assuming 1,500 annual productive hours per full-time employee, the state reimburses localities \$39.97 per hour for local case workers. Therefore, the state cost of requiring 52,000 additional hours of work would be \$2,078,245 each year. The statewide local share would be \$381,217.

Local departments are reimbursed by the state based on the actual cost of delivering required services. These costs are then allocated to the appropriate source of funding (i.e. general, federal, etc.). There is no way to determine how the increased costs associated with this bill will be distributed across local departments of social services. However, it is necessary to acknowledge the impact of any additional responsibilities being placed on local departments and workers. While a specific local impact of a single bill may seem insignificant, this statement accounts for all added costs as the cumulative effect of many requirements on local

departments cannot be overlooked. Therefore, this statement uses the above assumptions, as to the added time required to meet the bill's provisions, and historical workload data to estimate the fiscal implications at the state level. This statewide estimate of increased costs would be allocated to localities based on actual annual experience.

Printed and on-line informational brochures would be needed to fulfill the bill's "disclosure letter" mandate. This brochure would be provided to parents and potential caregivers and would include; 1) the difference between kinship care and kinship foster care; 2) the impact of transferring custody; 3) the birth parent's role following transfer; 4) the requirements for return of custody to the birth parents. The Department estimates it will initially need 8,000 of these brochures at a one-time cost of \$6,660.

Currently, the Department has begun what was anticipated to be a year-long process of refining guidance regarding diversion (kinship care), evaluating outcomes in kinship cases, developing resources for LDSS to use with families, and implementing a kinship training course for LDSS staff. Technical assistance from the federal training and the technical assistance network is being pursued to assist in these efforts. This bill will alter and accelerate those plans. Additional efforts would be needed for project completion from the original un-mandated twelve months to a more specific mandated nine months or 280 days. Minor changes to the Department's Online Automated Services Information System (OASIS) and staff training could be accomplished with existing allocations.

The bill requires promulgation of the specified regulations and implementation within 280 days of enactment. Assuming the enactment of this bill will be July 1, 2014, implementation would be on or about April 1, 2015. Therefore, only three months (25 percent) of estimated expenses would be needed for the first year. The total cost of SB 284 is estimated to be \$526,221(((\$2,078,245 x 25%) + \$6,660) the first year and \$2,078,245 each year thereafter. general fund would be needed as all block grant funds are fully allocated.

9. Specific Agency or Political Subdivisions Affected:

Department of Social Services

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 1/27/14