

Department of Planning and Budget 2015 Fiscal Impact Statement

1. **Bill Number:** HB 1456

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

2. **Patron:** Adams, Les R.

3. **Committee:** Health, Welfare and Institutions

4. **Title:** Reports of substance abuse by a pregnant woman; child-protective services

5. **Summary:** The proposed legislation authorizes a local child-protective services department to perform an investigation or family assessment in response to a report or complaint that a pregnant woman is using a controlled substance where such use would constitute a felony or Class 1 misdemeanor drug offense and would render the woman's unborn child abused or neglected.

6. **Budget Amendment Necessary:** Yes

7. **Fiscal Impact Estimates:** Preliminary

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2015	-	-	-
2016	\$4,999,724	-	General
2017	\$4,934,124	-	General
2018	\$4,934,124	-	General
2019	\$4,934,124	-	General
2020	\$4,934,124	-	General
2021	\$4,934,124	-	General

8. **Fiscal Implications:** The proposed bill requires local departments of social services to investigate reports and complaints that a pregnant woman is using certain controlled substances. Currently, child protective services (CPS) responds to substance abuse reports or complaints from health care providers after a child is born. The provisions of this bill would require an investigation while the child is in utero; thereby requiring significant changes to the current program as CPS workers would have to take a much different approach with regard to this population. The primary costs associated with this legislation are: (1) additional case management for new CPS cases; (2) training and education materials, and (3) information systems modifications.

Case Management

The department has no way of knowing how many new reports or complaints it might receive annually regarding drug use by pregnant women. Statistics from the Department of

Health indicate that there were 101,863 live births in Virginia in 2013. According to data from the National Survey on Drug Use and Health (NSDUH), 5.4 percent of pregnant mothers used illegal drugs in 2013. Therefore, it is assumed that there would be a maximum increase of 5,501 ($101,863 \times .054$) CPS complaints regarding this population. Currently, CPS receives about 1,000 reports annually from health care providers of newborn children that are believed to have been subject to abuse by the substance abuse of their mothers. It is assumed that the majority of these cases would now be reported before the child is born and that the cost to manage these cases is funded by the current appropriation. For the purpose of this analysis, the department estimates that 50 percent of the maximum number of cases less those cases already reported by health care providers or 2,250 ($5,501 - 1000$) $\times .50$) will be reported as a result of this bill. It should be noted that the caseload assumptions made in this statement are conservative as they do not factor in the impact of this population now being subject to mandated reporting laws nor does it attempt to factor in false reports that the departments would still be required to investigate. The final fiscal impact could ultimately be higher than those estimated should the caseload be larger than assumed.

The average estimated time it takes to complete an investigation varies greatly depending on what the case requires. Since there is no data to support unborn investigations, a very broad estimate for a CPS case is used. Considering interview time with the alleged perpetrators, collaterals, family of the unborn, coordination with law enforcement, hearings and court time if needed, documentation time, and other factors that impact the case, the department estimates it would take an average of fifty hours per case. This does not include the provision of any services that might be required. Based on this, the department estimates that 112,500 ($2,250 \text{ cases} \times 50 \text{ hours per case}$) additional hours will be required to investigate these cases.

The average annual cost of employing (salary, benefits, nonpersonal services, etc.) a local CPS worker is \$77,856. Local governments are required to cover 15.5 percent of these expenses, so the state share of the estimated CPS worker cost would be \$65,788. Assuming 1,500 annual productive hours per full-time employee, the state reimburses localities \$51.90 per hour for CPS workers. Therefore, the cost of requiring 112,500 additional hours of work would be \$5,839,200 each year. The state share of this amount is \$4,934,124 with the local share being \$905,076.

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.

Training and Educational Materials

The bill requires the department to establish minimum training requirements for CPS workers and supervisors regarding substance abuse of unborn children. A training curriculum for CPS workers and supervisors on the new regulations, and policy and procedures that would be established on how to investigate and respond to reports and complainants would be needed.

It is estimated that it would take a part-time curriculum developer 640 hours, to create a one day training curriculum for the training. The average wage per hour for a part-time curriculum developer is \$32.81 per hour. The cost to develop the training would be \$21,000 (640 x \$32.81). Presentation of the training sessions in each of the five regions would cost \$1,320 per one-day session, for a total cost of \$6,600 (\$1,320 x 5). The total cost to develop and present the training sessions is estimated to be \$27,600 (\$21,000 + \$6,600).

In addition, the Department would implement an eLearning curriculum for substance abuse of unborn children on the Knowledge Center, an on-line system that exists for state employees to take certain courses. The estimated cost to develop, test, and publish the eLearning curriculum is estimated to take four to six months. Using the low range of four months, or 640 hours and a wage employee paid \$46.88 per hour, the Department estimates a total cost of \$30,000 for an eLearning curriculum. This would be a one-time cost as current staff would be able to provide minor updates and changes to the curriculum as needed.

The Department would also be required to create brochures to include substance abuse of unborn children. This would also require the development, printing and distribution of new informing brochures which would be made available in English and Spanish and available on line in Vietnamese and Chinese. These brochures will reside mainly at each of the 120 LDSSs for their use when doing an investigation, but also for informational purposes. The one-time cost for designing and printing these brochures is estimated to be \$8,000. The total cost for training and education materials is estimated to be \$65,600.

Information System Modifications

All CPS case data is contained within OASIS (Online Automated Services Information System) which supports the delivery of child welfare services by LDSSs. The Department believes that the additional changes to OASIS are minimal and can be absorbed by current appropriation.

9. Specific Agency or Political Subdivisions Affected:

Department of Social Services

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 1/22/15