

Department of Planning and Budget

2019 Fiscal Impact Statement

1. Bill Number: HB2014-ER

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|------------------------|---------------------------------------|-------------------------------------|--|
| House of Origin | <input type="checkbox"/> Introduced | <input type="checkbox"/> Substitute | <input type="checkbox"/> Engrossed |
| Second House | <input type="checkbox"/> In Committee | <input type="checkbox"/> Substitute | <input checked="" type="checkbox"/> Enrolled |

2. Patron: Peace

3. Committee: Passed Both Houses

4. Title: Family First Prevention Services Act; statutory alignment.

5. Summary: Aligns the Code of Virginia with the Family First Prevention Services Act of 2018. The bill contains an emergency clause for provisions of the bill relating to background checks for employees of, volunteers at, and contractors providing services to juveniles at children's residential facilities.

6. Budget Amendment Necessary: See Item 8.

7. Fiscal Impact Estimates: Indeterminate. See Item 8.

8. Fiscal Implications: This legislation makes changes to the Code of Virginia, in order to bring it in line with the Federal Family First Prevention Services Act (FFPSA). The FFPSA makes significant changes to the Title IV-E program, including optional funding for prevention services and a required reduction of the use of congregate or group care for children, unless the facility meets the new “qualified residential treatment program” (QRTP) requirement. The latter rule takes effect October 1, 2019, but the federal government is allowing a delay for up to two years. Any delay will also delay federal funding for optional prevention services for that period.

Many aspects of the cost estimates for the implementation of this bill are not readily available because the Federal agency overseeing the implementation of FFPSA is still issuing guidance and the state agency is currently working with stakeholders to determine the needs in Virginia. Additionally, the changes in FFPSA will likely affect other child-serving agencies within the state including, but not limited to, the Office of Children’s Services, the Department of Behavioral Health and Developmental Services, the Department of Medical Assistance Services, Juvenile and Domestic Relations Courts, and others. Additionally, local departments of social services are likely to be impacted and see increased time and resource burdens on local workers. The potential cost impact on these agencies cannot be determined.

The Department of Social Services is able to provide the following information on estimated costs:

- \$6,000,000 (general fund/local match) – This is an approximation of the amount of federal

reimbursement that will no longer be received under the new law because the recipients of these funds do not meet the definition of qualified residential treatment program. It is assumed that reimbursement of these costs would shift from federal IV-E and state funding from the Department of Social Services to funding provided by the Office of Children's Services, which includes state, local, and federal Medicaid dollars.

- \$665,076 (50/50 general and nongeneral funds) – This amount would fund six new positions at the Department of Social Services. These positions would function as support staff for the FFPSA within the state and would be responsible for planning, implementation, and monitoring. The positions are not required by the federal legislation, but the agency believes they are needed in order to successfully facilitate implementation of the new requirements. The Governor's introduced budget includes funding for these costs.

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 Medical Assistance Services, Juvenile and Domestic Relations Courts

10. Technical Amendment Necessary: No.

11. Other Comments: None.