

Department of Planning and Budget 2019 Fiscal Impact Statement

1. **Bill Number:** HB2597

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

2. **Patron:** Herring

3. **Committee:** Courts of Justice

4. **Title:** Child abuse and neglect report or complaint; victims of sex trafficking; custody.

5. **Summary:** Provides that a valid report or complaint of child abuse or neglect where a local department of social services has evaluated the allegations and determined that the local department shall conduct an investigation or family assessment may be established if the alleged victim has been identified as a victim of sex trafficking or severe forms of trafficking and the abuser is the victim's parent, other caretaker, or any other person suspected to have caused such abuse and neglect. The bill requires the local department, when responding to such complaint, to perform a family assessment. The bill also allows a child-protective services worker of a local department responding to such complaint to take the child victim into custody and allows the local department to maintain custody of the child for up to 72 hours without prior approval of a parent or guardian. This bill is a recommendation of the Virginia State Crime Commission.

6. **Budget Amendment Necessary:** Yes.

7. **Fiscal Impact Estimates:**

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2019	-	-
2020	\$75,117	General*
	\$14,438	Nongeneral
2021	\$75,117	General
	\$14,438	Nongeneral
2022	\$75,117	General
	\$14,438	Nongeneral
2023	\$75,117	General
	\$14,438	Nongeneral
2024	\$75,117	General
	\$14,438	Nongeneral
2025	\$75,117	General
	\$14,438	Nongeneral

* Included in the general fund dollar amount is \$13,221 annually for the Office of Children's Services. There is also an annual local match increase of \$18,199.

- 8. Fiscal Implications:** This legislation requires Child Protective Services (CPS) within the local departments of social services (LDSS) to complete an investigation or assessment for all reports of child sex trafficking. The bill also allows the LDSS to maintain custody of the child for up to 72 hours after receiving a CPS complaint or report. The primary costs associated with this legislation are local staff time and increased foster care maintenance payments.

In FY 2017, the Virginia Department of Social Services (VDSS) identified 21 victims of child sex trafficking who were involved in the child welfare system, of which, the LDSS conducted four investigations involving allegations of sex trafficking. Under this legislation, all victims of child sex trafficking would require an investigation or family assessment by a LDSS. In addition, because this bill broadens the definition of alleged abuser to include any other person suspected to have caused such abuse or neglect, this estimate includes a 13 percent increase over the prior year for a total of 24 (21×1.13) reports of sex trafficking requiring an investigation or family assessment. The 13 percent increase is based on trafficking statistics reported by the Polaris Project. Using departmental statistics, it is also estimated that 67 percent or 16 children would be in need of temporary custody for up to 72 hours.

VDSS estimates that each CPS assessment or investigation requires an average of 50 hours to respond. Therefore 1,000 ($[24-4 \text{ cases already conducted}] \text{ cases} \times 50 \text{ hours per case}$) additional local staff hours will be required to validate these sex trafficking reports to LDSS. Given 1,500 productive hours per local staff annually, the equivalent of 0.67 ($1,000/1,500$) additional local departmental staff is required. The average annual cost, including salary, benefits, and nonpersonal services of employing a local CPS worker used for this analysis is \$84,180 for a total estimated annual cost of \$56,401 ($.67 \times \$84,180$). In addition, it takes an average of 13.5 hours of staff time per child per placement. This equates to \$12,122 ($[13.5 \text{ hours} \times \$56.12 \text{ Family Services Specialists hourly rate}] \times 16 \text{ new temporary placements}$) of additional costs for temporary placements. Total local staff time as a result of this bill is estimated to be \$68,523 ($\$56,401 + \$12,122$).

Furthermore, because this legislation also allows the LDSS to maintain custody of the child for up to 72 hours, maintenance payments will increase. Given the average maintenance cost of \$202.26 for three days of care, this would result in an increase in temporary custody costs of \$3,236 ($\202.26×16). Based on departmental statistics, it is also estimated that 10 percent or two of the children would be placed in foster care. Using the average annual cost per child of \$24,608 for foster care, total foster care payments are estimated at \$49,216 ($\$24,608 \times 2$). Total maintenance costs related to this legislation are estimated to be \$52,452.

The total estimated cost of this legislation is \$120,696 (\$14,438 federal funds, \$75,117 general fund, and \$18,199 local match). The general fund amount includes \$13,221 for Office of Children's Services for foster care placement.

9. Specific Agency or Political Subdivisions Affected: Department of Social Services, Local Departments of Social Services, Juvenile and Domestic Relations Courts, Office of Children's Services

10. Technical Amendment Necessary: No.

11. Other Comments: None.