

Department of Planning and Budget

2019 Fiscal Impact Statement

1. Bill Number: SB1339

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: Reeves

3. Committee: Finance

4. Title: Foster care omnibus.

- 5. Summary:** Makes numerous changes to the laws governing the provision of foster care services in the Commonwealth. Among other things, the bill (i) allows the Commissioner of Social Services to develop and implement a corrective action plan for or assume temporary control over the foster care services of a local board of social services upon determining that the local board (a) has failed to provide foster care services or make placement and removal decisions in accordance with applicable laws or regulations or (b) has taken any action that poses a substantial risk to the health, safety, or well-being of any child under its supervision and control; (ii) requires the Commissioner to create within the State Department of Social Services (the Department) a foster care health and safety director position; (iii) directs the Commissioner to establish and maintain a confidential hotline to receive reports and complaints from foster parents and other persons regarding violations of laws or regulations applicable to foster care and any other matters related to the health, safety, or well-being of children in foster care; (iv) directs the Department to develop and implement a more reliable, structured, and comprehensive case review and quality improvement process to monitor and improve foster care services provided by local boards and departments of social services; and (v) requires the Department to establish and update annually a caseload standard that limits the number of foster care cases that may be assigned to each foster care caseworker.

Additionally, enactment clauses on the bill require the agency to develop and implement a strategic plan to improve recruitment and retention of foster parents; develop and implement a process to monitor the placement of children into residential care facilities and ensure placements are warranted by medical necessity; and, develop and implement a process to identify children who have been in foster care for 24 months or more and provide assistance to local departments of social services to find permanent homes for such children.

- 6. Budget Amendment Necessary:** Yes. However, a portion of the estimated costs are already provided; \$100,000 (\$50,000 general fund and \$50,000 nongeneral funds) and one position were included in the Governor's introduced budget to fund the Virginia Fosters program. These amounts have been excluded from the table below.

7. Fiscal Impact Estimates: See Item 8.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2019	-	-	-
2020	\$1,261,964	16	General
	\$871,072	7	Nongeneral
2021	\$2,333,964	16	General
	\$1,694,543	7	Nongeneral
2022	\$2,333,964	16	General
	\$1,694,543	7	Nongeneral
2023	\$2,333,964	16	General
	\$1,694,543	7	Nongeneral
2024	\$2,333,964	16	General
	\$1,694,543	7	Nongeneral
2025	\$2,333,964	16	General
	\$1,694,543	7	Nongeneral

*Local match of \$166,361 in FY 2020 and \$332,723 annually thereafter is required.

- 8. Fiscal Implications:** This legislation changes the way foster care services are delivered in the Commonwealth. The major fiscal implications of this legislation are increased costs related to additional staffing and information systems requirements related to the following provisions of the bill:

- Establishes minimum staffing levels in regional offices for foster care and adoption services;
- Grants the Commissioner of the Department of Social Services (DSS) additional authority over local departments of social services (LDSS);
- Requires DSS to create a dashboard to monitor and review LDSS compliance;
- Requires DSS to establish a foster care caseload standard;
- Establishes a Director of Foster Care Health and Safety position;
- Requires DSS to develop and implement a strategic plan to improve recruitment and retention of foster parents; and,
- Requires DSS to develop and implement a case review and quality improvement process.

The annual costs for all new employees shown in this analysis are a combined total of average salary, benefits, and non-personal services like rent, a computer, and telephone service. First year costs also include on-boarding expenses of \$5,163 per full-time equivalent (FTE) employee. It is assumed that the agency will not be able to recruit and hire all new employees by July 1, 2019, so all personnel costs, except on-boarding, are halved in the first year.

Regional staffing

This legislation requires that the Commissioner ensure regional offices responsible for oversight of foster care and adoption services are equipped with sufficient staff. It further requires that all five regional offices have no fewer than four staff members. Currently the five offices each have a staff of two program consultants and will consequently need two

more per office for a total of 10 new positions. The annual cost of one additional program consultant is \$104,607 or \$574,665 for 10 positions the first year and \$1,046,070 each year thereafter.

One foster care project manager is necessary to supervise, implement and coordinate the multiple changes to foster care monitoring and oversight at a cost of \$72,271 in the first year and \$134,215 each year thereafter.

Additional authority over LDSS

The legislation grants additional authorities to the Commissioner of Social Services including: issuing corrective action plans for local departments, assuming temporary control of local departments' foster care services, and addressing placements that are not meeting state or federal requirements. In order to effectively utilize these authorities and institute these changes, the agency will need five additional staff, including a program director. These positions would be rotating positions that would monitor foster care services and provide quality control when they are not needed to stand up a local department. The estimated costs for all five positions are \$302,137 for the first year and \$552,643 each year thereafter.

Complaint system

Additionally, the bill requires the establishment and maintenance of a complaint system, including a statewide hotline and electronic avenues of submitting complaints. The annual cost of a 1-800 number is approximately \$504 (\$42 a month x 12). At this time, the agency believes no additional staff is needed to staff the hotline or resolve complaints.

Create a compliance dashboard

Furthermore, the bill requires the creation of an online dashboard that is accessible to local departments of social services. The agency estimates 600 hours of developer time at a one-time cost of approximately \$25,098 to extract, transfer and load data. In order to access and analyze data for those reports, a data analyst position is needed. The data analyst would be responsible for conducting data cleanup and pulling the data from the variety of sources needed, including the new case review process. The cost for this position is \$53,514 the first year and \$96,702 each year thereafter.

Establish a foster care caseload standard

This legislation requires DSS to establish a caseload standard that limits the number of foster care cases that may be assigned to each foster care caseworker. Such caseload standard shall be reviewed annually and updated, as appropriate, on the basis of the time and work necessary to effectively manage each foster care case. As stated in the Joint Legislative Audit and Review Commission (JLARC) December 2018 report, a caseload standard of 12-15 cases is an accepted industry standard. Therefore, this analysis uses 15 cases per caseworker as its standard.

As of the January 2, 2019 Active Foster Care Children Report, 25 localities have between one and eight family services specialists, each of whom carries a foster care caseload of between 16 to 30 foster care children. These specific 25 localities would need funding for the

equivalent of an additional 25.5 positions, in order for each of their specialists to have no more than 15 assigned foster care cases. The estimated annual cost for one family services specialist is \$84,180, therefore 25.5 new local specialists will cost \$1,073,295 the first year and \$2,146,602 each year thereafter. If the standards are set higher than 15 cases per caseworker, then these costs will decrease.

Establish a Director of Foster Care Health and Safety

Under this legislation, the DSS Commissioner is required to establish a Director of Foster Care Health and Safety within the agency. This position will report to the Governor and General Assembly each year on the implementation and effectiveness of the director's responsibilities to ensure the health, safety and well-being of children in foster care. The cost of this position is \$94,678 for the first year and \$179,030 each year thereafter.

Improve recruitment and retention of foster parents

The bill requires the agency develop and implement a data-driven strategic plan to improve the recruitment and retention of foster parents. Funding in the Governor's introduced budget was included for one position to facilitate the Virginia Fosters program; therefore, this position can manage the development and implementation of the agency's strategic plan. This position was funded for \$100,000 (\$50,000 general fund and \$50,000 nongeneral funds) annually.

Monitor and improve foster care services

Furthermore, this bill requires that the agency develop and implement a structured and comprehensive case review and quality improvement process to monitor and improve foster care services provided by local boards and departments of social services. The agency believes it can use and build upon the current review process for federal monitoring compliance and would also add quality improvement components, as stated in the legislation. The five roaming staff persons hired to stand up local departments of social services can act as case reviewers when they are not in need elsewhere. Additionally, the bill specifically requires one regional consultant, per regional office, to conduct foster care and adoption case reviews within the region to ensure compliance and protects the health and safety of the children. The agency has also requested five part-time positions to help fulfill the additional quality control requirements. The cost to fund five part-time positions is \$102,733 the first year and \$205,465 annually thereafter.

	Number of positions	Total first year cost	Total subsequent years cost
Regional consultants	10	\$ 574,665	\$ 1,046,070
Regional project manager	1	\$ 72,271	\$ 134,215
Temporary LDSS control unit	5	\$ 302,137	\$ 552,643
Data analyst for dashboard	1	\$ 53,514	\$ 96,702
Compliance dashboard	-	\$ 25,098	
Complaint hotline	-	\$ 504	\$ 504
Caseload standard	-	\$ 1,073,295	\$ 2,146,602
Director of Foster Care Health and Safety	1	\$ 94,678	\$ 179,030
Monitor and improve foster care services	5	\$ 102,733	\$ 205,465
Recruitment and retention of foster parents (Virginia Fosters; included in the Governor's introduced budget)	1	\$ 100,000	\$ 100,000
	24	\$ 2,398,895	\$ 4,461,231
General fund:		\$ 1,311,463	\$ 2,383,964
Nongeneral fund:		\$ 921,072	\$ 1,744,543
Local match:		\$ 166,361	\$ 332,723
		\$ 2,398,895	\$ 4,461,231

As shown in the table above, the total costs of this legislation are estimated at \$2,398,895 in FY 2020 and \$4,461,231 in FY 2021. The most recent Title IV-E penetration rate of 58.67 percent was applied to the projected costs and resulted in general fund need of \$1,311,463 in FY 2020 and \$2,383,964 in FY 2021 and a federal fund need of \$921,072 in FY 2020 and \$1,744,543 in FY 2021 and each year thereafter. These amounts include \$100,000 not shown in Item 7A, because the Governor's introduced budget included costs for that position. A local match of 15.5 percent to fund local positions in the amount of \$166,361 the first year and \$332,723 annually thereafter will also be required as a result of this legislation.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Social Services, local departments of social services

10. Technical Amendment Necessary: No.

11. Other Comments: None.