

## Department of Planning and Budget 2020 Fiscal Impact Statement

**1. Bill Number:** SB570-ES1

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

**2. Patron:** Mason

**3. Committee:** Passed the Senate

**4. Title:** State-Funded Kinship Guardianship Assistance program.

**5. Summary:** Creates the State-Funded Kinship Guardianship Assistance program (the program) to facilitate child placements with relatives, including fictive kin, and ensure permanency for children in foster care. The bill sets forth eligibility criteria for the program, payment allowances to kinship guardians, and requirements for kinship guardianship assistance agreements. The bill also expands eligibility for the Federal-Funded Kinship Guardianship Assistance program by allowing payments to be made to fictive kin who receive custody of a child of whom they have been the foster parent.

An enactment clause prevents provisions of this bill from becoming effective unless appropriation for the purposes of this bill is included in the 2020 Appropriation Act, as passed by the General Assembly, and becomes law.

**6. Budget Amendment Necessary:** Yes. Item 292.

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

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2020	-	-
2021	\$1,646,288	General
2022	\$1,650,126	General
2023	\$1,650,126	General
2024	\$1,667,934	General
2025	\$1,671,772	General
2026	\$1,671,772	General

**8. Fiscal Implications:**

State-Funded Kinship Guardianship Assistance program

In 2018, the Joint Legislative Audit and Review Commission (JLARC) published a report entitled: Improving Virginia's Foster Care System. The report had 34 recommendations, including the establishment of a state-funded kinship guardianship assistance program

(KinGAP). Virginia's Commission on Youth's 2019 foster care study included this same recommendation. JLARC recommended expanding the eligibility population for KinGAP to include those children placed in relative foster homes for less than 6 months, thereby removing the eligibility limitations for children who are not as likely to be placed in a permanent home.

In state fiscal year (SFY) 2019, 429 children exited foster care through custody transfer to a relative without KinGAP. Out of those 429, 92 children exited foster care to transfer to custody of a relative while residing in a relative's home serving as a foster home. It is likely that these 92 children would have been eligible for state-funded KinGAP.

The state-supported KinGAP would be funded through the Office of Children's Services (OCS), which administers the Children's Services Act. The annual cost for one child to be placed in state-funded KinGAP is \$21,828, inclusive of a 36 percent local match of \$7,883. The annual cost of maintenance payments for 92 children supported by state funded KinGAP is \$2,014,616 (\$1,289,354 general fund and \$725,262 local match). Additionally, services for children in foster care are managed by the Office of Children's Services. The average annual cost for services is \$5,997 (\$3,838 general fund and \$2,159 local match). The estimated annual cost of services for 92 children supported by the state-funded KinGAP is \$551,724 (\$353,096 general fund and \$198,628 local match). There is no impact on staffing needs at the Office of Children's Services and no additional Department of Social Services (DSS) or local department of social services (LDSS) staff or funding is required, as any increases in workload at these agencies are expected to be minimal and can be absorbed within current operations. The Office of Children's Services is a reimbursement-based agency, so the agency cannot absorb any additional expenditures within its current appropriation. The annual costs by fund source can be found in the table below.

<b>Year</b>	<b>OCS costs</b>
FY 2021	\$1,642,450 GF / \$923,890 local
FY 2022	\$1,642,450 GF / \$923,890 local
FY 2023	\$1,642,450 GF / \$923,890 local
FY 2024	\$1,642,450 GF / \$923,890 local
FY 2025	\$1,642,450 GF / \$923,890 local
FY 2026	\$1,642,450 GF / \$923,890 local

#### Federal-Funded Kinship Guardianship Assistance program

This bill also edits the definition of "relative" to include fictive kin of the child in foster care. Over the past year, 2.2 percent (55) of the 2,551 children discharged from foster care have had their custody transferred to "non-relatives", who would likely have been considered "fictive kin." Out of the 446 discharges of custody transfer to relatives over the past year, only 2.2 percent (10) exited care into the kinship guardianship assistance program (KinGAP). The annual maintenance cost for one child served by the Department of Social Services (DSS) in KinGAP is estimated to be \$21,828 (\$10,914 GF and \$10,914 NGF). The annual

maintenance cost for one child served by the Office of Children’s Services (OCS) in KinGAP is estimated to be \$21,828 (\$13,970 GF and \$7,858 local match). Additionally, the annual services costs per child in KinGAP is estimated at \$5,997 (\$3,838 GF and \$2,159 local match). Services for children in foster care are managed by the Office of Children’s Services, regardless of which agency is responsible for the maintenance costs. The estimated number of children coming into the program is cumulative and is estimated to be one child annually. It is assumed that one child will age out or otherwise leave the program every two years. The Department of Social Services projects a KinGAP enrollment increase of one child in FY 2021, two children in FY 2022 and FY 2023; two children plus one child supported by OCS in FY 2024; and three children plus one child supported by OCS in FY 2025, and each year after. These costs are minimal and can be absorbed within DSS’s existing budget. The Office of Children’s Services, however, is a reimbursement-based agency, so the agency cannot absorb any additional expenditures within its current appropriation. The annual costs by agency and fund source can be found in the table below.

<b>Year</b>	<b>DSS costs</b>	<b>OCS costs</b>
FY 2021	10,914 GF / 10,914 NGF	3,838 GF / 2,159 local
FY 2022	21,828 GF / 21,828 NGF	7,676 GF / 4,318 local
FY 2023	21,828 GF / 21,828 NGF	7,676 GF / 4,318 local
FY 2024	21,828 GF / 21,828 NGF	25,484 GF / 14,335 local
FY 2025	32,742 GF / 32,742 NGF	29,322 GF / 16,494 local
FY 2026	32,742 GF / 32,742 NGF	29,322 GF / 16,494 local

#### Impact on Courts

Courts may see a slight increase in the number of permanency hearings for custody transfers as a result of this bill. The extent of the impact on Courts is currently unavailable.

**9. Specific Agency or Political Subdivisions Affected:** Office of Children’s Services, Department of Social Services, local departments of social services, courts

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.