

## Department of Planning and Budget

### 2023 Fiscal Impact Statement

1. **Bill Number:** HB2489

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

2. **Patron:** LaRock

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

4. **Title:** Responsible Fatherhood Initiative; fatherhood needs assessment; Fatherhood Support Grants Program.

5. **Summary:** Requires the Virginia Department of Social Services to contract for the development and implementation of the Responsible Fatherhood Initiative for the purpose of providing an opportunity for every father in the Commonwealth to be able to obtain information and inspiration that will motivate and enable him to enhance his abilities as a father and establishes requirements for the entities contracting with the Department to implement the initiative. Under the bill, each local board of social services shall undertake certain actions to ensure that the local department of social services is addressing the unique needs of the fathers of children served by the local department. The bill also establishes the Fatherhood Supports Grant Fund, which awards grants to not-for-profit community-based organizations to address the needs of fathers.

6. **Budget Amendment Necessary:** Yes. Item 340 (central DSS program staff costs), Item 342 (local DSS costs), Item 350 (DSS procurement staff and systems license costs), Item 61 (OAG).

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

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars*</i>	<i>Positions</i>	<i>Fund</i>
2024	\$12,132,128	6	General-DSS
	\$136,127	1	General-OAG
2025	\$14,371,898	6	General-DSS
	\$136,127	1	General-OAG
2026	\$14,371,898	6	General-DSS
	\$136,127	1	General-OAG
2027	\$14,371,898	6	General-DSS
	\$136,127	1	General-OAG
2028	\$14,371,898	6	General-DSS
	\$136,127	1	General-OAG

2029	\$14,371,898	6	General-DSS
	\$136,127	1	General-OAG
2030	\$14,371,898	6	General-DSS
	\$136,127	1	General-OAG

\*These totals do not include the 15.5 percent local match amounts for the local staff costs

- 8. Fiscal Implications:** This legislation creates a new program within the Department of Social Services (DSS) and will require DSS to coordinate the program among various areas throughout the agency as well as with the local departments of social services (LDSS). There are three facets to this legislation: the Responsible Fatherhood Initiative, the Fatherhood needs assessment, and the Fatherhood Support Grants Program and Fund (the Fund).

Position cost estimates for state and local staff in this analysis include salary, fringe benefits, non-personal position costs, as well as a one-time onboarding cost in the first year. First year personnel costs are estimated for a partial year due to the time it will take to hire new staff after July 1. There are currently no unobligated federal funding sources available for this program; as such, general fund will be needed. Local costs will be funded through 84.5 percent general fund and a 15.5 percent local match.

#### **Fatherhood Initiative**

This legislation requires DSS to contract with a nonprofit organization to develop and implement the Responsible Fatherhood Initiative throughout the Commonwealth. DSS responsibilities include setting parameters around the contract, issuing a request for proposal, and monitoring the contract.

This legislation also requires a website and electronic resources, print, television, social media elements and public events as part of a statewide public awareness campaign. It is estimated that a minimum cost of \$500,000 general fund in the first year would be necessary to develop a public awareness campaign, as outlined in the bill. The ongoing media campaign and outreach is projected to be a recurring cost of approximately \$100,000 general fund annually.

#### **Fatherhood Needs Assessment**

Local departments are required to conduct an initial assessment of their engagement with fathers, create and implement an action plan to assist the fathers, and employ a father-engagement specialist. According to the Department of Social Services, this will likely require hiring 120 Fatherhood Engagement Specialists (FES) and 27 supervisors for total costs of \$11,671,649 the first year  $[(\$12,027,836 + \$3,534,363) \times .75]$  and \$14,803,238  $(\$11,408,276 + \$3,394,962)$  each year thereafter. The estimated costs include a 15.5 percent local match of \$1,809,106 in FY 2024 and \$2,294,502 in FY 2025 and thereafter. DSS will need to create the fatherhood assessment tool, provide technical assistance, training and annually review how the local departments are meeting the needs of the father.

Because this is a new program, DSS feels it will need to develop LDSS training at a one-time cost of \$38,220 general fund in FY 2024. Costs include \$18,900 for the development of a

six-hour instructor led course, \$14,000 to revise existing content referencing Fatherhood initiatives and \$5,320 to develop one hour eLearning.

Each FES will be required to take 32 classes over the course of their first year of employment, with 75 percent of the courses being in-person and taught by an instructor. Initial and ongoing LDSS training for 120 local new staff will require one trainer position and contractors. Costs include \$90,578 for the trainer and \$149,400 general fund for contractors in FY 2024. Approximately one-third of new local workers turn over annually, therefore, the cost to provide training in FY 2025 and each year thereafter is \$141,143 general fund. Approximately \$25,536 of that amount is for contract positions.

To assist the nonprofit organization in coordinating the Fatherhood Initiative within the Department and throughout the state, DSS feels it will need a program coordinator senior position at a cost of \$87,760 general fund in FY 2024 and \$111,850 general fund each year thereafter.

#### **Fatherhood Support Grants Program and Fund**

This legislation establishes the Fatherhood Support Grants Program and Fund. DSS will be responsible for the administration of the program and fund, the issuance of grant awards, monitoring of grant recipients, as well as various other responsibilities. DSS estimates it will need three positions to accomplish this including a program manager to oversee the initiative and run this new program, a contract administrator to award and monitor grant funds, and a program coordinator senior to provide technical assistance and to integrate this program with other programs within DSS and across the state. The estimated cost for these positions is \$276,518 general fund in FY 2024 and \$353,202 general fund in FY 2025 and each year thereafter.

This legislation establishes that grants be provided to nonprofit organizations who demonstrate a commitment and capacity to operate the Initiative; however, there is no indication of the source of these grants. Based on funding necessary to support Domestic Violence Prevention programs in Virginia, DSS estimates that a minimum of \$1,000,000 during the first year and each year thereafter would be necessary to support the development of the Initiative. Since no funding source was identified in the legislation to provide start-up funding for the Fund, general fund dollars are included in this analysis as start-up and annual funding.

According to DSS, its procurement office cannot sustain the additional workload created by this legislation; therefore, one full-time senior procurement officer is needed to review and issue contracts associated with the Fatherhood program at a cost of \$105,065 general fund in FY 2024 and \$134,923 general fund each year thereafter.

Tracking of these Fatherhood grants will require additional licenses for the grant administration system. DSS estimates an additional 11 licenses would be needed at a current estimated cost of \$167 per user/per month. This would equate to a total of \$22,044 general fund in licensing fees per year (167 x 12 months x 11 users).

### **Virginia Department of Health**

The bill charges the Commissioner of the Department of Health (VDH) with coordinating father engagement activities, such as providing individualized support to fathers to increase participation in services that strengthen family and child well-being. VDH has indicated that providing this support will not have a fiscal impact to the agency.

### **Total Costs:**

#### **DSS**

The bill establishes an extensive new program within DSS and local departments. The implementation date is July 1, 2024. Once the program is in effect, DSS notes that it may realize additional funding needs to fully operationalize a new program of this size and effort. Total anticipated costs at DSS can be found in the table below.

The Initiative		Fatherhood Needs Assessment				Fatherhood Support Grants Program and Fund					Total Costs*	Total GF
	Public Relations	120 Local FES	27 Local Supervisors	Local Training	Program Coordinator	Program Manager	Contract Administrator/Program Coordinator	Grants to Non-Profits	Procurement Officer	License Fees		
FY 2024	500,000	9,020,877	2,650,772	278,198	87,760	100,998	175,520	1,000,000	105,065	22,044	\$ 13,941,233	\$ 12,132,128
FY 2025+	100,000	11,408,276	3,394,962	141,143	111,850	129,501	223,701	1,000,000	134,923	22,044	\$ 16,666,400	\$ 14,371,898

\*The 15.5% local match is estimated at \$1.8M in FY 2024 and \$2.3M in FY 2025 and on-going

#### **OAG**

Preliminarily, the Office of the Attorney General (OAG) assumes it will need one attorney position to assist in the contract/grant procurement and management, and with operation of the Fund and the Program by DSS. One attorney is estimated to cost \$136,127 general fund annually.

9. **Specific Agency or Political Subdivisions Affected:** Department of Social Services, local departments of social services, Department of Health, Office of the Attorney General
10. **Technical Amendment Necessary:** No.
11. **Other Comments:** None.