

## Department of Planning and Budget 2024 Session Fiscal Impact Statement

**1. Bill Number:** HB27-H1

**House of Origin**    ☐ Introduced    ☒ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Callsen

**3. Committee:** Appropriations

**4. Title:** Kinship as Foster Care Prevention Program established.

**5. Summary:** Establishes the Parental Child Safety Placement Program to promote and support placements of children with relatives by local boards of social services in order to avoid foster care. The bill provides that a child is eligible to participate in the Program if the local board determines that (i) the child is at imminent risk of being removed from his home and a preliminary protective order is insufficient to address the child's immediate safety concerns and (ii) the child's parent or guardian consents to the placement of the child with a relative pursuant to an agreement with the local board developed in accordance with the provisions of the bill. The bill also adds the requirement that the local department complete an exception report if a child is placed in a foster home that is not a kinship foster home.

An enactment clause requires the provisions for a local board to file an exception report to be effective on January 1, 2025.

Another enactment clause requires the State Board of Social Services to promulgate regulations to implement the provisions of the bill by January 1, 2025. The regulations shall include provisions regarding the manner in which Parental Child Safety Placement Program payments are prioritized based on available funding.

**6. Budget Amendment Necessary:** No. The amounts included in the tables in Item 7a were included in the Governor's introduced budget. See Item 8 for more details.

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

**7a. Expenditure Impact:**

**Department of Social Services:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2024	-	-	-
2025	\$105,320	-	General fund
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-

2030	-	-	-
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**Office of Children's Services:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2024	-	-	-
2025	\$1,220,567	-	General fund
2026	\$1,220,567	-	General fund
2027	\$1,220,567	-	General fund
2028	\$1,220,567	-	General fund
2029	\$1,220,567	-	General fund
2030	\$1,220,567	-	General fund

\*This table does not include a 34 percent local match of \$686,569 annually

- 8. Fiscal Implications:** This legislation, as substituted, establishes the Parental Child Safety Placement Program (the Program), which aims to prevent unnecessary entry into foster care and requires accountability for pre-court placements of children. The bill also creates a caregiver assessment and provides guidelines for alternative living arrangements. Additionally, it adds requirements to consider kinship foster care when placing a child in care and creates the requirement of a formal exception report when the child is not placed in a kinship foster home.

**Requirement for Exception Reports for Kinship Foster Care:**

This legislation would create a requirement for local departments of social services (LDSS) to document all efforts to locate kin, place children with kin, and all the reasons for not placing children with kin. The proposal also requires LDSS leadership to sign off on these efforts before placing a child in a non-kinship placement. The agency says that many LDSS already have an informal process similar to the formal process proposed in the legislation; therefore, the Department of Social Services (DSS) does not anticipate a cost for this requirement.

**Parental Child Safety Placement Program:**

The intent of the Parental Child Safety Placement Program created by this legislation is to prevent unnecessary entry into foster care by promoting and supporting placements with relatives and fictive kin and require accountability for pre-court placements of children. This legislation will formalize the current process of allowing Child Protective Services (CPS)-involved children to temporarily reside with a relative or fictive kin caregiver.

In fiscal year (FY) 2022, local departments of social services (LDSS) served children and families in 8,550 In-Home Services cases. In-Home Services are defined as services and supports provided to children and families with the goal of preventing the occurrence or reoccurrence of child maltreatment and preventing entry into foster care. In FY 2022, twelve percent of In-Home Services cases (1,026 cases) included children who were residing temporarily or permanently in an alternative living arrangement (ALA) with a relative or fictive kin caregiver. DSS estimates that there will be 2,935 additional In-Home Services cases opened from high or very high-risk CPS referrals in FY 2025. Twelve percent, or 352, of these cases are estimated to include children residing temporarily or permanently in an

ALA with a relative or fictive kin caregiver. These 352 children are additional children that would be served under this legislation, along with the 1,026 children that are already residing in an ALA and receiving In-Home Services in an informal capacity.

**Community-based services provided pursuant to the Children’s Services Act (CSA) for children and families in alternate living arrangements (ALA):**

It is estimated that this bill will increase the number of children receiving community-based services provided by the Children’s Services Act (CSA) for children and families in alternative living arrangements (ALA). It is estimated 352 new children will be eligible for In-Home Services annually. According to Office of Children’s Services (OCS), which administers the Children’s Service Act, average yearly expenditures for the CSA-defined mandate type “abuse/neglect prevention” in fiscal year (FY) 2023 was \$5,418 per child. This will cost \$1,907,136 a year (\$1,220,567 general fund and \$686,569 local match). Services at CSA are funded with 66 percent state general fund and 34 percent local match. State funding for this purpose is included in the Governor’s introduced budget.

**Caregiver Assessments:**

This bill requires the local department to assess the proposed caregiver and determine whether he or she is qualified to care for the child, willing to have a positive and continuous relationship with the child, and willing to protect the child from abuse and neglect. Further, the bill requires an assessment of the caregiver’s home and an “inquiry into the criminal and child protective services history of each adult in the proposed caregiver’s household” during the caregiver assessment. It is assumed that this inquiry is a less formal process than a criminal background check that would be conducted by the Virginia State Police. The agency has indicated that to conduct an “inquiry” it will use publicly available information and any relative information found within its child welfare system on the caregiver or other adult household members, but would not conduct a formal criminal background check. Since this inquiry is assumed to be less formal, DSS does not estimate a cost for this requirement.

**Training for Relative Caregivers:**

There is a one-time general fund cost of \$5,320 to develop a new eLearning training to train kinship caregivers. Funding for this purpose is included in the Governor’s introduced budget.

**Systems Changes:**

To implement this legislation, updates to the DSS child welfare information system are necessary. These updates will allow local department of social services worker to include support documentation and the written agreement created by the legislation in the electronic case record. These systems changes are estimated to be \$100,000 general fund in the first year. Funding for this purpose is included in the Governor’s introduced budget.

**Relative Maintenance Payments:**

One of the enactment clauses in the bill requires the State Board of Social Services to promulgate regulations to implement the provisions of the bill by January 1, 2025. The regulations shall include provisions regarding the manner in which Parental Child Safety Placement Program payments are prioritized based on available funding. It is assumed that the Parental Child Safety Placement Program payments are one and the same as Relative Maintenance Payments (RMP). Because the enactment clause says that payments shall be

prioritized based on available funding, DSS should work to ensure that Program payments fit into current RMP funding for relative and fictive kin caregivers. This could mean reducing the per child monthly payment, or starting a waitlist once all funding is obligated.

While the bill is silent on the relative maintenance payment program specifically, the Governor's introduced budget includes an increase of \$6,764,760 general fund to fund relative maintenance payments to an additional 1,311 program participants, which brings total general fund for the RMP to \$11,173,560 annually beginning in FY 2025. The relative maintenance payment program provides a monthly stipend to relative and fictive kin caregivers. The program currently provides approximately \$430 to each participant monthly.

**The Governor's Introduced Budget:**

House Bill 30/Senate Bill 30, as introduced, includes:

Funding for items included in this substitute bill, HB27-H1:

1. \$100,000 general fund (one-time) for child welfare systems updates,
2. \$5,320 general fund (one-time) for eTraining for caregivers, and
3. \$1,220,567 general fund annually for In-Home Services costs provided by CSA.

Funding for items closely related to, but not included in this substitute bill, HB27-H1:

4. \$183,847 and two positions annually at the Virginia State Police for caregiver household background checks,
5. \$298,254 general fund annually to pay for the costs of background checks for caregiver households;
6. \$175,000 general fund (one-time) for VaCMS system updates related to the Relative Maintenance Payment (RMP) program eligibility and means testing,
7. \$293,364 general fund annually for LDSS positions responsible for RMP eligibility and means testing,
8. \$129,224 general fund in FY 2025 and \$124,061 general fund in FY 2026 and thereafter and one position for a DSS central office position responsible for RMP eligibility and means testing.

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

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** It is unlikely that a regulation for this bill can be in effect by January 1, 2025. The bill does not explicitly call this regulation an "emergency regulation," as there is no emergency clause in the bill. For reference, most emergency regulations have a 280-day clock, from the day the bill is enacted. Assuming a July 1, 2024 enactment, a 280-day emergency regulation would be due around May 1, 2025. Regulations at DSS need to be approved by the Board of Social Services, which meets monthly and the bill requires a public comment before the effective date. Additionally, regulations are required to be reviewed by the Office of the Attorney General. Given all of these requirements, a regulation would need to go in front of the Board of Social Services at its October meeting. Even if DSS knows exactly what they will put into the drafted regulation, it is unlikely that a regulation will able

to make it through all the required steps before the bill's effective date for the final regulation.