

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5312-01
Bill No.: HB 2000
Subject: Children and Minors; Social Services Department; Family Services Division
Type: Original
Date: March 20, 2014

Bill Summary: This proposal establishes the "Foster Children's Bill of Rights."

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Unknown, greater than \$138,890)	(Unknown, greater than \$162,508)	(Unknown, greater than \$163,551)
Total Estimated Net Effect on General Revenue Fund	(Unknown, greater than \$138,890)	(Unknown, greater than \$162,508)	(Unknown, greater than \$163,551)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Various Other State Funds	(\$11,263)	(\$12,946)	(\$13,089)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$11,263)	(\$12,946)	(\$13,089)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Federal Funds*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Income and expenses net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	1.46 FTE	1.46 FTE	1.46 FTE
Various Other State Funds	0.2 FTE	0.2 FTE	0.2 FTE
Federal	0.34 FTE	0.34 FTE	0.34 FTE
Total Estimated Net Effect on FTE	2 FTE	2 FTE	2 FTE

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Social Services (DSS) - Division of Legal Services (DLS)** assume the cost of providing legal advice for advising DSS on drafting policies and regulations for implementation can be handled with current resources.

However, DLS estimates the need of 2 FTE attorneys for the anticipated litigation based upon the following analysis: There were 12,126 foster children in the custody of the Children's Division (CD) as of conclusion of February 2014. The average stay in alternative care is over 24 months. DLS assumes that the number of children in foster care will remain constant for purposes of this analysis. Assuming that two and one-half percent (2.5%) of the 12,126 foster care children raise a claim for violation of their inherent rights under this proposed law in court each year, then that would mean approximately 300 cases would be referred to the DLS for legal advice and/or representation.

The DLS attorney would need to review the referral, investigate the alleged violations and analyze the legal merits and factual bases, conduct legal research, draft pleadings and other correspondence, and possibly appear in court at an evidentiary hearing on the matter. The amount of time that it will take to defend a complaint will vary on a case by case basis. Some cases may be resolved quickly with a phone call, and some will require court hearings and briefing. DLS estimates that it will take an average of 10 hours of attorney time to defend a case. Ten (10) hours per case multiplied by 300 cases, equals a total of 3,000 hours of litigation-related work by DLS attorneys in response to the proposed bill. A full time employee (FTE) works approximately 1,800 hours annually (after subtracting annual leave, sick leave, and state holidays from 2,080 hours). Therefore, in order for DLS to have sufficient staff attorneys to take on this additional 3,000 hours of anticipated litigation-related work in response to the proposed legislation, approximately 2 FTE new attorneys will have to be added to DLS (3,000/1,800 equals 1.666).

DSS-DLS anticipates total FY15 expenditures of \$112,634; FY16 costs of \$129,463; and FY17 costs of \$130,892. These expenditures will be split approximately 73% General Revenue; 17% Federal funds; and 10% various other state funds.

Officials from the **DSS - Children's Division (CD)** state:

§210.567.1-3

The CD shall provide every school-aged foster child and his or her foster parents an age-appropriate orientation and explanation on the foster child's rights.

HWC:LR:OD

ASSUMPTION (continued)

It is assumed that this orientation would be completed by the case managers in the course of child visits. This would require minor policy revision to clarify the content and documentation of this orientation.

Additionally this proposal requires any home or facility licensed to care for six or more foster children to post the foster care bill of rights and requires the CD to develop and distribute posters of the foster children's bill of rights. This would require a minimal cost for printing posters for foster homes with 6 or more children. These are group homes and there are currently about 15 group homes in the state.

The fiscal impact for the CD is unknown greater than \$100,000 due to other provisions within the proposal that have costs that are difficult to quantify, but could be significant. The federal/state match rate is 32% Federal/68% General Revenue.

The cost of litigation, if in situations where a foster child or biological parent sued the CD for not meeting the standard codified by this legislation, is unknown.

Oversight notes the DSS-DLS has responded to the fiscal note request and will use their response for the impact associated with litigation. Since it is unclear from the CD's response whether any of the costs incurred by the CD would be subject to federal match, Oversight is presenting unknown costs, greater than \$100,000 annually to the General Revenue Fund.

Officials at the **Department of Elementary and Secondary Education**, the **Department of Health and Senior Services**, the **Department of Mental Health** and **Office of State Courts Administrator** each assume there is no fiscal impact to their respective organizations from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE			
<u>Cost - DSS-DLS (\$210.567)</u>			
Personal Services	(\$46,263)	(\$56,094)	(\$56,655)
Fringe Benefits	(\$23,597)	(\$28,611)	(\$28,897)
Equipment and Expenses	<u>(\$12,363)</u>	<u>(\$9,803)</u>	<u>(\$9,999)</u>
<u>Total Costs - DSS-DLS</u>	<u>(\$82,223)</u>	<u>(\$94,508)</u>	<u>(\$95,551)</u>
FTE Change - DSS-DLS	1.46 FTE	1.46 FTE	1.46 FTE
 <u>Cost - DSS-CD (\$210.567)</u>			
Foster care bill of rights implementation	<u>(Unknown, greater than \$56,667)</u>	<u>(Unknown, greater than \$68,000)</u>	<u>(Unknown, greater than \$68,000)</u>
 ESTIMATED NET EFFECT ON GENERAL REVENUE			
	<u>(Unknown, greater than \$138,890)</u>	<u>(Unknown, greater than \$162,508)</u>	<u>(Unknown, greater than \$163,551)</u>
 Estimated Net FTE Change on General Revenue	 1.46 FTE	 1.46 FTE	 1.46 FTE
 VARIOUS OTHER STATE FUNDS			
<u>Cost - DSS-DLS (\$210.567)</u>			
Personal Services	(\$6,337)	(\$7,684)	(\$7,761)
Fringe Benefits	(\$3,232)	(\$3,919)	(\$3,958)
Equipment and Expenses	<u>(\$1,694)</u>	<u>(\$1,343)</u>	<u>(\$1,370)</u>
<u>Total Costs - DLS</u>	<u>(\$11,263)</u>	<u>(\$12,946)</u>	<u>(\$13,089)</u>
FTE Change - DSS-DLS	0.2 FTE	0.2 FTE	0.2 FTE
 ESTIMATED NET EFFECT ON VARIOUS OTHER STATE FUNDS			
	<u>(\$11,263)</u>	<u>(\$12,946)</u>	<u>(\$13,089)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
FEDERAL FUNDS			
<u>Income - DSS-DLS (\$210.567)</u>			
Increase in program reimbursements	\$19,148	\$22,009	\$22,252
<u>Income - DSS-CD (\$210.567)</u>			
Increase in program reimbursements	Unknown, greater than \$26,667	Unknown, greater than \$32,000	Unknown, greater than \$32,000
<u>Cost - DSS-DLS (\$210.567)</u>			
Personal Services	(\$10,774)	(\$13,063)	(\$13,194)
Fringe Benefits	(\$5,495)	(\$6,663)	(\$6,729)
Equipment and Expenses	(\$2,879)	(\$2,283)	(\$2,329)
Total <u>Costs</u> - DLS	<u>(\$19,148)</u>	<u>(\$22,009)</u>	<u>(\$22,252)</u>
FTE Change - DSS-DLS	0.34 FTE	0.34 FTE	0.34 FTE
<u>Costs - DSS-CD (\$210.567)</u>			
Increase in program expenditures	<u>(Unknown, greater than \$26,667)</u>	<u>(Unknown, greater than \$32,000)</u>	<u>(Unknown, greater than \$32,000)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS			
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net FTE Change on Federal Funds	0.34 FTE	0.34 FTE	0.34 FTE
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

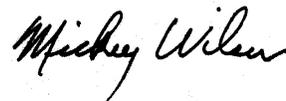
FISCAL DESCRIPTION

This proposal establishes the "Foster Children's Bill of Rights." In its main provisions, the proposal: (1) Requires the Children's Division within the Department of Social Services to provide every school-aged foster child and his or her foster parent an age-appropriate orientation and explanation of the foster child's rights; (2) Requires any home or facility licensed to care for six or more foster children to post the bill of rights established under these provisions in the home or facility; (3) Requires the division to develop and distribute posters of the foster children's bill of rights; and (4) Provides that all children in foster care have inherent rights as specified in the bill.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Mental Health
Department of Social Services
Division of Legal Services
Children's Division
Office of State Courts Administrator



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Director
March 20, 2014

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