

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 417**

January 28, 2021

**SUMMARY OF BILL:** Adds to the definition of “severe child abuse” the act of knowingly or with negligence allowing a child to be within a structure where a Schedule I or II controlled substance is present or accessible to the child.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures -**

**Exceeds \$211,400/FY21-22 and Subsequent Years**

**Increase Federal Expenditures -**

**Exceeds \$171,800/FY21-22 and Subsequent Years**

Assumptions:

- Pursuant to Tenn. Code Ann. § 36-1-113(g), initiation of termination of parental or guardianship rights may be based upon a parent or guardian having found to have committed severe child abuse.
- This legislation will expand the definition of severe child abuse to include the act of knowingly or with negligence allowing a child to be within a structure where a Schedule I or II controlled substance is present or accessible to the child, thus, expanding the offenses for which parental or guardianship rights may be terminated.
- Based on information taken from the FY19-20 Second Look Commission’s Annual Report, the most prevalent type of child abuse of the overall 517 DCS cases reviewed was drug exposure of a child/infant. In fact, over one third of all cases reviewed for FY18-19 involved children exposed to drugs.
- Due to the prevalence of drug exposure to children, it is assumed that this legislation could result in an increase in loss of parental or guardianship rights, and as a result, an increase in the number of children being taken into DCS’s custody.
- Such increase is dependent upon a number of unknown factors, but is reasonably estimated to result in at least 10 additional children being placed into DCS’s custody each year.
- The average cost per day per child in the custody of DCS is estimated to be \$105.
- The recurring increase in expenditures associated with providing foster care payments for children in state custody is estimated to exceed \$383,250 (10 children x 365 days x \$105).

- The increase in expenditures of \$383,250 will consist of \$211,428 in state funding and \$171,822 in federal funding, as follows:
  - \$153,300 in DCS state funds ( $\$383,250 \times 40.0\%$ ).
  - \$58,128 in TennCare state funds [ $(\$383,250 \times 45.0\%) \times 33.705\%$ ].
  - \$114,334 in TennCare federal funds [ $(\$383,250 \times 45.0\%) \times 66.295\%$ ].
  - \$57,488 in federal funds ( $\$383,250 \times 15.0\%$ ).
- The courts will not experience any significant increase in caseloads; therefore, any impact to the court system is estimated to be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Bojan Savic, Interim Executive Director

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