

Department of Planning and Budget 2022 Fiscal Impact Statement

1. **Bill Number:** HB716-E

House of Origin Introduced Substitute Engrossed
 Second House In Committee Substitute Enrolled

2. **Patron:** Gooditis

3. **Committee:** Passed the House

4. **Title:** Kinship foster care; notice and appeal.

5. **Summary:** Requires local boards of social services (local boards), upon receiving a request from a child's relative to become a kinship foster parent, to provide the relative with any forms or materials that must be submitted in order to become a kinship foster parent within 15 days. The bill requires local boards, upon denying a relative's request to become a kinship foster parent, to provide to the relative (i) a clear and specific explanation of the reasons for denial, (ii) a statement that such denial is appealable, and (iii) an explanation of the procedure for filing such appeal. The bill allows relatives to file an appeal regarding such decisions with the Commissioner of Social Services and requires the Board of Social Services to adopt regulations. The Board's initial adoption of regulations to implementation the provisions of this act shall be exempt from the Administrative Process Act, except that the Board shall provide an opportunity for public comment on such regulations prior to adoption.

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

7. **Fiscal Impact Estimates:**

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2023	\$96,805	1	General fund
	\$98,711	1	Nongeneral funds
2024	\$86,456	1	General fund
	\$88,734	1	Nongeneral funds
2025	\$86,456	1	General fund
	\$88,734	1	Nongeneral funds
2026	\$86,456	1	General fund
	\$88,734	1	Nongeneral funds
2027	\$86,456	1	General fund
	\$88,734	1	Nongeneral funds
2028	\$86,456	1	General fund
	\$88,734	1	Nongeneral funds
2029	\$86,456	1	General fund
	\$88,734	1	Nongeneral funds

- 8. Fiscal Implications:** This bill requires that the local board of social services, through the local department of social services (LDSS), provide a relative requesting an application to foster a child with that application within 15 days of the request. The bill creates a state-level appeals process for local determinations that result in a relative being denied as a foster parent.

Current law requires that local department of social services contact relatives about their option to become a foster parent for a child when that child enters care and every six months, as long as the child is in care. In calendar year 2021, 2,743 children entered foster care and 151 of those children were placed with approved kinship foster parents upon entering care. It is assumed that not every child entering foster care would have a relative that is denied approval as a foster parent and not every relative who is denied would appeal the local department's decision. However, multiple relatives could appeal one local determination and a relative could be denied multiple times by the LDSS. The Department of Social Services (DSS) data systems do not currently track when a relative is not approved as a foster parent. DSS estimates that for all children in foster care not already placed with a relative ($2,743 - 151 = 2,592$), 15 percent will result in a state-level appeal (389). Based on an estimate of 32 appeals each month ($389 / 12 = 32$), two positions will be required in the DSS Office of Appeals and Fair Hearing.

Position cost estimates for state effort are based on full-time equivalent (FTE) positions and are assumed to have 1,500 productive work hours annually. Average position costs include salary, fringe benefits, non-personal position costs (such as a phone and computer charges), as well as a one-time onboarding cost of \$5,163 in fiscal year (FY) 2023.

To meet the workload demands that will result from the implementation of this legislation, one additional Appeals Officer will be required at an estimated cost of \$105,276 in FY 2023 and \$100,113 in FY 2024 and thereafter. One additional administrative position is also required at an estimated cost of \$80,240 in FY 2023 and \$75,077 in FY 2024. DSS also estimates that there will be an additional one-time cost in FY 2023 of \$10,000 to secure technology and supplies for the additional employees and to establish the new relative appeal process.

These costs are subject to a fund split of 50 percent general fund and 50 percent federal Title IV-E funds through September 30, 2022. After that, the fund split changes due to a federal change to the Federal Medical Assistance Percentage (FMAP). Beginning October 1, 2022, the fund split will be 49.35 percent general fund and 50.65 federal Title IV-E funds. Total cost estimates for two positions and one-time operating costs are \$195,516 (\$96,805 general fund and \$98,711 nongeneral funds) in FY 2023 and \$175,190 (\$86,456 general fund and \$88,734 nongeneral funds) in FY 2024 and thereafter.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.