

Department of Planning and Budget 2022 Fiscal Impact Statement

1. **Bill Number:** HB653-E

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

2. **Patron:** Wampler

3. **Committee:** Passed the House

4. **Title:** Foster care; local boards of social services; collaborative placement program.

5. **Summary:** Directs the Department of Social Services to establish and implement a collaborative local board placement program to increase kinship placements and the number of locally approved foster homes. The bill provides that such program shall require local boards of social services (local boards) to within each Department of Social Services region to work collaboratively to (i) facilitate approval of kinship foster parents through engagement, assessment, and training and (ii) expand the pool of available foster homes within and across the localities of such local boards. The bill also requires local boards, when placing a child, to seek placement with a foster family within the locality of the local board or a nearby locality through the collaborative local board placement program.

6. **Budget Amendment Necessary:** Yes

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

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2023	\$431,380	3.7	General Fund
	\$150,740	1.3	Nongeneral Funds
2024	\$412,250	3.7	General Fund
	\$144,055	1.3	Nongeneral Funds
2025	\$412,250	3.7	General Fund
	\$144,055	1.3	Nongeneral Funds
2026	\$412,250	3.7	General Fund
	\$144,055	1.3	Nongeneral Funds
2027	\$412,250	3.7	General Fund
	\$144,055	1.3	Nongeneral Funds
2028	\$412,250	3.7	General Fund
	\$144,055	1.3	Nongeneral Funds
2029	\$412,250	3.7	General Fund
	\$144,055	1.3	Nongeneral Funds

8. **Fiscal Implications:** This legislation establishes a collaborative local board placement program to support the development of collaborative partnerships between local departments of social services (LDSS) to increase capacity to approve kinship caregivers and expand the

pool of available foster homes within and across the localities. The substitute removes the provision that local boards work collaboratively to increase the capacity of local boards to recruit, train, and develop foster parents. It is assumed, with the support of state Department of Social Services (DSS) staff, that the LDSS would combine existing resources to expand the pool of available foster homes within and across the localities participating in the collaborative partnerships. Therefore, it is estimated that no new LDSS positions or funding are required to support this legislation.

However, DSS estimates the need for an additional five positions to facilitate the implementation of this legislation. These positions would work with collaborating local departments to facilitate the approval of kinship foster parents through engagement, assessment and training of relatives when children enter foster care. These positions will also facilitate the development of collaborative partnerships between local boards within DSS regions and oversee the practice.

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. The annual cost of one state position is estimate to be \$116,424 in FY 2023 and \$111,261 in FY 2024 and each year thereafter. The cost estimates for an addition of five positions are \$582,120 ($\$116,424 \times 5$) in FY 2023 and \$556,305 ($\$111,261 \times 5$) in FY 2024 and thereafter.

These position costs are eligible for federal financial participation (FFP) under the Title IV-E grant. Title IV-E funds will pay for 50 percent of the administrative expenses of IV-E eligible children. The penetration rate of eligible Title IV-E children in foster care to all children in foster care was 51.79 percent in the quarter ending December 2021. The fund split is anticipated to be 74.1 percent general fund and 25.9 percent nongeneral federal funds in FY 2023 and beyond. The fiscal impact statement for the original House Bill 653 incorrectly omitted the penetration rate and therefore underestimated the general fund impact and overestimated the nongeneral fund impact.

This legislation will require five additional positions and supporting appropriation of \$582,120 (\$431,380 general fund and \$150,740 nongeneral funds) in FY 2023 and \$556,305 (\$412,250 general fund and \$144,055 in nongeneral funds) in FY 2024 and each year 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