

Department of Planning and Budget

2022 Fiscal Impact Statement

1. Bill Number: SB56-S1

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

2. Patron: Favola

3. Committee: Finance and Appropriations

4. Title: Foster Care Prevention program.

5. Summary: Establishes the Foster Care Prevention program to facilitate placements with relatives and ensure that such relatives are provided with the resources necessary to provide care for the child. The bill provides that a child is eligible to participate in the Foster Care Prevention program if the local department of social services (local department) determines that (i) the child is in the custody of a relative pursuant to a court order; (ii) the child's parent or guardian voluntarily placed the child with such relative; (iii) the child demonstrates a strong attachment to the relative, and the relative has a strong commitment to caring for the child; and (iv) had the relative not agreed to take custody of the child, the local department likely would have filed a petition to remove the child from his home due to an imminent threat of child abuse or neglect. The bill requires relatives seeking to receive Foster Care Prevention program payments to enter into an agreement with the local department and Department of Social Services that describes the manner in which payments will be provided and establishes the amount of such payments. This bill defines "relative" as an adult who is (i) related to the child by blood, marriage, or adoption or (ii) fictive kin of the child, for purposes of qualifying for the Foster Care Prevention program.

The second enactment clause requires that the Board of Social Services promulgate regulations to implement the provisions of the act and that such regulations shall be exempt from the Administrative Process Act.

The substitute bill elaborates on what information may be included in the regulations. This information includes the manner in which program payments are calculated and prioritized based on available funding. Additionally, the substitute changes the requirement that the juvenile and domestic relations court, in any custody case involving the Foster Care Prevention program wherein a relative is awarded custody of a child, order the local department to provide case management services, to require that the local department conduct an assessment to determine (i) eligibility for the Foster Care Prevention program, (ii) any need for case management services, or (iii) both eligibility for the Foster Care Prevention program and any need for case management services.

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	\$9,304,916	1	general
2024	\$9,928,319	1	general
2025	\$11,888,410	1	general
2026	\$13,848,501	1	general
2027	\$15,808,592	1	general
2028	\$17,768,684	1	general
2029	\$19,728,775	1	general

*These totals do not include the 15.5 percent local match amounts for the local staff costs

8. Fiscal Implications:

State-funded Foster Care Prevention Program

This legislation establishes the Foster Care Prevention program, which provides resources and funding for relatives and fictive kin who assume custody of a child in order to prevent the child from entering foster care. This program will be a state-funded program; therefore, the estimated program costs laid out below for eligible children would be funded with general fund dollars.

During state fiscal year (FY) 2021, local departments of social services (LDSS) served children and families in 4,064 In-Home Services cases. These children received services and supports with the goal of preventing the occurrence or reoccurrence of child maltreatment and preventing entry into foster care. Based on a sample of In-Home Services cases, 32 percent of the cases identified children who were currently residing temporarily or permanently in an alternate living arrangement with a relative or fictive kin caregiver. The average age of children represented in those cases was 7.3 years old. The Department of Social Services (DSS) also expects an increase (2,810 additional cases) in the number of In-Home Services cases opened from high or very high risk Child Protective Services (CPS) referrals based on updated program guidance and practice alignment. It is assumed that these cases will have the same 32 percent rate of children residing temporarily or permanently with a relative or fictive kin caregiver. Therefore, approximately 2,200 $[(4,064 + 2,810) \times .32]$ children are estimated to be eligible for financial assistance through the proposed Foster Care Prevention program.

Estimates for new Foster Care Prevention program participants:

The chart below compares the current foster care maintenance payment to the average Temporary Assistance for Needy Families (TANF) Relative Maintenance Support payment, and the proposed Foster Care Prevention program payment. This legislation proposes that the Foster Care Prevention program payments shall be no more than foster care maintenance payments the relative would receive if the relative was the child's foster parent, reduced by any monthly payments received through the TANF program. Per existing TANF regulations, financial assistance is available to eligible non-parent relatives caring for and living with a child who is related by blood, marriage, or adoption, not to include fictive kin caregivers. Fictive kin of the child determined to be eligible for the Foster Care Prevention program would receive payments funded by 100 percent state general fund dollars.

Age of Child	Foster Care Maintenance Payments	Current Relative Maintenance Support Payment (TANF child-only + \$200 Relative Maintenance)*	Proposed Foster Care Prevention Program Payment (relatives related by blood, marriage, or adoption)	Proposed Foster Care Prevention Program Payment (fictive kin)
0 thru 4	\$496	\$363	\$133	\$496
5 thru 12	\$580	\$363	\$217	\$580
13 and over	\$735	\$363	\$372	\$735

*Average TANF child-only payment \$163 + additional \$200. The monthly TANF child-only payment amount for a child living with non-parents varies based on the number of children receiving TANF for that family/case. HB30/SB30 proposes funding the Relative Maintenance Support payment with general fund dollars, instead of TANF.

As noted previously, the average age of a child who is residing with a relative or fictive kin caregiver in an In-Home Services case is 7.3 years of age. This legislation allows for maintenance payments only. The estimated average monthly Foster Care Prevention program payment for a child residing with a relative related by blood, marriage, or adoption will be \$217, for an annual cost per child of \$2,604. The estimated average monthly Foster Care Prevention program payment for a child residing with a fictive kin caregiver will be \$580, for an annual cost per child of \$6,960. Since these eligible children will already be known to the local departments of social services (LDSS) because they are being provided In-Home Services, annual administrative maintenance of a Foster Care Prevention program agreement will be minimal. Children would be able to remain in the Foster Care Prevention program until 18 years of age.

DSS estimates that 2,200 children will enter the Foster Care Prevention program in the first year of implementation. Approximately 86 percent of children eligible for the Foster Care Prevention program would reside with relative caregivers based on the number of eligible TANF children living with a non-parent, where the child was also known to the LDSS.

Child resides with	Percent of eligible children	Number of participating children	Proposed FC Prevention program monthly payment	Annual cost per child	Annual cost per relative type
Relatives	86%	1,892	\$217	\$2,604	\$4,926,768
Fictive Kin	14%	308	\$580	\$6,960	\$2,143,680
Total:		2,200			\$7,070,448

In FY 2023, DSS estimates that it would cost \$7,070,448 general fund to provide Foster Care Prevention program payments to relative and fictive kin caregivers.

Based on the population of children currently receiving Relative Maintenance Support Payments and the current population receiving In-Home Services, the number of new Foster Care Prevention program applicants is estimated to increase by 586 children each year. In FY 2024

and subsequent years, the annualized Foster Care Prevention program payments for 504 (586 x .86) eligible children residing with relative caregivers is \$1,312,416 [504 children x (\$217 x 12 months)]. The annualized Foster Care Prevention program payments for 82 (586 x .14) eligible children with fictive kin caregivers is \$570,998 [82 children x (580 x 12 months)]. For every cohort of 586 children added each year, beginning in the second year of implementation, an additional \$1,883,414 general fund would be needed each year to provide Foster Care Prevention program payments to newly eligible relative and fictive kin caregivers. The total cost of Foster Care Prevention payments in FY 2024 is estimated to be \$8,953,862 general fund (\$7,070,448 base yearly amount + \$1,883,414 annual increase).

Because the average age of a child who is residing with a relative or fictive kin caregiver in an In-Home Services case is 7.3 years of age, with children receiving an average of 10.7 years of Foster Care Prevention Program payments, the program will continue to grow every year for 10.7 years, at which point the program will stabilize.

Staffing costs:

Implementation of the Foster Care Prevention program will require LDSS staff to identify and assess children's eligibility for the Foster Care Prevention program, which DSS proposes to be housed within the family services and benefit programs area in local departments. LDSS staffing time needed to implement and manage the Foster Care Prevention program is estimated to be three hours per child per year. The Foster Care Prevention program is an assistance program and will be managed by Benefit Program Specialists. No additional Family Services Specialists are identified as being needed to implement this new program.

Local Staff needed to administer the Foster Care Prevention program:

SFY	Number of additional LDSS positions needed	Salary & fringes of Benefit Program Specialists at an average of \$68,220	Non-personal costs (PC, phone, insurance, space, supplies, training)	Total (84.5% general fund & 15.5% local match)*
2023	4	\$300,168	\$40,502	\$340,670
2024	6	\$380,122	\$51,290	\$431,412
2025	7	\$460,076	\$62,079	\$522,154
2026	8	\$540,030	\$72,867	\$612,896
2027	9	\$619,983	\$83,655	\$703,638
2028	10	\$699,937	\$94,443	\$794,381
2029	11	\$779,891	\$105,232	\$885,123

*Local match of 15.5% for these positions is included in the total column

One central office staff position, a Program Consultant Sr., is needed to sustain and manage the program and provide related technical assistance and training. The estimated cost for the position is \$115,077 general fund in FY 2023 and \$109,914 in FY 2024 and each year thereafter. Staffing costs include salary, benefits, non-personal position costs (such as phone and computer charges), as well as a one-time on-boarding charge in the first year.

System Costs:

Implementation of the program would require technology changes to the agency's child welfare information system (OASIS), COMPASS|Mobile and to DSS's benefit program information system (VaCMS) in order to manage and disperse payments for eligible children through existing LDSS payment mechanisms. For FY 2023, the required one-time system updates total \$1,800,000 for VaCMS to build the functionality and \$31,525 for OASIS and COMPASS|Mobile. On-going VaCMS costs beginning in FY 2024 are estimated at \$500,000.

Additionally, there are costs associated with LDSS staff training and for informational brochures. DSS notes that Random Moment Sampling (RMS) would need to be updated, which would also require additional training. DSS anticipates that these costs will be minimal and can be absorbed within current appropriation. It is assumed that this bill will establish and fund the Foster Care Prevention program at DSS and would not create any entitlement to Office of Children's Services (OCS) pool funding.

9. Specific Agency or Political Subdivisions Affected: Department of Social Services, local departments of social services, Juvenile and Domestic Relations Courts

10. Technical Amendment Necessary: No.

11. Other Comments: None.