

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2079-01  
Bill No.: HB 934  
Subject: Children and Minors; Family Services Division; Social Services Department  
Type: Original  
Date: March 13, 2007

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Bill Summary: This proposal modifies provisions relating to child abuse and neglect investigations.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$97,556)	(\$51,381)	(\$52,923)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$97,556)</b>	<b>(\$51,381)</b>	<b>(\$52,923)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Income and costs of approximately \$30,807 in FY08, \$16,226 in FY09 and \$16,712 in FY10 would net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ 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 2008	FY 2009	FY 2010
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of the Secretary of State, Office of Administration** and the **Office of the State Courts Administrator** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Department of Social Services - Division of Legal Services (DLS)** assume the Division will be able to handle any additional work due to the proposal with existing resources.

Officials from the **Department of Social Services - Children's Division (CD)** state the following:

- Children's Division's statistics show that there were 269 Child Abuse & Neglect Review Board (CANRB) hearings in FY2005.
- DLS handled approximately 35 judicial review cases of CANRB decisions in FY 2005.
- DLS will need to provide training to CD staff involved in investigations on gathering of evidence for hearings to meet new rules of evidence requirements.
- Rules of evidence will apply at the administrative hearings.

### Cost Analysis:

CD would incur some litigation costs for these hearings.

- It is estimated that there would be approximately 1 to 2 subpoenas per hearing (Average 1.5) for 269 hearings at a cost of \$20 per subpoena. The total cost would be  $1.5 \times \$20 \times 269 = \$8,070$ . In addition, approximately 10% of the subpoenas would require a mileage fee of \$15 for a cost of \$605. The total cost for subpoenas would be \$8,675.
- CD may also incur costs for expert witnesses. It is assumed that the Division would need to pay for an expert witness for approximately 5% of the hearings ( $269 \times 5\% = 14$ ). The estimated cost for an expert witness is \$750 (3 hours x \$250 per hour). The cost for expert witnesses would be \$10,500.

CD Staff would need to be trained on the new process. Currently, CD has a staffing need of 345 workers to do CA/N Investigations. Training for this new process would require 2 days at \$129 per day. The total cost for training would be \$89,010 for current staff. There is a 23% turnover rate for Children's Service Workers per year. Based on this rate, approximately 79 new employees would require training each year. The total ongoing training cost would be \$20,382.

ASSUMPTION (continued)

In addition to the litigation and training costs, there would be an increase in staff time for coordination and preparation. The additional time per hearing for coordination would require an additional 2 hours, and additional preparation for the worker may require an additional 2 hours per hearing for a total of 8 hours per hearing, for a total of 1,076 additional hours (4 hours per hearing x 269 hearings). This would equate to approximately .5 FTE, which could be absorbed by the Division.

The CD will need to send out notification of final determination to the alleged perpetrators by certified mail. It is estimated CD would need to send 6,600 letters at a cost of \$4.25 per letter for a total cost of \$28,050.

The total impact to the CD would be \$136,235 the first year and \$67,607 each following year.

- \$8,675 for subpoenas
- \$10,500 for expert witnesses
- \$89,010 for training year 1 and \$20,382 ongoing training cost
- \$28,050 for certified mail

Officials from the **Office of the Attorney General (AGO)** assume that any potential costs arising from this proposal can be absorbed with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>GENERAL REVENUE FUND</b>			
<u>Costs</u> - Department of Social Services - Children's Division			
Subpoenas, Expert Witnesses, Training and Postage	(\$97,556)	(\$51,381)	(\$52,923)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$97,556)</u></b>	<b><u>(\$51,381)</u></b>	<b><u>(\$52,923)</u></b>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2008 (10 Mo.)	FY 2009	FY 2010
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**FEDERAL FUNDS**

Income - Department of Social Services -  
 Children's Division

Federal Assistance	\$30,807	\$16,226	\$16,712
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Costs - Department of Social Services -  
 Children's Division

Subpoenas, Expert Witnesses, Training and Postage	(\$30,807)	(\$16,226)	(\$16,712)
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**ESTIMATED NET EFFECT ON  
 FEDERAL FUNDS**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

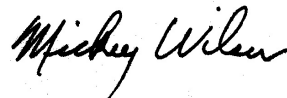
### FISCAL DESCRIPTION

This legislation allows the Department of Social Services to add the name of a person accused of child abuse or neglect to the central registry if the alleged perpetrator does not respond within 60 days after receiving the investigation report in the mail. Unless the court has adjudicated the perpetrator's crime and added his or her name to the central registry, the person may challenge an allegation by filing an application for a Department hearing to be held in his or her county of residence. The Department director or the director's designee will determine the hearing results. If the perpetrator fails to make an appeal, the director's finding will stand and the person's name will be placed on the central registry. An individual may file a request for a hearing with the Department to remove his or her name from the central registry if proper notice was not given.

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

Office of the Attorney General  
Office of Administration  
Office of the State Courts Administrators  
Department of Social Services  
Office of the Secretary of State



Mickey Wilson, CPA  
Director  
March 13, 2007