

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2018 REGULAR SESSION**

MEASURE

2018 BR NUMBER **0024**

HOUSE BILL NUMBER **1**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to child welfare.**

SPONSOR **Representative David Meade**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: **Cabinet for Health and Family Services**

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY _____ OTHER

FISCAL SUMMARY

FISCAL ESTIMATES	2017-2018	2018-2019	2019-2020	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES		(Indeterminable)	(Indeterminable)	(Indeterminable)
EXPENDITURES		Indeterminable	Indeterminable	Indeterminable
NET EFFECT		(Indeterminable)	(Indeterminable)	(Indeterminable)

() indicates a decrease/negative

MEASURE'S PURPOSE: The purpose of the measure is to make provisions regarding foster care and adoption of children in the custody of the state and to establish a putative father registry.

PROVISIONS/MECHANICS: Section 1 creates a new section of KRS Chapter 6 to establish the Child Welfare Oversight and Advisory Committee of the General Assembly.

Section 2 amends KRS 194A.030 to remove the Office of the Ombudsman from within the Cabinet for Health and Family Services' (CHFS, Cabinet) Secretary's Office and to establish it as an independent office.

Section 3 amends KRS 199.461 to require additional reporting of statewide, regional, and county caseload averages for state social workers.

Section 4 amends KRS 199.470 to change the definition of relative caregiver for adoption purposes and to align placement options with the Interstate Compact on the Placement of Children.

Section 5 amends KRS 199.641 to allow the Cabinet to contract with child-caring facilities and child-placing agencies.

Section 6 amends KRS 199.800 to update definitions.

Section 7 amends KRS 199.801 to update and establish new processes for state-level and regional placement coordinators for children in the custody of the Cabinet.

Section 8 creates a new section of KRS 199.470 to 199.590 to require the Cabinet to establish uniform home study processes.

Section 9 creates a new section of KRS 199.640 to 199.670 to require performance-based contracting; to require the secretary of CHFS to designate a study group to make recommendations regarding the creation and implementation of performance-based contracting for licensed child-caring facilities and child-placing agencies in the Commonwealth, and to require a report.

Section 10 repeals and reenacts KRS 200.575 to update and establish new processes for delivery of family preservation services.

Section 11 amends KRS 213.056 to change language required to be on a Kentucky birth certificate of a person adopted from outside the United States.

Section 12 amends KRS 213.141 to eliminate birth certificate fees for a child who is in the custody of the Cabinet.

Section 13 amends KRS 600.020 to expand the definition of “abused or neglected child.”

Section 14 amends KRS 605.120 to allow for a broader array of services, including monetary, for relative caregivers.

Section 15 amends KRS 610.040 to attempt to resolve conflicts regarding the service of process for courts.

Sections 16 and 17 create a new section of KRS Chapter 620 to resolve delays due to simultaneous criminal proceedings during dependency, neglect, or abuse cases.

Section 18 creates a new section of KRS Chapter 620 to allow the cabinet to charge a \$10 fee for background checks of child abuse and neglect records in certain circumstances.

Section 19 amends KRS 620.050 to establish new language related to Children’s Advocacy Centers in administrative hearings and access to the records and interviews.

Section 20 amends KRS 620.060 to clarify locations of dependency, neglect, or abuse cases for courts.

Section 21 amends KRS 620.070 to attempt to resolve conflicts regarding the service of process for courts.

Section 22 amends KRS 620.180 to lengthen the time before the first out-of-home case plan is due and require that by January 1, 2019, CHFS shall establish and implement the processes, procedures, timelines, and requirements to ensure that children committed to the cabinet as dependent, neglected, or abused and placed in foster family homes are timely reunified with their biological family or identified for and placed in a new permanent home.

Section 23 amends KRS 620.270 to establish changes to the existing Citizen Foster Care Review Boards in the state.

Section 24 amends KRS 620.290 related to notifications from the Citizen Foster Care Review Boards.

Section 25 amends KRS 620.310 to establish changes to the Citizen Foster Care Review Board related to the election of the chairpersons.

Section 26 amends KRS 625.090 related to the filing of a motion of termination of parental rights.

Section 27 amends KRS 625.110 related to the appeals of the termination of parental rights.

Section 28 creates a new section of KRS Chapter 199 to establish a putative father registry in the Cabinet for Health and Family Services.

Section 29 creates a new section of KRS Chapter 199 to prescribe the data the putative father registry will contain and who may access the data.

Section 30 amends KRS 199.480 to conform.

Section 31 amends KRS 199.990 to require a fine of no more than \$1,000 or imprisonment of no more than 12 months for submitting false information and to require a fine of no more than \$1,000 or imprisonment for no more than 12 months for releasing confidential information.

Section 32 amends KRS 406.081 to require courts to resolve cases against alleged fathers who do not comply with ordered genetic testing.

Section 33 amends KRS 406.091 to require the party requesting that the paternity action be filed to pay for genetic testing.

Sections 34 through 40 amend KRS 625.065, 199.502, 199.473, 199.490, 625.040, 625.042, and 625.043 to conform to the putative father registry.

Section 41 requires the secretary of CHFS to designate a study group to make recommendations regarding the feasibility and implementation of the privatization of all foster care services in the Commonwealth and require a report.

Section 42 repeals KRS 199.565, 199.805, 200.580, 200.585, 200.590, 200.595, 200.600, and 200.605.

FISCAL EXPLANATION: CHFS estimates that the proposed legislation will have a significant fiscal impact.

Section 1

The fiscal impact of Section 1 is the estimated cost of reimbursements to members of the Child Welfare Oversight and Advisory Committee of the General Assembly. It is estimated that, on average, eight members of the committee will attend each meeting, four members will request lodging reimbursement, and mileage reimbursements will average 250 miles. Total reimbursements are estimated to be \$3,161 per meeting. At least two meetings annually are required, for a total of \$6,322.

Section 9

The fiscal impact of Section 9 is the estimated cost of implementing performance-based contracting for licensed child-caring facilities and child placing agencies. CHFS estimates that there could be a fiscal impact but could not determine the costs associated with implementing performance-based contracting.

Section 11

The fiscal impact of Section 11 is the estimated cost of changing the format of birth certificates issued by the Department for Public Health. The Cabinet estimates that the cost would be minimal and could be absorbed within the current budget.

Section 12

The fiscal impact of Section 12 is the estimated cost of waiving the fee charged for issuing a birth certificate to a child in the Cabinet's custody. The Cabinet estimates that the cost would be minimal and could be absorbed within the current budget.

Section 13

The fiscal impact of Section 13 is the estimated costs associated with the intake and care of children classified as abused and neglected under the new definition of "abused or neglected child." The Cabinet estimates that changing the definition of "abused or neglected child" to include substance abuse by a birth mother would increase the reporting, investigation, and acceptance of cases for provision of services by the Department for Community Based Services (DCBS). This could result in an increased workload for caseworkers and possibly the need for additional caseworkers. However, the Cabinet could not determine the increase in the number of cases that might result from the change in the definition.

Section 18The fiscal impact of Section 18 is the estimated receipts collected for searches of the child abuse and neglect registry. The Cabinet could not determine the amount of receipts that might be collected for performing background checks of the child abuse registry.

Section 22

The fiscal impact of Section 22 is the estimated costs associated with implementing the processes and procedures required for the timely reunification, placement, or adoption of children in state

custody. The Cabinet estimates that additional staff would be needed to meet the requirement for an initial case review by the court and a case review every three months following the initial review. The Cabinet reports that as of February 4, 2018, there were 8,676 children in out-of-home care, and, currently a case review requires approximately five hours to complete. CHFS estimates that an additional 20 to 25 staff would be needed to conduct an additional case review for each child in out-of-home care with an associated cost of \$1.5 million to \$2 million.

The Cabinet also reports that the provisions concerning termination of parental rights at 15 cumulative months in state custody may not be in compliance with federal regulations relating to the termination of parental rights and would have an impact on the receipt of federal funding under Title IV-E of the Social Security Act which is primary source of funding for foster care, public adoption, and associated administrative functions including training. Currently, the state receives approximately \$94 million annually in Title IV-E funds. However, CHFS could not determine the amount of the federal funds that may be impacted.

The Cabinet also reports that although the provisions regarding termination of parental rights may increase the number of children available for adoption, there may not be adoptive homes in which to place the children. This could result in an increase in the number of children in out-of-home care and the number of children aging out of foster care.

Section 28

The fiscal impact of Section 28 is the estimated cost of establishing a putative father registry. CHFS estimates that increased expenditures would be incurred with implementation of the proposed legislation. The Cabinet cites research indicating that putative father registries in Ohio, Tennessee, Indiana, and Missouri average about 3,000 to 5,000 registry searches per year. In 2016, DCBS reported 1,094 relative adoptions, 1,135 public agency adoptions, and 166 non-relative adoptions. The Kentucky State Data Center at the University of Louisville reports that Kentucky had 55,716 live births in 2015. According to the Centers for Disease Control and Prevention, 40.3 percent of births nationwide in 2015 were to unmarried mothers. Based on these data, the Cabinet estimates that there may be 22,453 children born per year to fathers in Kentucky who may wish to register on the putative father registry. As a result of the potential workload associated with the implementation of House Bill 1 including offering technical support, conducting searches of the registry, and adhering to the five-day response to registry inquiries as required by the proposed legislation, at least three additional staff (Grades 12 through Grade 15) would be needed according to CHFS. The estimated cost of the additional three positions is \$295,000 including salary and fringe benefits for the staff positions. CHFS also reports that the current information technology system used to track child welfare data, The Workers Information System or TWIST, would have to be updated to implement the registry at an estimated cost of \$345,000. The Cabinet estimates that it would incur an initial cost of \$640,000 and a recurring cost of \$350,000 for technology and staffing associated with implementing a putative father registry.

DATA SOURCE(S): Cabinet for Health and Family Services

PREPARER: Miriam Fordham NOTE NUMBER: 81 REVIEW: JAB DATE: 2/9/2018