

Fiscal Note & Local Impact Statement

127th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **S.B. 304**

DATE: **April 9, 2008**

STATUS: **As Introduced**

SPONSOR: **Sen. Cates**

LOCAL IMPACT STATEMENT REQUIRED: **Yes**

CONTENTS: **Increases the maximum age of a child who may be delivered voluntarily by the child's parent to a peace officer, hospital employee, or emergency medical service worker under the Safe Haven Law, from 72 hours to 30 days**

State Fiscal Highlights

STATE FUND	FY 2009	FY 2010	FUTURE YEARS
GRF			
Revenues	Potential minimal gain due to federal Medicaid reimbursement	Potential minimal gain due to federal Medicaid reimbursement	Potential minimal gain due to federal Medicaid reimbursement
Expenditures	Potential minimal increase due to providing Medicaid services	Potential minimal increase due to providing Medicaid services	Potential minimal increase due to providing Medicaid services
Fund 3N0 (IV-E Foster Care Maintenance Pass Through)			
Revenues	Potential gain due to federal foster care reimbursement	Potential gain due to federal foster care reimbursement	Potential gain due to federal foster care reimbursement
Expenditures	Potential increase to reimburse counties	Potential increase to reimburse counties	Potential increase to reimburse counties

Note: The state fiscal year is July 1 through June 30. For example, FY 2009 is July 1, 2008 – June 30, 2009.

- Children voluntarily surrendered under the Safe Haven Law are eligible for Medicaid coverage. For each child that is surrendered, there are costs to the state for providing Medicaid. The average cost per member, per month for foster youth in FY 2007 was \$567.28. The federal government reimburses the state 60% of these costs.
- Children voluntarily surrendered under the Safe Haven Law are placed into foster care by the county public children services agency. The state receives some federal reimbursement for foster care costs that are passed through to the counties.



Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2008	FY 2009	FUTURE YEARS
County and Municipal Civil and Criminal Justice Systems			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential minimal increase due to awarding custody and providing legal representation	Potential minimal increase due to awarding custody and providing legal representation	Potential minimal increase due to awarding custody and providing legal representation
Public Children's Services Agencies			
Revenues	Potential gain in foster care reimbursement	Potential gain in foster care reimbursement	Potential gain in foster care reimbursement
Expenditures	Potential increase due to providing foster care	Potential increase due to providing foster care	Potential increase due to providing foster care

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- Children voluntarily surrendered under the Safe Haven Law are placed into foster care by the county public children services agency. For each child that is surrendered, there are costs to the county agency for providing foster care. Based on the average length of stay in foster care, the total cost of foster care for a surrendered child is estimated to range from approximately \$4,617 to \$60,534 per child. Counties receive some federal reimbursement for foster care costs passed through the state.
- There may be a minimal increase in costs to the court system to award custody and provide legal representation and a Guardian ad Litem for the child.

Detailed Fiscal Analysis

The bill

Under current law, a parent is permitted to voluntarily deliver a child who is not more than 72 hours old to a peace officer, hospital employee, or emergency medical service worker, without the parent expressing intent to return for the child. The bill increases the maximum age of a child who may be delivered voluntarily by the child's parent to 30 days.

Chain of events following surrender

Although procedures vary slightly by county, there is a general chain of events that occurs once a child is voluntarily delivered to one of the designated locations. The county department of job and family services is notified immediately upon the surrender of a child. If the child was not left at a hospital, they are transported to one, where the child is examined by a physician to assess their health and well-being and to assess for indications that the child has suffered abuse and/or neglect.¹ The hospital also genetically tests the child for future identification in the event of an alleged parent requesting the return of an infant. The county public children services agency arranges for temporary emergency care for the child, and files a motion with the juvenile court requesting temporary custody. Once granted custody, the agency arranges for foster care placement.

Costs

Voluntary surrender under the Safe Haven Law in Ohio is a fairly infrequent phenomenon. In the past five fiscal years, there have been 43 children voluntarily surrendered under the Law. In fiscal year (FY) 2002, there were 11; in FY 2003 there were 10; in FY 2004 there were 13; in FY 2005 there were 3; and in FY 2006 there were 6. LSC staff is not able to estimate the number of children who are likely to be voluntarily surrendered due to the increase in the maximum age limit. However, for each child that is surrendered there are costs that will primarily impact the state in providing medical coverage for the child and the county public children services agencies in providing foster care. In addition, there may be some minimal costs to the court system to award custody of the child to the county children services agency and to provide legal representation and some negligible costs to the entity to which the child is surrendered.

Foster care and Medicaid

Foster parents are paid a daily foster care maintenance rate which is intended to cover food, clothing, housing, basic transportation, personal care, and other expenses. In Ohio, the minimum per diem foster care maintenance rate for children 0-18 years of age is \$9 and the maximum is \$118. A study compiled by the Jim Casey Youth Opportunities Initiative and Kids are Waiting: Fix Foster Care Now used data from the National Data Archive on Child Abuse

¹ If it has been determined that the child has been abused or neglected, the county agency is required to take all necessary steps to identify and locate the child's parents and begin an assessment and investigation.

and Neglect from 1998-2004 to determine that the average length of stay for a foster youth in Ohio is 17.1 months or 1.4 years.² Using these foster care maintenance rates and estimated average length of stay in foster care for children in Ohio, the cost of foster care for a surrendered child is estimated to range from approximately \$4,617 to \$60,534 per child. The state receives some federal reimbursement for foster care costs that are passed through to the counties.

In addition to costs associated with foster care, children voluntarily surrendered under the Safe Haven Law are eligible for Medicaid coverage. All foster children for whom states receive federal reimbursement for foster care expenses are categorically eligible for Medicaid health services. According to data from Ohio's Medicaid Decision Support System (DSS), there were 14,885 foster children enrolled in Medicaid during FY 2007 with total net expenditures of \$65,912,943 for the year. Average cost per member, per month for FY 2007 was \$567.28.³ The federal government reimburses the state 60% of these costs.

Taking into account the average cost of foster care services and Medicaid coverage suggests that the annual cost to care for a child surrendered under the Safe Haven Law in Ohio may be between \$14,317 and \$70,234.

Courts

There may also be a minimal increase in costs to the court systems. State and local juvenile and family courts have jurisdiction over the majority of cases involving children in the foster care system. In Ohio, the court must appoint and fund a Guardian ad Litem or CASA (free, trained community volunteers) for all children in custody. Each county's public children services agency has specific arrangements for how legal representation is handled.

Cost savings

Under the Safe Haven Law, a parent who surrenders a child at a designated location has not committed a criminal offense and may not be subject to criminal prosecution for the act. Thus, if the number of children who are surrendered increases as a result of the bill, there may be a decrease in expenditures for municipalities as a result of a decrease in prosecution costs associated with cases of child endangerment. The bill may result in a decrease in fine revenue for the few jurisdictions where such a case would otherwise have occurred. The magnitude of this annual loss in fine revenue will likely be negligible as the number of cases is small.

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² Kids are Waiting: Fix Foster Care Now and the Jim Casey Youth Opportunities Initiative. "Time for Reform: Aging Out and On Their Own." The report can be accessed at: <http://kidsarewaiting.org/reports/files/AgingOut.pdf>.

³ ODJFS expects that not all claims for FY 2007 have been submitted. The Department estimates that DSS contains 95% of claims data for FY 2007.