

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: HB1490 H1

Patron: Tran

Bill Title: Child abuse or neglect; establishes centralized intake system for reports or complaints.

Bill Summary: As substituted, this bill requires the Department of Social Services (DSS) to establish and maintain a centralized 24/7 hotline capable of receiving reports and complaints of child abuse and neglect, to assess each complaint, and determine the validity of each report and complaint. For any valid complaints, DSS is required to notify the local department of social services (LDSS) of jurisdiction and determine whether the LDSS shall conduct an investigation or family assessment pursuant to existing statute. The bill requires LDSS who receive reports or complaints of abuse and neglect to immediately forward such complaints to the DSS hotline. The bill makes technical updates to existing Code language related to CPS reporting mechanisms to require the use of the DSS hotline. The bill directs the centralized intake model to be implemented through a phased-in, gradual approach beginning July 1, 2026.

The substitute bill directs the State Board of Social Services (the Board) to promulgate regulations requiring that local departments of social services (i) respond to valid reports and complaints alleging suspected abuse or neglect of a child under the age of three within 24 hours of receiving such reports or complaints and (ii) that the Department of Social Services determine the validity of complaints alleging suspected abuse or neglect of children under the age of three and children under the age of 18 with disabilities, as that term is defined in relevant law.

The substitute bill directs the Board to promulgate regulations necessary to implement the provisions of the bill related to a centralized hotline. The substitute further directs DSS to convene a workgroup consisting of relevant public and private stakeholders (defined in the bill) to optimize the Department's authority to provide intake services and recommend implementation strategies. The bill finally directs DSS to contract with a third party to complete a comprehensive study of the screening process for child protective services complaints across Virginia, identify best practices, and make recommendations for the most effective and efficient intake system, while accounting for the proposed centralized intake model.

Budget Amendment Necessary: No

Items Impacted: Item 333

Explanation: Although this legislation is expected to result in a significant fiscal impact for the Department of Social Services, general fund appropriation and positions addressing the provisions of this bill were provided in the introduced budget. Therefore, no budget amendment is necessary.

Fiscal Summary: The proposed legislation will require additional positions and significant general fund expenditures on the part of the Department of Social Services (DSS). The impacts in the table below are offset by appropriation provided to address the provisions of this bill in the introduced budget (Item 333). See fiscal analysis for additional information.

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General Fund Expenditure Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
DSS (765) Centralized Intake	-	\$5,329,797	\$15,064,794	\$18,799,174	\$18,698,674	\$18,698,674
DSS (765) Priority Response		\$212,046	\$212,046	\$212,046	\$212,046	\$212,046
TOTAL	-	\$5,541,843	\$15,276,840	\$19,011,220	\$18,910,720	\$18,910,720

Position Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
DSS (765) Centralized Intake	-	48.0	132.0	132.0	132.0	132.0
TOTAL	-	48.0	132.0	132.0	132.0	132.0

Fiscal Analysis: This bill proposes multiple interventions related to the provision of child welfare services that are discussed in detail below. The fiscal impact outlined in the following analysis is reflective of estimates provided by the Department of Social Services (DSS).

Centralized Intake System for Child Abuse and Neglect Reports

The bill establishes a new organizational structure within DSS to centrally coordinate intake and determine validity for all child abuse and neglect reports that are submitted statewide via a 24/7 hotline model. It is unclear whether the hotline system established by the substitute bill is intended to be synonymous with or an extension of the existing state Child Protective Services 24/7 toll-free hotline; however, DSS maintains that the agency will require additional personnel, technological capacities, and supplies to implement the hotline system as established by the bill. The substitute bill requires that the centralized intake model be phased in gradually beginning July 1, 2026.

In FY 2024, 120 local departments of social services (LDSS), the DSS State Hotline, and the Mandated Reporter Portal received a cumulative total of 94,728 reports of child abuse or neglect. DSS reports that call volume is expected to increase in future years, creating a need for additional staff time and attention. The centralized hotline model proposed in this legislation is a way for DSS to address this need.

To determine the total number of staff needed to effectively support a centralized hotline system, DSS reviewed factors including the current average wait time on the State Hotline, the current average call handling time, and the current average time needed for an LDSS employee to determine report validity. DSS' analysis indicates that 132 full-time (FTE) positions and 67 part-time positions will be necessary to effectively staff a call center for the centralized hotline system and comply with the validity determination and referral responsibilities as set forth by the bill. DSS suggests that the positions will comprise the following teams and roles:

- 1 Workforce Manager (FTE)

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- 1 Operations Manager (FTE)
- 1 Training Manager (FTE)
- 5 Quality Assurance Specialists (FTE)
- 10 Phone Team Supervisors (FTE)
- 10 Phone Team Work Leaders (FTE)
- 82 Phone Team Specialists (FTE)
- 4 Mandated Reporter Team Supervisors (FTE)
- 2 Mandated Team Work Leaders (FTE)
- 16 Mandated Reporter Specialists (FTE)
- 67 Phone Team Specialists (part-time)

In the first year of implementation (FY 2027), DSS anticipates that the agency will hire 47 FTE positions and begin the phased-in implementation of the centralized intake model by utilizing the centralized hotline for reports and complaints of abuse and neglect in coordination with 30 LDSS. In the second year (FY 2028), DSS plans to hire the remaining 85 FTE positions and expand the centralized intake system model across 60 LDSS. In the third year (FY 2029), DSS plans to hire the remaining 67 part-time Phone Team Specialist positions and achieve full statewide implementation of the centralized intake system across all 120 LDSS. DSS notes that the selection of LDSS to participate in the phased-in implementation process will be based on a methodology that ensures consistent representation across regions and accounts for agency size.

DSS estimates position costs for each year at \$4,106,307 general fund (GF) in FY 2027, \$14,841,304 GF in FY 2028, \$18,575,684 GF in FY 2029, and \$18,475,184 GF in subsequent years. This estimate includes employee salaries, benefits, and non-personnel operating costs (supplies and equipment), as well as one-time training costs for the new employees hired in each year of implementation (both FTE and part-time staff). The first-year cost is amended to three quarters of the fiscal year to account for any hiring delays. DSS notes that the listed positions will require a baccalaureate degree based on current professional and occupational regulations, and that employee salaries must be in line with those of positions requiring similar qualifications for effective recruitment.

DSS also estimates that an additional \$223,490 GF will be needed annually beginning in FY 2027 to support information technology needs associated with the centralized intake system. DSS reports that this additional funding will be used to support increases to current hotline contracts, fund critical system enhancements, and support the expansion of translation services and the existing Interactive Voice Response (IVR) system to accommodate additional reports.

Finally, DSS estimates that \$1,000,000 GF will be needed in FY 2027 to contract with a third party to conduct a comprehensive study of the screening process of child protective services complaints across the Commonwealth, as required by the bill's sixth enactment. This estimate is based on costs for similar statewide studies performed by the agency.

Priority Response for Children Under Three

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The bill directs that new regulations be promulgated requiring that LDSS respond to valid reports or complaints of child abuse or neglect involving a child under the age of three within 24 hours of receiving such report or complaint. Under current law, LDSS are required to respond to valid reports or complaints of child abuse or neglect within 24 hours if the report or complaint involves a child under the age of two.

In FY 2024, LDSS received a cumulative total of 10,591 valid referrals of alleged abuse or neglect involving a child under the age of three. Of these, 6,378 referrals were categorized as Response Priority 1 under the state differential response system, which already requires a 24-hour response time. Additionally, 4,125 valid referrals were received outside of traditional business hours. The overlap of referrals that were both Response Priority 1 and received after hours totaled 2,728. Consequently, 1,397 referrals (4,125 referrals received after hours minus 2,728 referrals received after hours and Response Priority 1) would now necessitate a 24-hour response from LDSS. The increase in workload created by this legislation is expected to require additional compensation for overtime hours worked.

Each of the 1,397 new referrals is expected to require around three hours of after-hours CPS response. The average overtime compensation rate is \$47 per hour plus FICA taxes, which are estimated at nearly 1.08%. This results in an estimated cost increase of \$212,046 GF beginning in FY 2027 and continuing each year thereafter.

Other Possible Costs

This bill requires the Board of Social Services to amend its regulations to reflect the provisions of this bill, including the requirement for LDSS to respond to valid reports and complaints involving children under the age of three within 24 hours of receiving such report or complaint. It is expected that any workload or cost impacts associated with amending or promulgating regulations are minimal and can be absorbed within existing resources.

DSS maintains that the provisions of the bill's third enactment would require LDSS to respond to valid reports and complaints of child abuse or neglect involving a child under the age of 18 with disabilities within 24 hours. However, the provisions of the bill appear to distinguish between the promulgation of regulations requiring LDSS to respond to reports or complaints of child abuse or neglect involving children under the age of three within 24 hours and the promulgation of regulations requiring DSS to determine the validity of reports or complaints of child abuse or neglect involving a child under the age of three or a child under the age of 18 with disabilities. Should the bill text be understood to include children under the age of 18 with disabilities as part of the population requiring a 24-hour response, there will be additional costs to LDSS associated with compensation for overtime hours worked that are not currently included in the cost estimates represented in the introduced budget. Such costs are not currently included in the fiscal impact table but may be included upon additional clarification.

Other: Portions of this bill are similar to SB640.