

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

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ORIGINAL

Bill Number: HB1490 S2

Patron: Tran

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

Bill Summary: As substituted by the Senate Finance and Appropriations Committee, amends several provisions of the Code of Virginia related to the provision of child welfare services.

The substitute bill requires the state Child Protective Services (CPS) Unit 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, the Department of Social Services (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 substitute bill requires that any provisions related to the use of a centralized hotline model for reports of child abuse and neglect be reenacted by the General Assembly at a subsequent regular or special session prior to taking effect.

The substitute bill directs the State Board of Social Services 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) 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 bill finally requires DSS to contract with a third party to conduct a comprehensive study and review of the screening process used for CPS complaints across Virginia, and to convene a work group of relevant stakeholders (defined in the bill) to evaluate such recommendations. DSS is required to report on best practices and any recommendations from the study and work group to the Governor and select committees of the General Assembly by December 1, 2026.

Budget Amendment Necessary: No

Items Impacted: Item 333

Explanation: Although this legislation is expected to result in a fiscal impact for the Department of Social Services, general fund appropriation was provided in the introduced budget. Therefore, no budget amendment is necessary.

Fiscal Summary: The substitute legislation will require additional expenditures on the part of the Department of Social Services (DSS). The impacts in the table below are offset by appropriation provided in the proposed budget that addresses the provisions of the bill (Item 333). The Senate provided additional funding to address

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the cost of the study included in the substitute bill as part of its proposed amendments to the introduced budget (Item 333 #2s).

The table does not address fiscal impacts for any provisions of the bill subject to reenactment. See fiscal analysis for additional information.

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) Priority Response	-	\$212,046	\$212,046	\$212,046	\$212,046	\$212,046
DSS (765) Work Groups	-	\$500,000	-	-	-	-
TOTAL	-	\$712,046	\$212,046	\$212,046	\$212,046	\$212,046

Nongeneral 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) Work Groups	-	\$500,000	-	-	-	-
TOTAL	-	\$500,000	-	-	-	-

Fiscal Analysis: As substituted by the Senate Finance and Appropriations Committee, this bill proposes multiple interventions related to the provision of child welfare services that are discussed in detail below. The fiscal impact for priority response outlined in the following analysis is reflective of estimates provided by the Department of Social Services (DSS) that were included in the introduced budget.

Centralized Hotline for Child Abuse and Neglect Reports

The substitute bill establishes a new organizational structure within DSS to coordinate statewide intake and determine validity for all child abuse and neglect reports that are submitted through a centralized hotline system. 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. Pursuant to the substitute bill, any costs to support the centralized hotline system are subject to available appropriation upon reenactment of certain provisions by the General Assembly at a future regular or special session.

Priority Response for Children Under Three

The substitute continues to direct 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.

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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.

Child Protective Services Screening Process Study

The substitute bill requires DSS to contract with a third party to study and review the screening process used for child protective services complaints across Virginia. A report on the study, best practices, and any associated recommendations is due to the Governor and certain committees of the General Assembly by December 1, 2026. Based on prior agency study costs, DSS anticipates that the cost to contract with a vendor who can execute the study at the required scope will be at least \$1.0 million (\$500,000 GF/\$500,000 nongeneral funds).

It is expected that any potential impacts associated with convening meetings for the evaluative work group mentioned in the bill that is associated with the child protective services study will be minimal and absorbable within existing resources.

Other Possible Costs

This bill requires the Board of Social Services to amend and/or promulgate 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 LDSS 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 with disabilities as part of the population requiring a 24-hour response, there will be additional costs to LDSS associated with compensation for

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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: As substituted by the Senate Finance and Appropriations Committee, portions of this bill are similar to SB640.