GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **SB0468.02 (001): Establish central registry for individuals who are the subject of a substantiated report of child abuse or neglect**

Primary Sponsor: Dennis Lenz Status: As Amended in Senate

☐ Included in the Executive Budget ☒ Needs to be included in HB 2 ☐ Significant Local Gov Impact

☐ Significant Long-Term Impacts ☐ Technical Concerns ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
Expenditures				
General Fund (01)	$193,521	$193,521	$196,424	$199,370
State Special Revenue (02)	$82,938	$82,938	$84,182	$85,445
Federal Special Revenue (03)	$0	$0	$0	$0
Revenues				
General Fund (01)	$0	$0	$0	$0
State Special Revenue (02)	$0	$0	$0	$0
Federal Special Revenue (03)	$82,938	$82,938	$84,182	$85,445
Net Impact	($193,521)	($193,521)	($196,424)	($199,370)
General Fund Balance				

Description of fiscal impact

SB 468 establishes a statewide central registry for substantiated or founded reports of child abuse or neglect. The bill requires the Department of Public Health and Human Services (DPHHS) to attend hearings before the district court prior to adding an individual to the statewide central registry for substantiated or founded reports of child abuse or neglect. The bill also creates new hearings in district court and is expected to have a minor impact on judicial workload and resources. Amendments to SB 468 remove some language regarding the status of a substantiated determination of child abuse or neglect, however, the definition of "substantiated" in Section 1(2) still requires a district court hearing.

FISCAL ANALYSIS

Assumptions

Department of Public Health and Human Services (DPHHS/department)

1. Section 1 of SB 468 establishes a statewide central registry to maintain information on individuals who are the subject of substantiated determinations of child abuse or neglect. The CAPS and MFSIS systems currently in use are considered the department's central registry, eliminating the need for the development of a new system.
2. SB 468 Section 1 (2) includes a definition for substantiation that requires the department attend a hearing for adjudication before the district court prior to adding an individual to the central registry of child abuse and neglect investigations. DPHHS assumes that an adjudication hearing would be held in conjunction with a show cause hearing in a dependent neglect case. In FY 2024 there were 1,520 substantiated or founded

reports of neglect or abuse. Of those, 537 resulted in legal proceedings which would be required to include a show cause hearing. The remaining 983 substantiated or founded reports would also require a hearing prior to being added to the central registry. (1,520 substantiated or founded reports - 537 requiring legal action = 983 remaining reports requiring a hearing).

3. Hearings for the remaining 983 substantiated or founded reports with no other legal action would be additional workload with short timeframes for that which is already currently required by federal regulation or state law under.
4. It is estimated to take one hour to write the hearing report, and three hours for the hearing of child protection (CPS) staff time. These substantiated report hearings would occur at an average of $70.31 per overtime hour cost of CPS staff. FY 2026 and FY 2027 overtime costs would be $276,459 (983 additional reports requiring a hearing x four hours per report = 3,932 additional hours x $70.31 average hourly cost = $276,459). With an annual increase of 1.5% per year, overtime hour costs would be, in FY 2028 $280,606 (1.015 x $276,459 = $280,606), in FY 2029 $284,815 (1.015 x $280,606 = $284,815).
5. CFSD administrative expenditures are federally allowable expenditures under Title IV-E of the Social Securities Act at a federal participation rate of 30%, the remaining 70% of expenditures are funded with state general funds.

Judiciary

6. SB 468 Section 1 (2) includes a definition for substantiation that requires a hearing for adjudication before the district court prior to adding an individual to the central registry of child abuse and neglect investigations. The new hearings created by this bill will push out other cases already on the docket, which could ultimately create backlog. Additionally, the cumulative impact of such legislation may over time require additional judicial resources as generally court dockets are full throughout the state.

Fiscal Analysis Table

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
Fiscal Impact				
Expenditures				
Personal Services	$276,459	$276,459	$280,606	$284,815
TOTAL Expenditures	**$276,459**	**$276,459**	**$280,606**	**$284,815**
Funding of Expenditures				
General Fund (01)	$193,521	$193,521	$196,424	$199,370
State Special Revenue (02)	$82,938	$82,938	$84,182	$85,445
TOTAL Funding of Expenditures	**$276,459**	**$276,459**	**$280,606**	**$284,815**
Revenues				
Federal Special Revenue (03)	$82,938	$82,938	$84,182	$85,445
TOTAL Revenues	**$82,938**	**$82,938**	**$84,182**	**$85,445**
Net Impact to Fund Balance (Revenue minus Funding of Expenditures)				
General Fund (01)	($193,521)	($193,521)	($196,424)	($199,370)
State Special Revenue (02)	($82,938)	($82,938)	($84,182)	($85,445)
Federal Special Revenue (03)	$82,938	$82,938	$84,182	$85,445

NO SPONSOR SIGNATURE 3/24

Sponsor's Initials | Date



Budget Director's Initials | 3/18/2025 Date