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**FISCAL IMPACT STATEMENT**

**LS 6007**

**BILL NUMBER:** HB 1602

**NOTE PREPARED:** Feb 23, 2009

**BILL AMENDED:** Feb 23, 2009

**SUBJECT:** Department of Child Services Ombudsman Bureau.

**FIRST AUTHOR:** Rep. Brown C

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FIRST SPONSOR:**

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill establishes the Department of Child Services Ombudsman Bureau (Ombudsman Bureau) as a separate bureau within the Department of Administration (IDOA). The bill requires the IDOA to administer, determine salaries, and determine other personnel matters of the Ombudsman Bureau.

The bill provides that the director of the Bureau may not have been employed by the Department of Child Services (DCS) within 12 months of the appointment to the Bureau.

The bill provides that the Ombudsman Bureau may review all records of the DCS, including all records of the DCS related to vendors and contractors. It also provides that a copy of the Bureau's annual report shall be posted on the DCS' Internet web site and on any Internet web site maintained by the Bureau. The bill specifies the powers and duties of an ombudsman. It also adds a representative of the Ombudsman Bureau to local child fatality review committees and the Statewide Child Fatality Review Committee.

The bill creates a new Class A misdemeanor for interfering with or impeding the work of an ombudsman, for knowingly offering compensation to an ombudsman in an effort to influence the outcome of an investigation, for retaliating against another person for providing information to an ombudsman, or making a threat against an ombudsman or a person providing information to an ombudsman.

The bill authorizes a juvenile court to refer a case to the Ombudsman Bureau to investigate the implementation of a child in need of services dispositional decree. It also provides immunity from civil liability to: (1) persons who release information to the Ombudsman Bureau; and (2) the ombudsman for the good faith performance of official duties.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:** *Ombudsman Bureau:* It is estimated that \$445,400 annually would be required to establish the Ombudsman Bureau.

**Background:** The state of Washington, which is similar in population to Indiana, established the Office of the Family and Children's Ombudsman as a cabinet-level agency in 1996. The Ombudsman Office started with five full-time employees. During the FY2007-2009 biennium, the legislature increased the budget to \$1.28 M for the biennium. The Office currently operates with eight employees; a director, two attorneys, three investigators, a data base administrator, and an administrative assistant/special projects position. The Washington office handled 1,087 inquiries and 615 complaints during FY 2007. (September 1, 2006 - August 31, 2007.)

While Washington and Indiana have similar populations, it is difficult to determine if child welfare is operated similarly in the two states. Initial inspection of the statistics reported for children in foster care indicates that Washington has considerably more children involved in the child welfare system than does Indiana. Therefore, it is assumed that an Indiana Ombudsman Office would require a lower level of resources than is used in Washington. It is estimated that an Ombudsman Office could be established in Indiana with five employees; a director, two investigators, an information specialist, and an office manager. Staffing cost is estimated to be approximately \$345,400, with an additional \$100,000 necessary for other operating costs such as printing, supplies, equipment and in-state travel. Ultimately, the Department of Administration and the General Assembly will determine the staffing and resources required to operate the Ombudsman Office.

**Explanation of State Revenues:** *Penalty Provision:* The bill creates a new Class A misdemeanor interfering with an investigation of an ombudsman. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class A misdemeanor is \$5,000. However, any change in revenue would likely be small.

**Explanation of Local Expenditures:** *Penalty Provision:* A Class A misdemeanor is punishable by up to one year in jail.

**Explanation of Local Revenues:** *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

**State Agencies Affected:** IDOA; Department of Child Services.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** National Conference of State Legislatures website at: [www.ncsl.org/programs/cyf/ombuds.htm](http://www.ncsl.org/programs/cyf/ombuds.htm), Office of the Family and Children's Ombudsman 2006 Annual Report, Washington State, at: [http://governor.wa.gov/ofco/reports/ofco\\_2006\\_annual.pdf](http://governor.wa.gov/ofco/reports/ofco_2006_annual.pdf), 16<sup>th</sup> annual Children's Justice Conference Presentation by Mary Meinig and Linda Mason Wilgis, April 21, 2008, at: [http://www.governor.wa.gov/ofco/reports/childrens\\_justice\\_conf\\_presentation.pdf](http://www.governor.wa.gov/ofco/reports/childrens_justice_conf_presentation.pdf).

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