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FISCAL IMPACT STATEMENT

LS 6007

BILL NUMBER: HB 1602

NOTE PREPARED: Apr 3, 2009

BILL AMENDED: Apr 2, 2009

SUBJECT: Department of Child Services Ombudsman Bureau.

FIRST AUTHOR: Rep. Brown C

FIRST SPONSOR: Sen. Bray

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill establishes the Office of the Department of Child Services Ombudsman (Office) within the Department of Administration (IDOA). It provides that the Ombudsman is appointed by the Governor, serves at the pleasure of the Governor, and may employ experts and other employees to carry out the duties of the Office. The bill requires the Ombudsman to be an attorney or a person with at least a master's degree in social work.

The bill specifies the powers and duties of the Office. It specifies that the Ombudsman may receive, investigate, and attempt to resolve complaints that the Department of Child Services has failed to follow a specific law, rule, or policy, and thereby failed to protect the health or safety of a child. The bill also provides that the Ombudsman may review certain records, and prohibits the redisclosure of certain confidential records. It requires that a copy of the Office's annual report shall be posted on the Department of Child Services' Internet web site and on any Internet web site maintained by the Office.

The bill provides immunity from civil liability to: (1) persons who release information to the Office; and (2) the Ombudsman and other employees of the Office for the good faith performance of official duties.

The bill creates a new Class A misdemeanor for interference with an investigation of the Office or, under certain conditions, for disclosure of information about a case before the conclusion of an investigation.

Effective Date: July 1, 2009.

Explanation of State Expenditures: (Revised) *Ombudsman Office:* It is estimated that \$445,400 annually would be required to establish the Office of Department of Child Services Ombudsman.

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, interference 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, Office of the Family and Children's Ombudsman 2006 Annual Report, Washington State, at: http://governor.wa.gov/ofco/reports/ofco_2006_annual.pdf, 16th 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.

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