



Economic Impact Analysis Virginia Department of Planning and Budget

22 VAC 40-730 – Virginia Department of Social Services Investigation of Child Abuse and Neglect in Out of Family Complaints October 25, 2001

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 9-6.14:7.1.G of the Administrative Process Act and Executive Order Number 25 (98). Section 9-6.14:7.1.G requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic impacts.

Summary of the Proposed Regulation

The proposed amendments will require Child Protective Services to invite all associated parties to participate in investigations of alleged child abuse and neglect in designated out of family settings.

Estimated Economic Impact

Child Protective Services (CPS) is supervised by the Department of Social Services. Local departments of social services are charged with investigating all reports received about alleged abuse and neglect of children under 18. Most of the investigations are related to physical, mental, and sexual abuse/neglect. The purposes of investigations are to determine whether the alleged abuse/neglect occurred and to prevent further maltreatment.

Provisions of this regulation apply to the investigations of reported child abuse and neglect in designated out of family settings. These settings include child day centers, family day homes, schools, group residential facilities, hospitals, and other institutions. These facilities

provide various services to families and the children. For instance, child day centers assume responsibility for supervision, protection, and well being of children during the absence of a parent or guardian. Child care centers, before and after school programs, and nursery schools are examples of child day centers. Family day homes offer care in a home setting or in the home of the children in care. Similarly, schools, hospitals, and group residential facilities offer services to and assume some responsibility for the children at their facilities.

When an abuse and neglect report is received, the local CPS office has a mandatory responsibility to contact the child, the alleged abuser, any pertinent collateral resources and to inform the facility administrator or the regulatory authority where the alleged incident took place. Investigations are conducted to determine if the alleged incident is founded. The agency's decision in a case has direct implications on the welfare of the alleged abuser and the alleged victim. For example, if the allegation is founded, abuser is likely to lose his/her job at the facility¹ and exposure of the child to further maltreatment is likely to be prevented.

The current regulations provide discretion to the agency on whom to invite to participate in investigations. Currently, CPS has the option but not the obligation to invite all associated parties to participate in investigations. In practice, CPS has been exercising its option to invite other parties in all cases except when the incidents alleged to take place at schools. The agency indicates that the schools are not subject to a state licensing body or to a state regulatory authority and there have been uncertainty on who should be invited. Thus, school representatives have not been invited and have not been participating in child abuse/neglect investigations.

Pursuant to the changes made to section 63.1-248.6 of the Code of Virginia during 2000 Acts of Assembly, the proposed amendments will require the agency to invite all the relevant parties including the school administrator or designee to assist with the planning of the investigation. The decisions on where and how and who is to be present in interviews are made at the planning stage. Thus, the school authority will have an option to participate in investigations. CPS, as it has been the case, will have the authority not to extend an invitation for interviews if there is a potential for conflict of interest.

¹ According to the agency, in most cases, alleged abuser is an employee of the facility.

Other facilities providing children services have already been invited to participate in the process and are not expected to be affected by the proposed amendments. However, public and private schools will be provided an opportunity to participate in interviews with the child, alleged abuser, and collaterals or at least to plan for the interviews. The school authority will have the discretion whether or not to participate. Since the participation is optional, the school authority's decision to participate will depend on the expected costs and benefits from participation. On one hand, some staff time will be devoted to represent the school authority in interviews. The amount of staff time that may be required to participate in interviews is subject to great uncertainty. In simple cases, interviews with the child may be completed within one hour.² The interviews with the alleged abuser in the presence of a lawyer may be very short. What is more is that some abuse cases may involve a group and require several independent interviews with all children involved and/or many collaterals. On the other hand, the school authority may be better represented and benefit from the information revealed at these interviews. The school authorities are likely to participate if expected benefits are greater than expected costs. In this sense, it is very unlikely that the proposed changes will produce net costs to the school authorities.

In addition, this proposed change is likely to exert minuscule costs on CPS to extend the invitations, but also likely to benefit the agency in terms of the input and cooperation provided by the school authorities. The discretion to not invite the school authorities if there is a conflict of interest has the potential to eliminate any input and counteractive cooperation that may hinder the objectivity of an investigation. In this sense, it is also very unlikely that the proposed changes will impose net costs on CPS.

Provided the school authority and CPS use their options rationally, the proposed changes are expected to result in an improved efficiency on every dollar spent in investigations. Improved efficiency will likely produce more accurate outcomes from investigations and improve the welfare of alleged abuser when the allegation is false and improve the welfare of the alleged victim when the allegation is true. The overall welfare impact on the society as a whole is likely to be positive.

² Source: Child Protective Services

Currently, there are 7,128 out of family settings in Virginia with the capacity to serve 338,618 children.³ CPS database indicates that 844 complaints in 1998 and 815 complaints in 1999 have been filed with the agency. All of these incidents allegedly took place in designated out of family settings. Of the reports received, the agency determined that 148 complaints in 1998 and 112 complaints in 1999 were founded. Once the CPS makes a finding, it can be appealed and overturned. The data for the first nine months of 2001 indicate that CPS hearing officers amended 11% of 142 local agency actions that were appealed, sustained 51%, and overturned 39% because of reasons including insufficient evidence, insignificant incident, lack of credibility, and inconsistency of statements. These statistics reveal the fact that not all of the allegations are founded, a significant number of findings are overturned, and also give an idea on how many abuse and neglect cases take place at child day centers, family day homes, schools, group residential facilities, hospitals, and other institutions on a yearly basis.

However, the proposed changes are expected to mainly affect public and private school authorities in Virginia. The number of reported abuse/neglect cases occurring at schools was 338 in 1998 and 263 in 1999. Of these complaints, the agency determined 43 were founded in 1998 and 26 were founded in 1999. These numbers suggest that the school authorities will be invited to participate in about 300 cases annually to investigate if the allegations are valid. Moreover, the case specific information at the agency supports that the overturn rates in cases alleged to take place at schools are significant and are similar to those for the whole population. The proposed changes are likely to help reduce overturn rates and to produce more accurate decisions through the information and cooperation provided by school authorities. More accurate findings will almost certainly improve public welfare.

Businesses and Entities Affected

The public and private schools and Child Protective Services will be affected by the proposed amendments. The Department of Education data show there are 1,863 public schools in Virginia that will be subject to the proposed changes. The exact number of private schools in Virginia is not known because there is no requirement for them to register with any authority in the state. However, Virginia Council for Private Education is known to represent about 400 private schools and this is the minimum number of private schools that that will also be subject

³ Ibid.

to the proposed regulations. Of these public and private schools, about 300 may be involved in a child abuse and neglect investigation per year.

Localities Particularly Affected

The proposed changes apply throughout the Commonwealth.

Projected Impact on Employment

It is likely that the school authorities will participate in some of the investigations once they start receiving the invitations from the CPS. The school authorities will need to devote some staff time to participate in interviews and this may increase the demand for labor. However, the school authorities' level of participation is not known yet. Also, the duration of the interviews and investigations is subject to significant uncertainty. Finally, individual schools are likely to absorb several hours of staff time needed to participate instead of hiring new positions. Thus, it is not clear if the proposed changes will have any significant positive impact on labor demand in the Commonwealth.

Effects on the Use and Value of Private Property

The proposed changes are not expected to have a significant impact on the use and value of private property.