

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2018 REGULAR SESSION**

**MEASURE**

2018 BR NUMBER **0101**

**SENATE** BILL NUMBER **43**

RESOLUTION NUMBER \_\_\_\_\_

AMENDMENT NUMBER \_\_\_\_\_

**SUBJECT/TITLE** **An ACT relating to adoption.**

**SPONSOR** **Senator Westerfield**

**NOTE SUMMARY**

FISCAL ANALYSIS:  IMPACT     NO IMPACT     INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT:  STATE     LOCAL     FEDERAL

BUDGET UNIT(S) IMPACT: **Cabinet for Health and Family Services**

FUND(S) IMPACT:  GENERAL     ROAD     FEDERAL     RESTRICTED AGENCY \_\_\_\_\_     OTHER

**FISCAL SUMMARY**

| <b>FISCAL ESTIMATES</b> | <b>2017-2018</b> | <b>2018-2019</b>      | <b>2019-2020</b>      | <b>ANNUAL IMPACT AT FULL IMPLEMENTATION</b> |
|-------------------------|------------------|-----------------------|-----------------------|---|
| <b>REVENUES</b>         |                  | (\$40,000-\$50,000)   | (\$40,000-\$50,000)   | (\$40,000-\$50,000)                         |
| <b>EXPENDITURES</b>     |                  | \$940,000             | \$650,000             | \$650,000                                   |
| <b>NET EFFECT</b>       |                  | (\$980,000-\$990,000) | (\$690,000-\$700,000) | (\$690,000-\$700,000)                       |

( ) indicates a decrease/negative

**MEASURE'S PURPOSE:** The purpose of the measure is to establish a putative father registry.

**PROVISIONS/MECHANICS:** Section 1 creates a new Section of Chapter 199 to establish a putative father registry in the Cabinet for Health and Family Services.

Section 2 creates a new Section of Chapter 199 to prescribe the data the putative father registry will contain and who may access the data.

Section 3 amends KRS 199.470 to remove the waiting period to file a petition for adoption.

Section 4 amends KRS 199.473 to remove the \$200 adoption filing fee and to create a unified application for permission to place or receive a child.

Section 5 amends KRS 199.480 to conform.

Section 6 amends KRS 199.500 to redefine the time at which a voluntary and informed consent for adoption becomes final and irrevocable.

Section 7 amends KRS 199.990 to require a fine of no more than \$1,000 or imprisonment for no more than 12 months for submitting false information and to require a fine of no more than \$1,000 or imprisonment for no more than 12 months for releasing confidential information.

Section 8 amends KRS 406.081 to require courts to resolve cases against alleged fathers who do not comply with ordered genetic testing.

Section 9 amends KRS 406.091 to require the party requesting that the paternity action be filed to pay for genetic testing.

Section 10 amends KRS 625.065 to conform.

Section 11 amends KRS 199.011 to conform.

Section 12 amends KRS 199.502 to conform

Section 13 amends KRS 199.555 to conform.

**FISCAL EXPLANATION:** The Cabinet for Health and Family Services (CHFS, Cabinet) estimates that increased expenditures would be incurred with implementation of the proposed legislation. The Cabinet cites research indicating that putative father registries in Ohio, Tennessee, Indiana, and Missouri average about 3,000 to 5,000 registry searches per year. The Kentucky State Data Center at the University of Louisville reports that Kentucky had 55,716 live births in 2015. According to the Centers for Disease Control and Prevention, 40.3 percent of births nationwide were to unmarried mothers. Based on these data, the Cabinet estimates that there may be 22,453 children born per year to fathers in Kentucky who may wish to register on the putative father registry. As a result of the potential workload associated with the implementation of Senate Bill (SB) 43 including offering technical support, conducting searches of the registry, and adhering to the five-day response to registry inquiries as required by the proposed legislation, at least three additional staff (Grades 12 through Grade 15) would be needed according to CHFS. The estimated cost of the additional three positions is \$295,000 including salary and fringe benefits for the staff positions. CHFS also reports that the current information technology (IT) system used to track child welfare data, The Workers Information System or TWIST, would have to be updated to implement the registry. The Cabinet estimates that it would incur an initial cost of \$345,000 and recurring cost of \$350,000 for technology and staffing associated with implementing the provisions of SB 43.

#### **Section 4**

Under SB 43(13) and the conforming amendments, the \$200 fee currently charged by the Cabinet for permission to place or receive a child for adoption in accordance with KRS 199.473(13) would be eliminated. This is projected to reduce revenues by approximately \$40,000 to \$50,000 per year.

#### **Section 9**

According to CHFS, the proposed amendment to KRS 406.091(7) may prohibit the Division of Child Support Enforcement (CSE) within the Department for Income Support from recouping the genetic testing costs from the biological father. This could increase genetic testing costs for

CSE. The majority of paternity actions are filed on behalf of the Cabinet by the County Attorney who is under contract with the CSE agency. Currently, the alleged father is responsible for reimbursing the CSE agency if the results of the genetic testing establish him as the biological father of the child.

The Cabinet pays \$25 per sample collected for genetic testing which totals to a cost of \$75 to test a mother, father, and child to determine paternity. From January 2017 to November 2017, genetic testing was done on 4,869 cases to determine paternity. And, the noncustodial parent was determined to be the biological father in 3,916, or about 80 percent, of the cases. In Fiscal Year (FY) 2017, the Cabinet's payments for genetic tests totaled \$316,064 (about 4,214 cases) and \$93,082 was recouped. The Cabinet reports that a total of \$1.7 million is outstanding in recouped payments for genetic testing. Based on these data, approximately \$300,000 may be incurred in costs for genetic testing to determine paternity.

The Cabinet also indicates that while the legislation could result in more expedited public agency adoptions, it could not provide an estimate of the fiscal impact.

**DATA SOURCE(S): Cabinet for Health and Family Services**

**PREPARER: Miriam Fordham NOTE NUMBER: 50 REVIEW: JAB DATE: 1/29/2018**