

# Fiscal Note

**BILL #** HB 2541

**TITLE:** DCS hearings; complete disclosure requirements

**SPONSOR:** Diaz

**STATUS:** House Engrossed

**PREPARED BY:** Maggie Rocker

## Description

The bill would require notarized affidavits affirming full disclosure of information from the Department of Child Safety (DCS) in petitions to terminate parental rights (TPR) and dependency petitions. The bill would also mandate follow-up reporting from the department regarding changes in a child's dependency status.

## Estimated Impact

We estimate that the bill's provisions would generate a cost to DCS to the extent that obtaining notarized affidavits and implementing new reporting requirements increase the department's administrative workload.

DCS believes the bill would require data security enhancement, IT upgrades, increased staffing, and increased document processing to store and redact information subject to disclosure. In FY 2026, the agency projects total costs between \$7.6 million and \$9.1 million. Of this amount, between \$3.5 million and \$5.1 million would be ongoing and \$4.0 million would be one-time for IT system modifications. DCS estimates the cost would increase annually as a result of higher case volume and staffing costs, with total costs between \$11.6 million and \$13.9 million by FY 2028. Of this amount, between \$5.6 million and \$7.9 million would be ongoing and \$6.0 million would be one-time for additional system modifications.

We concur with the department that the bill could generate costs from data storage and redaction, but the extent of the fiscal impact will ultimately depend on the volume of information in the department's custody that is not currently stored or redacted, but would be subject to disclosure under the bill.

## Analysis

In Arizona, DCS and other interested parties can file dependency petitions and petitions for the termination of parental rights. Dependency petitions are filed with a juvenile court to determine if a parent is unfit or unable to provide proper care for the child, requiring the child to be removed from custody. Petitions to terminate parental rights permanently sever the parent-child legal relationship and are initiated based on the child's permanency goal and whether a continued legal relationship would be harmful for the child. The department must provide sufficient evidence for each of these proceedings as prescribed in statute.

The bill's provisions would require that any petition filed include a notarized affidavit that the petitioner has fully disclosed all information in its custody, including a description of all evidence in DCS custody, the date of disclosure, and the method of disclosure. The bill would also require DCS to file a report no later than 6 months following the date of a dependency adjudication hearing detailing any changes in a child's dependency status.

DCS anticipates the bill would generate costs in order to accommodate increased document processing and redactions, and provided a range of potential costs that increase over their 3-year estimate. Major components of DCS's estimate include:



- Ongoing data security and compliance, including enhanced encryption, secure document management, and audit systems (\$200,000 - \$1.2 million)
- Ongoing cloud storage expansion and additional server resources to handle case processing and document storage requirements (\$1.3 million - \$2.0 million)
- Ongoing personnel costs for 10-15 FTE Positions to implement software development, system integration, and testing, including staff training and support costs (\$2.5 million - \$3.8 million)
- Ongoing costs of Attorney General services, redactors, caseworkers, and a team manager (\$892,300)
- One-time IT system modifications to integrate and maintain new affidavit and disclosure tracking features in DCS's case management system (\$4.0 million in FY 2026, \$5.0 million in FY 2027, and \$6.0 million in FY 2028)

**Local Government Impact**

None

4/4/25