

## Department of Planning and Budget 2001 Fiscal Impact Statement

**1. Bill Number** HB1581

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron** Hamilton

**3. Committee** Corporations, Insurance & Banking

**4. Title** Adult protective services; report of exploitation by financial inst.

- 5. Summary/Purpose:** HB 1581 would require employees of banks and trust companies, savings banks, building and loan associations, savings and loan companies or associations, and credit unions to report the suspected exploitation of incapacitated persons, based on information obtained in their professional or official capacity. Exploitation is defined as the illegal use of an incapacitated adult or his resources for another's profit or advantage. The reports would be filed with the local department of social services for the city or county where the adult resides or the exploitation is believed to have occurred. If neither locality is known, the report would be made to the local department of the county or city where the exploitation was discovered. Upon receipt of a report, the director of the department would be required to investigate and determine whether the person is in need of adult protective services.

**6. No necessary Fiscal Impact:** (See Item 8, below.)

- 7. Budget amendment necessary:** No. Any funding provided should be placed in Item 380, subprogram 45103.

**8. Fiscal implications:**

**Background and Assumptions:** HB 1581 places a responsibility on a number of private entities but places no requirements on any state agency, requiring only that local departments of social services undertake their normal procedures when they receive a complaint from this new set of "mandated reporters."

Without training or promotional materials, no significant increase in reporting of financial exploitation is anticipated. Thus, HB 1581 could be considered to have no cost impact on the Commonwealth's budget.

The Weldon Cooper Center at the University of Virginia has reported that in 1992 there were 10,280 institutions in Virginia that might be affected by HB 1581. These included depository institutions; real estate firms; insurance carriers; insurance agents, brokers and services firms. In that year these firms employed over 152,000 people.

***Funding Options:***

- As stated above, HB 1581 could be enacted with no funding because it is expected that it would have little impact.
- However, if a promotional campaign involving development and distribution of brochures to the affected institutions were desired, that could be done for from \$50,000 to \$100,000.
- If, on the other hand, it were deemed desirable to train, for example, ten percent of the employees of the affected private entities, a budget of at least \$167,000 the first year (FY 2002) and \$132,000 the second year (FY 2003) would be needed. (See attachment for training budget.) If the training produced a significantly greater workload of cases to be investigated and served at the local level, additional funding might be needed at a later date. That need cannot be estimated at this time, because the number of net new referrals to local APS offices cannot be predicted.

**9. Specific agency or political subdivisions affected:** Virginia Department of Social Services; 122 local departments of social services

**10. Technical amendment necessary:** None

**11. Other comments:** None

**Date:** 1/10/00 / RMC

**Document:** RMC F:\RMC\LEGIS\01FIS\HB1581.DOC

cc: Secretary of Health and Human Resources

PROJECTED COSTS: Training 10% of Private Sector Mandated Reporters							
BILL: HB 1581		VER- SION:	Introduced				
Item of Expense		FY 2002 (8 months)			FY 2003 (12 months)		
	Unit Cost	# Units	Itemized Cost	Summary Costs	# Units	Itemized Cost	Summary Costs
Personnel							
Salary—Program specialist III, starting at \$46,900	\$ 46,900	1	\$31,267	\$ 31,267	1	\$48,542	\$48,542
Benefits—Program specialist III							
Retirement	10.22%	1	\$3,195		1	\$4,961	
FICA	7.65%	1	\$2,392		1	\$3,713	
Insurance	0.80%	1	\$250		1	\$388	
Medical	\$ 5,232	1	\$5,232		1	\$5,232	
Retiree medical	1.21%	1	\$378		1	\$587	
Disability	0.83%	1	\$260		1	\$403	
Sub-total, Benefits				\$ 11,707			\$15,285
Wages--three P-14 trainers @ \$23/hour for 1500 hours	\$23	3*1500	\$69,000	\$ 69,000	1*1500	\$34,500	\$34,500
Operating costs—Program specialist and 3 trainers							
Telephone	\$ 800	4	\$ 2,133		2	\$ 1,600	
Travel	\$ 2,000	4	\$ 5,333		2	\$ 4,000	
Supplies	\$ 400	4	\$ 1,067		2	\$ 800	
Space	\$ 2,800	4	\$ 7,467		2	\$ 5,600	
Insurance	\$ 200	4	\$ 533		2	\$ 400	
IT seat management	\$ 2,130	4	\$ 5,680		2	\$ 4,260	
Printing and postage for training materials	\$ 15,000	1	\$10,000		1	\$ 8,000	
Travel costs for local adult protective services workers @ \$100/worker/class	\$ 100	142	\$ 5,680			\$ 8,660	
Sub-total, Continuing Operating Costs				\$ 37,893			\$ 33,320
One-time costs—Program specialist and 3 trainers							
Office furniture @ \$6,000/ea	\$ 6,000	4	\$16,000		\$0	\$0	
Office machines @ \$500/ea	\$ 500	4	\$ 1,333		\$0	\$0	
Sub-total, One-time Costs				\$ 17,333			\$0
Grand Total				\$167,201			\$ 131,646