

Department of Planning and Budget 2002 Fiscal Impact Statement

1. Bill Number HB513

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron Marrs

3. Committee Health, Welfare and Institutions

4. Title Child welfare agencies; licensure periods.

5. Summary/Purpose:

HB513 requires the Commissioner of the Department of Social Services to establish a uniform licensure period for all licensed child welfare facilities in Virginia. Currently, the Commissioner establishes the licensure period for child welfare facilities; however, the licensure period may vary from one to three years based upon the performance of the facility.

6. Fiscal impact estimates are preliminary . See Item 8.

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2002-03	210,859	2.9	GF
2002-03	223,455	3.1	NGF
2003-04	180,273	2.9	GF
2003-04	191,041	3.1	NGF

7. Budget amendment necessary: Yes. Item 361, subprogram 56101 - Regulation of Adult and Child Welfare Facilities and Agencies.

8. Fiscal implications:

HB513 does not mandate a specific licensure period for child welfare facilities. It does, however, mandate a uniform licensure period. In general, longer periods of licensure are currently given to the facilities with the best performance. As of June 30, 2001, there were 4,235 licensed child care providers in Virginia. Over one half of these providers are currently operating on a one-year license. Because of this, the department would most likely have to set the uniform licensure period at one year in order to reduce the risk to children in these facilities.

Assuming a one-year licensure period is set, the department estimates that it will require approximately 7,500 additional hours of on-site inspections by licensing inspectors, 2,500 additional hours of off-site paperwork review by licensing inspectors, and 2,500 additional hours of review by regional licensing administrators based on current licensing caseloads. There are approximately 130 licensed children's residential facilities in Virginia. Because the number is so small, the estimates for additional hours do not include the impact of the change in licensure on children's residential facilities, as it would be marginal.

The department estimates that it will need 6 additional full-time employees if the uniform licensure period is set at one year for child welfare facilities. Five of the employees will be a Program Administration Specialist I (licensing inspector) in pay band 4 and one of the employees will be a Program Administration Specialist II (regional licensing administrator) in pay band 5. Salary and benefits will total \$332,914 annually. Funds to cover the routine operating costs of postage, office, travel, supplies, telephone, rent, liability insurance, etc. are estimated at \$6,400 per employee. One-time costs totaling \$10,500 per employee are included in the first year for personal computers, office furniture, and equipment. Personnel, equipment, and support costs total \$434,314 in FY03 and \$371,314 in FY04. Costs in the licensing program are cost allocated and the estimated general fund and federal reimbursement match rates were used. The current match rates for licensing are 48.55% and 51.45% respectively.

HB513 Cost Summary

	FY2003	FY2004
Salaries and Benefits	\$332,914	\$332,914
Operating Costs	\$38,400	\$38,400
One-time Equipment	\$63,000	\$-
Total Cost	\$434,314	\$371,314

Federal	\$223,455	\$191,041
General Funds	\$210,859	\$180,273

9. Specific agency or political subdivisions affected:
 Virginia Department of Social Services
 Local departments of social services

10. Technical amendment necessary: N/A

11. Other comments: N/A

Date: 01/18/01/JLR

Document: G:\Fis2002\Dss\Hb513.Doc Jeff Ryan

cc: Secretary of Health and Human Resources