

Department of Planning and Budget

2006 Fiscal Impact Statement

1. Bill Number HB 231

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

2. Patron Jones, Dwight Clinton

3. Committee Health, Welfare and Institutions

4. Title Assisted living facilities, adult day care centers, etc.; emergency preparedness training

5. Summary/Purpose: Adds section requiring all operators of assisted living facilities, adult day care centers, and child welfare agencies to complete an emergency preparedness training program as a condition of licensure. The Board of Social Services, in consultation with the Virginia Department of Emergency Management, will develop the program, which shall include the essential procedures, operations, and assignments required to prevent, manage, and respond to a critical event or emergency, including natural disasters involving fire, flood, tornadoes, or other severe weather; loss or disruption of power, water, communications, or shelter; medical emergencies; explosions; bomb threats; gun, knife, or other weapons threats; spills or exposures to hazardous substances; the presence of unauthorized persons or trespassers; the loss, disappearance, or kidnapping of a resident; hostage situations; violence on the facility property; incidents involving acts of terrorism; and other incidents posing a serious threat of harm to residents, personnel, or facilities.

6. Fiscal impact is preliminary

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2006-07	\$248,080	-	General Fund*
2007-08	\$27,466	-	General Fund*
2008-09	\$101,013**	-	General Fund*
2009-10	\$109,103**	-	General Fund*
2010-11	\$117,193**	-	General Fund*
2011-12	\$125,283**	-	General Fund*

*This impact assumes the Department of Social Services develops and provides the required training at no cost. If a fee is/can be charged, then general fund impact would change to nongeneral funds.

**These amounts reflect the cost of providing emergency preparedness refresher courses (see item 6.)

7. Budget amendment necessary: Yes, Item 341.

8. Fiscal implications: This legislation requires emergency preparedness training for the operators of assisted living facilities, adult day care centers, and child welfare agencies as a condition of licensure. Therefore this analysis assumes that the all current facility operators would undergo training during FY 2007 and any new operators (hired or new facilities) would be required to receive training in subsequent years. The amount shown for FY 2008

reflects the training costs associated with new facility operators, while FY 2009 and beyond illustrates the cost of providing “refresher” courses (see below.) It is also assumed that the Department of Social Services will take the lead on training and provide such training free-of-charge to the affected operators. If the agency is allowed to charge operators for the cost of the training, all general fund impact would change to nongeneral funds.

The Department of Social Services, in conjunction with the Department of Emergency Management, has already developed a six hour curriculum on emergency preparedness for child care providers that will be put into effect in the spring of 2006. This curriculum can be adapted for assisted living facilities and adult care centers, therefore no development costs are anticipated. The department expects to pay experts \$115 per hour plus travel expenses to teach the curriculum since licensing inspectors are not qualified to teach an emergency preparedness training program. Travel expenses estimated in the amount of \$196 per session will be paid to trainers traveling to teach the emergency preparedness curriculum. This amount is based on calculations using the average travel rate provided for the child care provider curriculum for the combined Northern Virginia, Richmond, and Tidewater areas.

Existing Facility Operators

There are a total of 7,000 licensed assisted living facilities, adult day care centers, and child welfare agencies. Assuming that 25 operators could attend each training session, 280 sessions would be required to train existing operators ($7,000/25=280$). These 280 sessions would involve a minimum of 1,680 training hours ($280 \text{ sessions} \times 6 \text{ hours per session} = 1,680$). At a rate of \$115 per hour, the cost to train existing facility operators including travel expense would cost approximately \$248,080 ($1,680 \times 115$) + (196×280). Again, it is anticipated that this expense would be one-time and only occur in FY 2007.

New Facility Operators

Based on past experience, it is estimated that there are 560 new assisted living facilities, adult day care centers, and child welfare agencies per year and each would require operator training. In addition, it is projected that existing facilities will experience a three percent turnover rate for operators (based on Bureau of Labor Statistics, November 2005 News Bulletin), which translates into 210 ($7,000 \times 3\%$) new operators each year. Assuming 25 operators could attend each training, 31 training sessions would be required for new licensees ($770/25=31$). Assuming each class will include a minimum of six hours of instruction, these sessions would involve a minimum of 186 training hours ($31 \text{ sessions} \times 6 \text{ hours} = 186$). At a rate of \$115 per hour, the cost to train existing facility operators including travel expense would cost approximately \$27,466 ($186 \times \115) + ($\$196 \times 31$).

Refresher Training

The department maintains that facility operators will need to periodically receive supplemental training on emergency preparedness to ensure best practices and retention. Therefore the costs outlined in item 6 assume that the department requires all operators to take “refresher” courses on emergency preparedness once every three years; with the initial group being staggered beginning in FY 2009. This cost is shown for illustrative purposes since the department believes such classes are necessary to accomplish the spirit of the legislation; however, the bill does not explicitly require operators to take refresher courses. The following table shows the cost of this bill without any continuing course requirements.

Cost Summary*

	Existing Operators (FY 2007)	New Operators (FY 2008 and beyond)
Number of Operators	7,000	770
Class size	25	25
Training Sessions	280	31
Curriculum Hours	6 hours	6 hours
Hours for training	1,680	186
Rate	\$115	\$115
Travel (\$196/Session)	\$54,880	\$6,076
Cost for Trainers	\$193,200	\$21,390
Total Cost	\$248,880	\$27,466

*The cost summary does not illustrate expenses related to refresher training.

9. Specific agency or political subdivisions affected:

Department of Social Services

Department of Emergency Management

10. Technical amendment necessary: No**11. Other comments:** None

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cc: Secretary of Health and Human Resources
Secretary of Public Safety