

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: SB 738

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

2. Patron: Edwards

3. Committee: Commerce and Labor

4. Title: Adult protective services; reporting of suspected financial abuse of elderly & dependent persons

5. Summary: The bill makes employees of financial institutions mandated reporters of actual or suspected financial abuse of an elder or dependent adult. The amendment requires them to report the actual or suspected financial abuse by telephone, immediately or as soon as is practicably possible to the local adult protective services (APS) agency or to the local law enforcement agency.

The bill provides a definition of "elder or dependent adult," and defines "financial abuse" of an elder or dependent adult as occurring when a person "(i) takes, secretes, appropriates, or retains real or personal property of an elder or dependent adult to a wrongful use or with intent to defraud or (ii) assists in taking, secreting, appropriating, or retaining real or personal property of an elder or dependent adult to a wrongful use or with intent to defraud. It further specifies what constitutes financial abuse.

6. Minimal Fiscal Impact

7. Budget Amendment Necessary: No

8. Fiscal Implications: The costs associated with educating, notifying, and training financial institutions of the reporting requirements should be negligible since the education of mandated reporters is an ongoing function of the APS program with numerous brochures and training materials already available. Information is also provided on the agency website. Many community organizations and employers will continue to assist with notification to mandated reporter groups by providing information through new employee orientation, newsletters, conferences, and membership mailings.

The department does not have sufficient data to accurately estimate the additional number of reports that may be received by local departments as a result of this legislation. In FY 2007, there were 13,515 APS reports in the Commonwealth. Of the reported cases 11,802, were investigated and 7,615 were found to be substantiated cases of adult abuse, neglect or exploitation. Of these substantiated cases, 701 involved some type of financial exploitation. There are no reliable means of estimating how financial institutions would respond to this change and what the resultant impact would be on APS reports. It can be assumed that there would be an increase in reports, the extent of which is unknown. The costs of the additional

investigations and provision of services to these adults would vary depending on the needs of each individual case. Further, these costs would be spread across 121 local agencies, which differ in the number of cases that they serve, depending on the demographics and priorities of the locality. It is assumed that the increased reports would not be equally distributed across the state; that the larger agencies would be better able to absorb any increases; and that the impact on any one local agency would be minimal.

9. Specific Agency or Political Subdivisions Affected:

Department of Social Services

Local Departments of Social Services

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 2/7/2008

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