

## Department of Planning and Budget 2008 Fiscal Impact Statement

**1. Bill Number:** SB472

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

**2. Patron:** Hanger

**3. Committee:** Health, Welfare and Institutions

**4. Title:**        **Licensure of group homes and residential facilities for children.**

**5. Summary:** Eliminates the interdepartmental regulation of children's residential facilities and group homes and requires the Departments of Mental Health, Mental Retardation and Substance Abuse Services, Social Services, and Juvenile Justice to regulate and license the children's residential facilities and group homes for which they are the primary licensing agency. Each agency would be responsible for performing its own background checks for employees working at children's residential facilities and group homes. The Department of Education would only license the educational programs in children's residential facilities and group homes.

**6. Fiscal Impact Estimates:** Minimal

**7. Budget Amendment Necessary:** No

**8. Fiscal Implications:** The bill proposes to change the current interdepartmental licensing model for children's residential facilities (CRFs). The substitute limits the Department of Education's (DOE) licensing responsibility to the regulation of education programs and services offered in CRFs. It stipulates that the Department of Juvenile Justice (DJJ) will license facilities providing care of juveniles in direct state care; the Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS) will license facilities providing mental health, mental retardation or substance abuse services; and the Department of Social Services (DSS) will license facilities providing social services. Each department would promulgate its own regulations. Each facility would have one regulatory agency except those that operate education programs, in which case those facilities would have two regulatory agencies. The DOE would no longer license any residential facilities.

DSS and DMHMRSAS would be responsible for licensing additional facilities that DOE can no longer license. Currently DOE is the lead regulatory authority for nine facilities. It is assumed that four to seven of the facilities would be added to the DSS caseload, which includes two large facilities with licensed capacities of 100 to 150. The additional responsibilities would require DSS to hire one additional staff, the cost of which would be primarily paid for through fees resulting in a minimal general fund impact. DMHMRSAS would have a similar increase in responsibility requiring an additional FTE. However, the cost of this position would be offset by the additional licensing positions added in the Governor's proposed budget.

In addition, background checks currently completed by DSS for DMHMRSAS would be completed by DMHMRSAS if this bill is passed. Current operations at DSS are staffed by funds generated from the fees charged for performing background checks. If this legislation is passed, nongeneral fund staffing levels at both agencies would be adjusted according to the actual changes in workload. It is assumed that there would be no net impact that would require additional funds at either agency.

There would be an increase in revenue for DMHMRSAS and DSS due to the licensure fees the departments would be collecting on these additional facilities. However, there would be no net impact to the state, as these fees are currently being collected by other state agencies.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Social Services, Department of Mental Health, Mental Retardation and Substance Abuse Services, Department of Education.
- 10. Technical Amendment Necessary:** There may be a technical issue with the bill which is being investigated. The use of the word “alone” in line 140, found in the background check section from the DMHMRSAS Code section, would allow individuals to work with children, but not “alone” with children before the result of a criminal background check are obtained. This reduces safeguards for children placed in residential care and violates federal requirements specified by Title IV-E of the Social Security Act. Violation of these requirements could result in repayment of federal funds and additional fines.

**Date:** 2/19/2008 dpb

**Document:** G:\FY2008\FIS\MHMR\SB472s1.Doc

cc: Secretary of Health and Human Resources