

Department of Planning and Budget

2009 Fiscal Impact Statement

1. Bill Number: HB 2514

House of Origin	<u> X </u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Tata, Robert

3. Committee: Commerce and Labor

4. Title: Elder abuse; staff members of financial institutions to report

5. Summary: This bill requires employees of financial institutions including banks, savings institutions, credit unions, securities firms, accounting firms, or insurance companies to report suspected financial exploitation of the institution's clients to a local department of social services or the adult protective services (APS) hotline. This bill specifies that financial exploitation shall be defined as the illegal or improper use of a person's funds, property, or assets.

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 2008, there were 14,314 APS reports in the Commonwealth. Of the reported cases 12,150, were investigated and 7,482 were found to be substantiated cases of adult abuse, neglect or exploitation. Of these substantiated cases, 670 involved some type of financial exploitation - 74 of which were reported by employees of financial institutions.

There are no reliable means of estimating how financial institutions would respond to this mandate 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 clients would vary depending on the needs of each individual case. Further, these costs would be spread across 120 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: 1/23/2009

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