

## Department of Planning and Budget 2010 Fiscal Impact Statement

**1. Bill Number:** HB 921

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

**2. Patron:**        Bell, Robert B.

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

**4. Title:** Department of Social Services; retention of records

**5. Summary:** This legislation provides that all records, information, and statistical registries of the Board of Social Services, Department of Social Services, local boards of social services, and local departments of social services that pertain to public assistance, child support, or other social services must be retained for at least 25 years.

**6. Fiscal Impact Estimates: Preliminary**

**6a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2010	-	-	General
			Federal
2011	\$58,000	-	General
	\$58,000		Federal
2012	\$116,000	-	General
	\$116,000		Federal
2013	\$174,000	-	General
	\$174,000		Federal
2014	\$232,000	-	General
	\$232,000		Federal
2015	\$290,000	-	General
	\$290,000		Federal
2016	\$348,000	-	General
	\$348,000		Federal

**7. Budget Amendment Necessary:** Yes, item 335.

**8. Fiscal Implications:** The Department of Social Services (DSS) follows a retention schedule as prescribed by the Library of Virginia for most of its paper records. These records have varying schedules from three to ten years and are kept at the either on-site or at the Library of Virginia. Under the provisions of this legislation, all of these records would have to be retained for twenty-five years. The department estimates that it would have to lease additional off-site storage facilities to meet the more stringent retention policy as the increased retention would quickly outstrip the capacity of current facilities.

The estimated cost of storing the additional records required by this bill is based upon the following assumptions:

- Based on recent estimates, the social services system currently generates approximately three million pieces of paper at an estimated generation and storage cost of \$1.2 million annually.
- The current average retention time for record is five years.
- Fifty percent of the estimated annual generation and storage cost or \$580,000 (\$1,160,000 \* 50 percent) is associated with the cost for storing documents.
- Each additional year of storage would be proportionate to the total cost for five years.

Based on the above assumptions, \$116,000 (\$580,000/5) is the annual cost of each additional year of storage. In year one, the annual cost for paper storage would be \$116,000, but by year twenty with 25 years of data stored, the cost of paper storage would be \$2,320,000. These costs are estimated at 50 percent general fund and 50 percent federal funds.

Although not included in the cost estimate, since it will not likely occur within the next five years, the increased volume of retained records will likely have an impact on staff costs at some point in the future. As additional records and storage facilities are added, there will clearly be a need for increased management and retrieval efforts in central office and some larger localities.

**9. Specific Agency or Political Subdivisions Affected:**

Department of Social Services

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None

**Date:** 1/24/2010

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