

Department of Behavioral Health and Developmental Services 2016 Fiscal Impact Statement

1. **Bill Number:** HB536

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

2. **Patron:** Hope

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

4. **Title:** Sponsored residential and shared living services; background checks for providers.

5. **Summary:** This bill establishes a requirement for a national fingerprint-based background check for providers of sponsored residential and shared living services.

6. **Budget Amendment Necessary:** Yes, Items 311 and 422. See 8 below.

7. **Fiscal Impact Estimates:** The minimum expenditure impact of the legislation is given below. This estimate includes only the cost of the positions for processing the background checks, and not the other possible identified costs of the bill.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2016			
2017	\$280,222	4.0	Nongeneral
2018	\$280,222	4.0	Nongeneral
2019	\$280,222	4.0	Nongeneral
2020	\$280,222	4.0	Nongeneral
2021	\$280,222	4.0	Nongeneral
2022	\$280,222	4.0	Nongeneral

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2016	\$1,200,000	Nongeneral
2017	\$1,200,000	Nongeneral
2018	\$1,200,000	Nongeneral
2019	\$1,200,000	Nongeneral
2020	\$1,200,000	Nongeneral
2021	\$1,200,000	Nongeneral
2022	\$1,200,000	Nongeneral

8. **Fiscal Implications:** This legislation has a fiscal impact on both the Department of Behavioral Health and Developmental Services and Virginia State Police.

Department of Behavioral Health and Developmental Services

The proposed legislation would expand the reasons for dissemination of criminal record history information by requiring federal background checks for all applicants for sponsored residential services provider positions, individuals seeking permission to enter into a shared living arrangement with a person receiving medical assistance pursuant to a waiver, any adult living in the home of an applicant for approval as a sponsored residential service provider, and any person employed by a sponsored residential services provider to provide services in the home.

In addition the agency would be required to order a background check on any adult that is living with a person in a sponsored residential or shared living arrangement.

The proposed legislation would have a fiscal impact on the operations of the Department of Behavioral Health and Developmental Services (DBHDS) as it will require additional staff at DBHDS Central Office Background Investigations Unit (BIU) to process the increased number of background checks. Currently the agency's BIU has two FTE and one part time employee, who are responsible for processing approximately 20,000 background checks each year (400 per week). The cost of these employees is covered by the administrative fee the agency receives for each background check (\$23 of a total \$60 charged to the provider).

The agency estimates there are currently 1,600 licensed private provider (LPP) locations throughout the Commonwealth, and has conservatively estimated that each provider may process applicants for 12 individuals, doubling the number of background checks the BIU must process ($1,600 \times 12 = 19,200$). If this estimate is accurate, the would require an additional two full time equivalent (FTE) positions and \$75,000 per FTE in nongeneral fund appropriation. If the number of applicants increases, there would be a need for additional NGF appropriation and an increased number of FTEs.

In addition to requiring staff to process the additional background checks, the agency would need a method of verifying the living situation of all LPP applicants and shared living situation applicants to assess whether there are other adults living in their homes that would be subject to a background check. DBHDS licensing department has a similar infrastructure; however, the capacity is not sufficient for the increased demand that would result from the proposed language of this bill.

According to the most recent United States Census Bureau data, the population of residents 18 and over in Virginia is approximately 6,461,200. The number of households is 3,446,471. Therefore, the average number of adults per household is approximately 1.87. Accordingly, DBHDS can expect the number of required background checks to increase by 87 percent as a result of the language requiring the dissemination of criminal background information for adults living within the households of licensed residential services provider applicants. It is currently unclear what kind of capacity would be necessary and whether the administrative fee would cover the cost of identifying and ensuring all such individuals are subject to the test.

Finally, there may be a need to expand enforcement mechanisms to ensure that if any adults living in the home of an individual living in a shared housing situation pursuant to a waiver were to fail a background check, that the individual in question either vacated the shared housing or that the individual receiving benefits would have them revoked. This cost is unknown.

Language in the proposed legislation also requires individuals living in shared housing situations pursuant to a waiver to be subject to a federal background check. These arrangements, as defined by the proposed language, would only exist under waiver redesign. It is extremely difficult to project how many individuals would transition to shared living situations pursuant to a waiver as the reform is yet to be implemented; however, each of these individuals, and any adult living in a home with these individuals, would be subject to a federal background check, which would significantly increase processing demand at DBHDS BIU.

Department of State Police

In order to conduct the additional background checks, the Department of State Police would require a minimum of two additional Program Support Technicians. These positions are required because the employees must understand and recognize Barrier Crime convictions, strip records accordingly prior to dissemination, and perform sensitive and critical functions that should only be completed by someone with a higher level of knowledge, skill and ability. The estimated cost of each position is \$65,511 and is funded by the fee paid by the provider for the background check. Any overages in fees are returned to the general fund.

9. Specific Agency or Political Subdivisions Affected: Department of Behavioral Health and Developmental Services, Community Services Boards, Department of Health, State Police

10. Technical Amendment Necessary: No

11. Other Comments: None