

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number: HB 1945

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

2. Patron: Christopher K. Peace

3. Committee: Health, Welfare and Institutions

4. Title: Adult exploitation; broadens definition for purposes of social services law

5. Summary: The proposed legislation broadens the definition of "adult exploitation" for the purposes of social services laws to include the unauthorized, improper, or fraudulent use of an adult or his funds, property, benefits, or other assets for another's benefit or that deprives the adult of his rightful use of or access to such funds, property, benefits, or other assets. The bill provides that "adult exploitation" includes (i) a breach of a fiduciary obligation to an adult to his detriment or a failure to use the financial resources of an adult in a manner that results in neglect of such adult; (ii) the acquisition, possession, or control of an adult's financial resources or property through the use of undue influence, coercion, harassment, or duress; and (iii) forcing or coercing an adult to pay for goods or services or perform services against his will for another's profit, benefit, or advantage. In addition, the requirement that such adult be incapacitated is removed from the definition. The bill also broadens the definition of "financial institution staff" for the purposes of protecting aged or incapacitated adults to include any employee, agent, qualified individual, or representative of a bank, trust company, savings institution, loan association, consumer finance company, credit union, investment company, investment advisor, securities firm, accounting firm, or insurance company.

6. Budget Amendment Necessary: Yes

7. Fiscal Impact Estimates: Preliminary

Expenditure Impact*:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2017	-	-
2018	\$570,375	General
2019	\$570,375	General
2020	\$570,375	General
2021	\$570,375	General
2022	\$570,375	General
2023	\$570,375	General

*Does not include the estimated local impact of \$104,625.

8. Fiscal Implications: The Department of Social Services (DSS) maintains that removing the current Code requirement that an adult be “incapacitated” from the definition of “adult exploitation” will increase the adult protective services (APS) workload within local departments of social services. This is because locals would receive and have to respond to additional reports of adult exploitation for any adult 18 and over. DSS reports that there is no specific estimate as to how many additional adult exploitation cases local departments would be required to handle as a result of this legislation. In FY 2016, the cost of local staff time devoted to APS activities, which includes adult exploitation for incapacitated adults, was approximately \$6.75 million. DSS estimates that local staff time devoted to APS would increase, at a minimum, by ten percent as a result of this bill. The agency estimates the cost of additional local workers to be \$675,000 ($\$6.75\text{M} \times .10$), split 84.5 percent general fund (\$570,375) and 15.5 percent local match (\$104,625).

9. Specific Agency or Political Subdivisions Affected:

Department of Social Services

Department of Aging and Rehabilitative Services

Local Departments of Social Services

10. Technical Amendment Necessary: It should be noted, that if the bill’s intention is to have allegations of adult exploitation be limited to individuals over 60 years old and those incapacitated adults over the age of 18, then a technical adjustment adding these limiting criteria to the definition would remove any fiscal impact.

11. Other Comments: None

Date: 1/18/17