



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3120 Introduced on January 10, 2017
Author: Gilliard
Subject: Residential Care Facilities
Requestor: House Medical, Military, Public, and Municipal Affairs
RFA Analyst(s): Stein and Kokolis
Impact Date: March 1, 2017 - Updated for additional agency response

Estimate of Fiscal Impact

	FY 2017-18	FY 2018-19
State Expenditure		
General Fund	\$2,322,560	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill will have an expenditure impact to the General Fund of \$2,322,560 in FY 2017-18. The Department of Disabilities and Special Needs (DDSN) must create a physical environment that ensures the safety of its residents who wander at each of its 49 community residential care facilities (CRCF). DDSN’s expenditures include non-recurring General Fund expenses of \$2,000,000 in FY 2017-18 to build the required physical environments and \$272,800 each year for maintenance and training. The Department of Mental Health (DMH) indicates that training and associated coverage of services will increase General Fund expenditures by \$49,760 in FY 2017-18. This statement is updated to include responses from DDSN, DMH, and the Office of the Lieutenant Governor.

Explanation of Fiscal Impact

Introduced on January 10, 2017

Updated for Additional Agency Response

State Expenditure

This bill adds code sections relating to CRCFs and addresses minimal staff-resident ratios and mandatory staff training guidelines. The bill provides guidelines for the care of individuals with Alzheimer’s disease or dementia and provides requirements for physical environments specific to residents with a history of unsafe wandering or elopement. Section 4 amends the requirements for the Department of Health and Environmental Control (DHEC) to assist in the resolution of a dispute over the location of a community residential care facility before the facility is licensed to explicitly require the department to provide notice to the local governing body of the proposed

location and facilitate dispute resolution. The bill also increases by one the number of members on the DHEC Residential Care Committee by adding the director of the Alzheimer's Disease and Related Disorders Resource Coordination Center of the Office of the Lieutenant Governor. Facility operators serving on the committee are appointed by the Governor for terms of four years.

Department of Health and Environmental Control. The agency indicates that this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds. Current staffing levels can absorb the responsibilities of the bill, assuming that facilitating the resolution of a dispute with a local governing body does not significantly change staff responsibilities.

Office of the Lieutenant Governor. The bill requires the Director of the Alzheimer's Disease and Related Disorder Coordination Center to serve on a newly established Residential Care Committee, which shall meet at least annually. There will be no expenditure impact on the General Fund, Federal Funds, or Other Funds.

Department of Mental Health. The department indicates this bill will have an expenditure impact on the General Fund of \$49,760. The legislation imposes added costs to existing CRCFs in the area of staff training, which will require additional expenditures. Each employee would be required to attend two days of training, and their labor would have to be replaced by temporary staff. Approximately eighty-five employees need this training, which results in \$21,760 for temporary staff and \$17,000 in training expenditures. Additionally, the department estimates an expenditure of \$11,000 to purchase a nonintrusive alarm system and other required equipment. This bill will have no expenditure impact on Federal Funds or Other Funds.

Department of Disabilities and Special Needs. The department indicates this bill will have an expenditure impact to the General Fund in FY 2017-18 of \$2,272,800. DDSN directly operates or contracts for operation of 49 CRCFs, which treat approximately 360 individuals. Creation of a physical environment that ensures the safety of residents with a history of wandering or elopement will be a non-recurring expenditure of \$2,000,000 in FY 2017-18. The agency indicates that once these physical environments are in place, it will require a General Fund expenditure of \$172,800 annually for maintenance. Employee training expenditures for approximately 650 staff will be \$100,000 annually. This bill will have no expenditure impact on Federal Funds or Other Funds.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A

Introduced on January 10, 2017

State Expenditure

This bill adds code sections relating to community residential care facilities and addresses minimal staff-resident ratios and mandatory staff training guidelines. The bill provides guidelines for the care of individuals with Alzheimer's disease or dementia. Section 4 amends the requirements for DHEC to assist in the resolution of a dispute over the location of a community residential care facility before the facility is licensed to explicitly require the department to provide notice to the local governing body of the proposed location and facilitate dispute resolution. The bill also increases by one the number of members on the Department of Health and Environmental Control's Residential Care Committee by adding the director of the Alzheimer's Disease and Related Disorders Resource Coordination Center of the Office of the Lieutenant Governor. Facility operators serving on the committee are appointed by the Governor for terms of four years.

Department of Health and Environmental Control. The agency indicates that this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds. Current staffing levels can absorb the responsibilities of the bill, assuming that facilitating the resolution of a dispute with a local governing body does not significantly change staff responsibilities.

Lieutenant Governor. The expenditure impact of this bill is pending, contingent upon a response from the agency. The bill requires the Director of the Alzheimer's Disease and Related Disorder Coordination Center to serve on a newly established Residential Care Committee, which shall meet at least annually.

Department of Mental Health. The expenditure impact of this bill is pending, contingent upon a response from the agency.

Department of Disabilities and Special Needs. The expenditure impact of this bill is pending, contingent upon a response from the agency.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director