



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

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| Bill Number: | S. 0002 | Amended by the Senate on February 26, 2025 |
| Subject: | Department of Behavioral Health and Developmental Disabilities | |
| Requestor: | Senate Medical Affairs | |
| RFA Analyst(s): | Boggs | |
| Impact Date: | March 10, 2025 | |

Fiscal Impact Summary

Sections 1 – 14 and Sections 17 – 20 of this bill restructure the current mental health agencies by creating the Department of Behavioral Health and Developmental Disabilities (DBHDD) in FY 2025-26. This department will consist of the Office of Intellectual and Developmental Disabilities (OIDD), the Office of Mental Health (OMH), and the Office of Substance Use Services (OSUS). The Department of Alcohol and Other Drug Abuse Services (DAODAS), the Department of Disabilities and Special Needs (DDSN), and the Department of Mental Health (DMH) will dissolve, and all existing FTEs and appropriated funds of these agencies will move to the appropriate office within DBHDD. All applicable bonded indebtedness, real and personal property, assets, liabilities, contracts, regulations, or policies of DDSN, DMH, or DAODAS will continue in effect in the name of the DBHDD or the appropriate component division. The Department of Administration (Admin) will assist with the transfer of operating expenses and any other such transfers as specified in this bill. Further, the bill makes conforming changes throughout the code to reflect the newly formed department and offices.

DDSN anticipates a one-time expense of less than \$100,000 in FY 2025-26 related to changing the department name and logo that can be managed within existing appropriations. Additionally, dependent upon any additional responsibilities that may arise due to the restructuring, DDSN anticipates this bill may have an additional undetermined expenditure impact beginning in FY 2025-26.

DMH anticipates that this bill will result in an undetermined expenditure impact in FY 2025-26 as this bill would likely affect the overall SCEIS master data structure, organizational workflows, systematic program workflows, such as procurement authority and budget authorization, and additional changes needed for contractual agreements held by DMH. DMH also anticipates a potential increase in expenditures due to this bill, dependent upon any additional responsibilities that may arise due to the restructuring.

Dependent upon any additional responsibilities that may arise due to the restructuring, DAODAS anticipates this bill may have an additional undetermined expenditure impact beginning in FY 2025-26.

Admin anticipates that any costs associated with this bill can be managed with existing staff and

appropriations. The Governor's Office anticipates being able to manage the responsibilities of this bill within the normal course of business.

Section 15 of this bill requires the director of the Department of Public Health (DPH) to hire a Director of Community Living Integration and an Americans with Disabilities Coordinator. DPH estimates an agency cost of \$118,596 in salary and \$53,368 in fringe benefits for 1.0 Program Manager III FTE and \$97,472 in salary and \$43,862 in fringe benefits for 1.0 Program Manager II FTE. DPH also anticipates that there will be an estimated \$13,000 non-recurring expense for laptops, monitors, and office equipment for the new employees and a recurring expense of \$61,856 for indirect agency costs and standard employee operating costs in FY 2025-26. Therefore, this bill would result in an estimated non-recurring increase of \$13,000 in FY 2025-26 and an estimated increase of \$375,154 beginning in FY 2025-26. The agency anticipates requesting an increase in General Funds appropriations to cover these expenses.

Section 16 of this bill authorizes the Medical University of South Carolina (MUSC) to fulfill the role of Regional Tertiary Level Development Evaluation Center, to be referred to as a developmental evaluation center. Also, this bill defines neurodevelopmental disorders and requires MUSC to provide neurodevelopmental evaluations and limited treatments services for individuals up to twenty-one years old who have a suspected or diagnosed neurodevelopmental disorder or who are referred and accepted for services. Further, this bill requires MUSC, contingent upon sufficient funding, to work with institutions, state agencies, and other organizations to increase the number of neurodevelopmental professions, increase community provider neurodevelopmental services capacity, and participate in neurodevelopmental research.

The fiscal impact of this bill is pending, contingent upon a response from MUSC.

Explanation of Fiscal Impact

Amended by the Senate on February 26, 2025

State Expenditure

Sections 1 – 14 and Sections 17 – 20 of this bill restructure the current mental health agencies by creating DBHDD in FY 2025-26. This department will consist of the OIDD, OMH, and OSUS. DAODAS, DDSN, and DMH will dissolve, and all existing FTEs and appropriated funds of these agencies will be moved to the appropriate office within DBHDD. All applicable bonded indebtedness, real and personal property, assets, liabilities, contracts, regulations, or policies of DDSN, DMH, or DAODAS will continue in effect in the name of the DBHDD or the appropriate component division. Employees of DAODAS, DDSN, and DMH shall maintain their same status with the appropriate component department of DBHDD. Admin will assist with the transfer of operating expenses and any other such transferred as specified in this bill.

The Governor, with the advice and consent of the Senate, must appoint the director to act as the head and governing authority of DBHDD. Further, this bill lists the duties of the director to include developing a cohesive and comprehensive plan for services provided by the component offices housed within the department so that there is a maximum level of coordination among the component offices. Additionally, this bill requires the director of DBHDD to procure

collaboration technology that enables coordination and accountability across the departments and with local partners.

Each component office shall be headed by an office director appointed by the department's director. The director may, to the extent authorized through the annual appropriations act or relevant permanent law, organize the administration of the department, including the assignment of personnel to the offices and among its component departments, as is necessary to carry out the department's duties. Except as outlined in this bill, OIDD, OMH, and OSUS shall operate as component departments of DBHDD in FY 2025-26 using the authority and funds appropriated to DDSN, DMH, and DAODAS as standalone agencies in the appropriations act of 2025-26. Further, all applicable bonded indebtedness, real and personal property, assets, liabilities, contracts, regulations, or policies of the merging agencies shall continue in effect in the name of DBHDD or the appropriate component division.

Department of Disabilities and Special Needs. DDSN anticipates a one-time expense of less than \$100,000 in FY 2025-26 related to changing the department name and logo that can be managed within existing appropriations. Additionally, dependent upon any additional responsibilities that may arise due to the restructuring, DDSN anticipates this bill may have an additional undetermined expenditure impact beginning in FY 2025-26.

Department of Mental Health. DMH anticipates that this bill would likely affect the overall SCEIS master data structure, organizational workflows, systematic program workflows, such as procurement authority and budget authorization, and additional changes needed for contractual agreements held by DMH. DMH anticipates this bill may increase expenses, dependent upon the department responsibilities under the new structure. Therefore, this bill will have an undetermined expenditure impact for DMH beginning in FY 2025-26.

Department of Alcohol and Other Drug Abuse Services. Dependent upon any additional responsibilities that may arise due to the restructuring, DAODAS anticipates this bill may have an additional undetermined expenditure impact beginning in FY 2025-26.

Department of Administration. Admin anticipates being able to manage the responsibilities of this bill with existing staff and within existing appropriations. Therefore, this bill will have no expenditure impact for Admin.

Governor's Office. The Governor's Office anticipates being able to manage the responsibilities of this bill within the normal course of business.

Section 15 of this bill states that the director of DPH shall appoint a Director of Community Living Integration who will be responsible for providing oversight in the assessment of the current state of community integration in South Carolina and in the creation of the community integration goals and objectives to be included in the State Health Plan. The Director of Community Living will report to the director of DPH and shall select an Americans with Disabilities Coordinator. The director of DPH shall also establish and appoint members to a health planning advisory committee to provide advice in the development of the plan. Members

of the advisory committee should include health care providers, representatives from the disabled community, disability advocacy agencies, consumers, payers, and public health professionals. Members of the advisory committee are allowed the usual mileage and subsistence as provided for members of boards, committees, and commissions.

Section 15 of the bill also requires DPH to hire a Director of Community Living Integration and an Americans with Disabilities Coordinator. DPH used the midpoint of respective salary pay bands to estimate the agency's cost of filling these positions at \$118,596 in salary and \$53,368 in fringe benefits for 1.0 Program Manager III FTE and \$97,472 in salary and \$43,862 in fringe benefits for 1.0 Program Manager II FTE. DPH also anticipates that there will be an estimated \$13,000 non-recurring General Funds expense for laptops, monitors, and office equipment for the new employees and a recurring General Fund increase of \$61,856 for indirect agency costs and standard employee operating costs in FY 2025-26. Therefore, this bill would result in an estimated non-recurring increase in expenses of \$13,000 in FY 2025-26 and an estimated increase of \$375,154 in expenses beginning in FY 2025-26. DPS anticipates requesting a General Funds appropriations increase for these expenses.

Section 16 of this bill authorizes MUSC to fulfill the role of Regional Tertiary Level Development Evaluation Center, to be referred to as a developmental evaluation center. Also, this bill defines neurodevelopmental disorders and requires MUSC to provide neurodevelopmental evaluations and limited treatments services for individuals up to twenty-one years old who have a suspected or diagnosed neurodevelopmental disorder or who are referred and accepted for services. Further, this bill requires MUSC, contingent upon sufficient funding, to work with institutions, state agencies, and other organizations to increase the number of neurodevelopmental professions, increase community provider neurodevelopmental services capacity, and participate in neurodevelopmental research.

The fiscal impact of this section of the bill is pending, contingent upon a response from MUSC.

State Revenue

This bill will result in a transfer of an undetermined amount of revenue from current mental health agencies to the newly created DBHDD in FY 2025-26.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director