



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

WWW.RFA.SC.GOV • (803)734-3793

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.

Bill Number:	S. 0002	Introduced on January 14, 2025
Subject:	Department of Behavioral Health and Developmental Disabilities	
Requestor:	Senate Medical Affairs	
RFA Analyst(s):	Boggs	
Impact Date:	January 29, 2025	

Fiscal Impact Summary

Sections 1 – 14 and Sections 25 – 28 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 Abuse Services (OSAS). 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.

Sections 15 – 16 of this bill make changes regarding declaration of a state of emergency for all or part of the state. The Governor’s Office anticipates being able to manage the responsibilities of this bill within the normal course of business.

Section 17 of this bill permits a pharmacist the right to refuse to fill or refill a prescription under specific circumstances. Based on a response on similar legislation, this bill will have no expenditure impact for the Board of Pharmacy, which is under the administration of the Department of Labor, Licensing and Regulation (LLR), because the bill does not alter the responsibilities of the department or its boards.

Sections 18 – 24 of this bill give sheriffs and police officers the discretion as to whether they will aid and assist the director of the Department of Public Health (DPH) in carrying out orders during a state of public health emergency. Additionally, this bill removes DPH’s ability during a public health emergency to require in state health providers to assist in the performance of vaccinations, treatment, examination, or testing of any individual as a condition of licensure, authorization, or the ability to continue to function as a health care provider in the state. Further, this bill provides a deadline for a petition for an order authorizing the isolation or quarantine of an individual or group of individuals. DPH expressed concern that limiting the agency’s ability to respond to a public health emergency could result in costs to the state, as well as a loss of Federal Funds that could potentially aid the state in an emergency. However, due to the unknown nature of future health emergencies, DPH is unable to provide an estimate of the potential impact to the General Fund and Federal Funds.

Explanation of Fiscal Impact

Introduced on January 14, 2025

State Expenditure

Sections 1 – 14 and Sections 25 – 28 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 OSAS. 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. The director 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 and shall select an Americans with Disabilities Coordinator. The director 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.

The component offices 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 OSAS 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 2024. 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.

Sections 15 – 16 of this bill make changes regarding declaration of a state of emergency for all or part of the State. The Governor's Office anticipates being able to manage the responsibilities of this bill within the normal course of business.

Section 17 of this bill permits a pharmacist the right to refuse to fill or refill a prescription under specific circumstances. Based on a response on similar legislation, this bill will have no expenditure impact for the Board of Pharmacy, which is under the administration of the Department of Labor, Licensing and Regulation (LLR), because the bill does not alter the responsibilities of the department or its boards.

Sections 18 – 24 of this bill give sheriffs and police officers the discretion as to whether they will aid and assist the director of DPH in carrying out orders during a state of public health emergency. Additionally, this bill removes DPH's ability during a public health emergency to require in state health providers to assist in the performance of vaccinations, treatment, examination, or testing of any individual as a condition of licensure, authorization, or the ability to continue to function as a health care provider in the state. Further, this bill provides a deadline for a petition for an order authorizing the isolation or quarantine of an individual or group of individuals. DPH expressed concerned that limiting the agency's ability to respond to a public health emergency could result in costs to the state, as well as a loss of Federal Funds that could potentially aid the state in an emergency. However, due to the unknown nature of future health emergencies, DPH is unable to provide an estimate of the potential impact to the General Fund and Federal Funds.

State Revenue

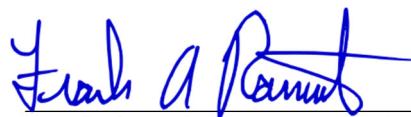
This bill will result in a transfer of an undetermined amount of revenue from current mental health agencies to the newly created DBHDD in FY 2025-26.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director