

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2440 HB	<b>Title:</b> Youth host home programs	<b>Agency:</b> 300-Dept of Social and Health Services
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.
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### Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.
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### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

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If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

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If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

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Capital budget impact, complete Part IV.

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Requires new rule making, complete Part V.

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## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

The bill exempts host home programs that serve youth who are not in the care and custody of the Department of Social and Health Services (DSHS) and are operated by a tax exempt organization from licensing requirements under RCW 74.15, if the home performs the following functions:

- i) Recruits and screens potential homes in the program, including performing background checks on individuals residing in the homes through DSHS' central background check unit and the Washington State Patrol (WSP) or equivalent law enforcement agency, and perform physical inspections of the homes;
- ii) Provides case management services to youth in the program;
- iii) Obtains a written and notarized permission or limited power of attorney from the parent or legal guardian of the youth authorizing the youth to participate in the program; and
- iv) Obtains insurance for the program through an insurance provider authorized under Title 48 RCW.

The bill also requires DSHS to provide a report to the governor and legislature that includes the best practices for host home programs, including any recommendations regarding licensing or certifying host home programs.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

It is unclear if DSHS Children's Administration (CA) is expected to absorb the cost of the background checks or if the CA could bill host homes for the cost of the background check.

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

Section 1 (2) (o) exempts host homes if the home meets certain criteria and performs background checks on individuals residing in the homes through DSHS' central background check unit.

DSHS-Financial Services Administration's Background Check Central Unit (BCCU) is a centralized service within DSHS that does not have the authority to bill outside service providers.

For BCCU to accept a background check, a program within DSHS has to authorize the service provider to request background checks through BCCU. The requesting program is then billed for the cost of the background check through a charge-back.

The fiscal impact is indeterminate without additional clarification about which entity is responsible for the cost of the background check. It is unclear if DSHS Children's Administration (CA) is expected to absorb the cost of the background checks or if the CA could bill host homes for the cost of the background check. There is also no data on the number of host homes programs or the number of individual host homes that would require background checks. Two scenarios are estimated below.

Scenario 1: Assumes CA may bill host homes for the cost of background checks performed by the BCCU.

Section 1 (2) (o) (i) will result in a workload impact at CA and will increase the background check charge-back from BCCU to CA.

DSHS estimates it would require an additional .25 FTE (Social Service Specialist 3) on an ongoing basis to receive host home background check applications and verify that the host home program meets the conditions in section (1) (2) (o) and authorize the host home program to submit a background check request by mail to the BCCU. This is based on an estimated 34 hours of work per month to review host home background check applications and authorize the host home to submit a background check form by mail directly to the BCCU. (34 hours per month/138 productive staff hours per month = .25 FTE)

This scenario also requires .25 FTE (Administrative Assistant 3) to process payments made by host homes for the cost of the background check.

#### Estimated Staffing Costs:

- Social Service Specialist 3 (0.25 FTE) = \$34,229 salary/benefits
- Administrative Assistant (0.25 FTE) = \$28,804 salary/benefits

Costs related to background checks would be billed to host homes.

Total estimated cost related to Section 1 (2): \$63,033 (\$61,772 GF-S)

Section 2 requires DSHS to provide a report to the Governor and appropriate committee of the Legislature that includes best practices for host home programs, including any recommendations regarding licensing or certifying host home programs by July 1, 2017. This section affects DSHS-Children's Administration, Division of Licensed Resources.

DSHS assumes this report would require 34 hours per month in additional staff time (Washington Management Service Band 3 - .25 FTE) on a one-time basis. This is estimated to cost \$39,088 salary and benefits in Fiscal Year 2017.

Total Costs for Option 1: \$102,121 salary and benefits (\$100,078 GF-S) and .75 FTE

Scenario 2: Assumes CA will absorb the cost of background checks performed by the BCCU for host homes.

#### Staffing and Related Costs:

DSHS estimates this would still require an additional .25 FTE (Social Service Specialist 3) on an ongoing basis to receive host home background check applications and verify that the host home program meets the conditions in Section (1) (2) (o) and authorize the host home program to submit a background check request by mail to the BCCU.

Social Service Specialist 3 (0.25 FTE) = \$34,229 salary/benefits

#### Background Check Related Costs:

Assuming a range between 50 to 300 potential host homes with an average of five household members per home who would require background checks. The fiscal impact of the background checks could range between \$15,067 and \$36,762 for the cost of the background check and related staffing.

Low estimate: \$15,067 (\$755 annual cost for background checks + \$14,312 Staffing)

- \$755 background checks = (50 potential host homes \* 5 household members) \* \$3.02 per mailed-in background check processing fee
- \$14,312 staffing = 250 background checks/5083 background checks per 1 FTE = 0.05 FTE
- Form and Records Analyst 3 (.05 FTE) = \$14,312 salary and benefits

High estimate: \$36,762 (\$4,530 annual cost for background checks + \$32,232 Staffing)

- \$4,530 background checks = (300 potential host homes \* 5 household members) \* \$3.02 per mailed-in background check processing fee
- \$32,232 Staffing = 1500 background checks/5083 background checks per 1 FTE = 0.30 FTE
- Form and Records Analyst 3 (0.30 FTE) = \$32,232 salary and benefits

Section 2 requires DSHS to provide a report to the governor and appropriate committee of the legislature that includes best practices for host home programs, including any recommendations regarding licensing or certifying host home programs by July 1, 2017.

DSHS assumes this report would require 34 hours per month in additional staff time (Washington Management Service Band 3 - .25 FTE) on a one-time basis. This is estimated to cost \$39,088 salary and benefits in FY 2017. Total Cost for Option 2: ranges between \$88,383 (\$86,916 GF-S) and \$110,078 (\$108,612 GF-S)

DSHS Financial Services Administration (Program 110)

Without additional clarification, the fiscal impact for DSHS Financial Services Administration's Background Check Central Unit (BCCU) is also indeterminate. The bill does not specify the type of background check to be performed by DSHS-BCCU or indicate which criminal history records or negative action information should be sent to the host home program who is approving the host home applicant.

BCCU performs in-state name and date of birth background checks. The BCCU background check system automatically searches criminal history and negative action records from multiple data sources. The BCCU name and date of birth background check includes a search of: the Washington State Patrol "WATCH" system, Administrative Office of the Courts (AOC) public data warehouse; Department of Health (DOH) professional licensing actions, and founded findings contained in the child and adult abuse and neglect registries in the DSHS FamLink databases. The DOH and DSHS findings information available to BCCU is limited to an indicator that the subject individual has a founded finding of abuse or neglect or a DOH licensing action, the specifics of the action are not received and are not reported as part of the BCCU background check. BCCU does not receive data on in-progress abuse and neglect investigations or unfounded findings contained in the DSHS FamLink database. The bill does not specify if the background check limited to a Washington State Patrol criminal history check or if it should include checks of AOC, DOH and founded findings of abuse and neglect in Famlink.

It is unclear if BCCU has the authority to include all of the data sources listed above in the background check referenced in this bill or whether it is limited to a WSP criminal history records check. Child Protective Services findings information may be protected under federal or state law. Prior to performing background checks for host homes/host home programs, BCCU will need to consult with the DSHS Public Records Officer, Children's Administration, and Aging and Long Term Support Administration to determine if findings information can be disseminated under federal or state law to host home programs.

Typically, BCCU provides a result letter that includes the criminal history and negative action records that are reported by the various data sources. Depending on what information is required in the background check and what information can be disseminated under federal and state law to host homes, BCCU may need to modify its Criminal History System. Without additional clarification, this results in an indeterminate fiscal impact due to

potential information technology modifications.

The Criminal History System may require modifications to accept a new inquiry type for host homes, to use special record/no record result letter templates that apply only to the new background check type, and to block information stored in the BCCU database that cannot be disseminated under federal or state laws. Depending on what background check sources are allowed for host home background checks, the system may need to be programmed to prevent abuse and neglected founded findings, Department of Health licensing actions, and Administrative Office of the Courts data from being searched and disseminated with the background check result.

In addition to requiring a background check through the BCCU, the bill also requires a background check through the Washington State Patrol, which is duplicative since the BCCU background check includes a search of WSP WATCH records.

### **Part III: Expenditure Detail**

### **Part IV: Capital Budget Impact**

### **Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

This may require new language to be added to the background check WAC 388-06.