



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 119

PRINTERS NO. 1927

PRIME SPONSOR: Kaufer

### COST / (SAVINGS)

FUND	FY 2016/17	FY 2017/18
General Fund	\$0	See Fiscal Impact

**SUMMARY:** House Bill 119, Printer's Number 1927, amends the Administrative Code to require the Department of Drug and Alcohol Programs (DDAP) to certify drug and alcohol recovery houses which receive public funding. This legislation is effective in six months.

**ANALYSIS:** This legislation requires DDAP to establish standards for the certification of all drug and alcohol recovery houses that receive state or federal funds, and to monitor and inspect recovery houses to ensure compliance. DDAP must conduct an onsite inspection prior to issuing a certificate of compliance and may conduct onsite follow-up monitoring to ensure ongoing compliance or as a result of receiving a complaint of noncompliance. The department shall establish application, inspection and annual certification renewal fees.

Recovery houses are required to submit the following documents to DDAP, along with a completed application for certification and the appropriate fee:

- Policy and procedure manual with:
  - Staff job descriptions
  - Drug testing procedures and requirements
  - Alcohol and drug prohibitions
  - Resident recovery policies
  - Policy for neighborhood concerns
  - Property maintenance data (safety exits, smoke detectors, fire extinguishers)
- Rules for residents
- Copies of each form provided to residents
- Intake procedures
- Relapse policy
- Fee schedule
- Refund policy
- Eviction procedures and policy
- Code of ethics
- Proof of meeting insurance requirements
- Criminal history record check requirements

- Requirements for proof of satisfactory fire, safety and health inspections
- Ownership information

DDAP shall require criminal history record checks for all owners, directors, chief financial officers, applicants, employees and volunteers of a recovery house. In addition, no recovery house may be owned by an individual or hire a house administrator, director or chief financial officer who has been convicted of enumerated crimes and offenses.

DDAP must deny, suspend or revoke certification for any recovery house which: does not comply with the bill's provisions; fails to remedy a deficiency identified by DDAP; provides false, misleading or incomplete information; is delinquent on payment of state taxes; or knowingly has a house administrator, owner, director or chief financial officer who has been convicted of certain crimes and offenses.

DDAP shall be required to establish the following in regard to a house administrator:

- standards and criteria for the purpose of developing and administering certification;
- core competencies, certification requirements, testing instruments and recertification requirements;
- a process to administer certification, application, award and maintenance processes;
- minimum requirements of training, work experience, supervision and a disciplinary process for certified individuals; and
- application, certification and annual certification renewal fees adequate to carry out the provisions of this article.

A house administrator may not actively manage more than three drug and alcohol recovery houses at the same time.

DDAP must develop standards for policies or procedures to address the following:

- residents, upon admission, are informed of all house rules, residency requirements and lease agreements;
- establishment and maintenance of an accounting system that fully documents each financial transaction;
- the safety and protection of each resident and the community;
- promotion of recovery by requiring participation in treatment, self-help groups or other recovery supports;
- requiring abstinence from alcohol and other drugs;
- appropriate use and security of medication;
- maintenance of property and grounds including safety exits, and installation of functioning smoke detectors and fire extinguishers;
- general safety and emergency procedures; and
- referral agreements to handle relapses.

DDAP must establish a code of ethics for certified drug and alcohol recovery houses and maintain a registry of all certified drug and alcohol recovery houses in the Commonwealth. This information must be posted to the department's website. DDAP must promulgate regulations to administer this article and consider developing ways to encourage the referral to drug and alcohol recovery houses that are in full compliance.

If the department determines that a certified recovery house is not in compliance, an administrative penalty of up to \$1,000 per day may be imposed. DDAP shall refer an alleged violation of any federal, state or local law to the appropriate agency for investigation.

Fees and fines shall be deposited into the Certified Drug and Alcohol Recovery House Account established in this legislation and used for enforcement of this article.

**FISCAL IMPACT:** DDAP estimates at least 500 drug and alcohol recovery houses may apply for certification. The department shall establish application, inspection and annual certification renewal fees which could cover the costs of this legislation. Some funding may be necessary to support activities until fee revenues are received.

**PREPARED BY:** Ann Bertolino  
House Appropriations Committee (R)

**DATE:** June 7, 2017

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*