



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 906

PRINTERS NO. 1447

PRIME SPONSOR: Yudichak

COST / (SAVINGS)

FUND	FY 2019/20	FY 2020/21
General Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY: Senate Bill 906, Printer's Number 1447, establishes a moratorium on the closure of State centers under the Mental Health and Intellectual Disability Act of 1966. This legislation is effective immediately.

ANALYSIS: This legislation establishes the Task Force on the Closure of State Centers (Task Force) which must complete a comprehensive evaluation of the state centers and provide recommendations to the Department of Human Services (DHS) prior to the closure of one or more state centers. No State center shall close until a majority of the Task Force approves the closure and five years has elapsed since the effective date of SB 906. The Task Force is comprised of the following members:

- DHS Secretary or designee;
- One representative from each State center, appointed by each center director;
- One representative from the Governor's Office;
- The chair and minority chair of the Health and Human Services Committee of the Senate or their designees;
- The chair and minority chair of the Health Committee of the House of Representatives or their designees;
- Two family members of residents of State centers, to be appointed by the DHS Secretary;
- One representative of a nonprofit organization that advocates for individuals with intellectual disabilities, to be appointed by the DHS Secretary;
- One physician, psychiatrist or psychologist with experience providing services to individuals with intellectual disabilities, to be appointed by the DHS Secretary in consultation with the State centers representatives.

The DHS Secretary must convene an initial Task Force meeting within 60 days and then meet bi-weekly to evaluate the impact of a closure on all of the following: residents of the State center and their families; employees, both union and nonunion; the local economy where the State center is located; and readiness of provider agencies in each region to expand the community-based residential infrastructure to support residents leaving State centers.

If the Task Force deems a State center eligible for closure, DHS shall prepare a plan to transition residents to a home or community-based support system. A majority of the Task Force members must vote to approve the DHS closure plan and DHS shall make the plan available to the public. The closure plan must include all of the following:

- An assessment of the State center, including:
 - A certified independent appraisal of the State center property.
 - A report of the State employees working at the State center, both full-time and part-time, including the total number of employees, the cost of the total wages and total benefits paid to employees and an organizational flow chart of employees working at the State center.
 - A detailed report of the services provided at the State center by contracted third-party vendors.
 - An inventory of assets located at and improvements on the State center.
 - A report of all electric, utility, water, landscaping, snow removal and maintenance costs of the State center.
 - Geospatial images of the State center.
 - A detailed description of the existence, ownership rights and appraised value of any mineral rights on the State center property.
 - A historical report of the institutional property, including the date it was acquired or constructed, the dates of any improvements on the property, any changes in property records, such as subdivision of the property, historical employment or complement levels and other historical data.
- The timeline, specific to each State center, for the transition to a home and community-based support system for all individuals living at the State center. This information shall specify the critical milestones in the closure process and DHS's planned course of action to effectuate the closure, including available and necessary resources.
- The home and community-based support providers available in the immediate geographic area surrounding the State center.
- The process DHS will utilize at each State center to transition individuals with intellectual disabilities to a home and community-based support system.
- The process DHS will utilize at each State center to close buildings and reassign staff when individuals with intellectual disabilities are transitioning from State centers to a home and community-based support system.
- Any other information deemed appropriate by DHS as part of the plan.

A State center subject to closure must continue to operate with the level of staff necessary until all residents have been transitioned to home and community-based services.

FISCAL IMPACT: SB 906 may have an annual fiscal impact of more than \$32 million in state funds to the Commonwealth. Because this legislation delays the closure of any one or all of the State centers, below is a chart of the current total and state cost differentials of serving individuals in State centers and in the community and the potential total and state savings. The total cost per

consumer in the community is based on DHS’s experience from the recent closure of Hamburg Center in 2018.

	Ebensburg	Polk	Selinsgrove	White Haven	
Total Funding for ID Facility	\$79,631,000	\$81,850,000	\$83,766,000	\$50,761,000	
State Funding for ID Facility	\$30,061,000	\$30,609,000	\$31,357,000	\$19,712,000	
July 2019 Population	196	195	210	115	
Total Cost per Consumer - Facility	\$406,281	\$419,744	\$398,886	\$441,400	
State Cost per Consumer - Facility	\$153,372	\$156,969	\$149,319	\$171,409	
Total Cost per Consumer - Community	\$225,000	\$225,000	\$225,000	\$225,000	
State Cost per Consumer - Community	\$111,038	\$111,038	\$111,038	\$111,038	
Additional Total Cost per Consumer for Remaining in Facility	\$181,281	\$194,744	\$173,886	\$216,400	
Additional State Cost per Consumer for Remaining in Facility	\$42,335	\$45,932	\$38,282	\$60,371	Total
Additional Total Cost for All Residents Remaining in Facility	\$35,531,000	\$37,975,000	\$36,516,000	\$24,886,000	\$134,908,000
Additional State Cost for All Residents Remaining in Facility	\$8,297,650	\$8,956,688	\$8,039,125	\$6,942,688	\$32,236,150

These dollar amounts will change in future years due to the impact of employee/union contracts and the declining census in State centers as well as the changing needs of individuals with intellectual disabilities served in the community. In addition, funding will need to be provided for nearly \$10 million in capital projects currently on hold at two State centers.

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House Appropriations Committee (R)

DATE: January 15, 2020

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