

Fiscal Note



Fiscal Services Division

<u>HF 2422</u> – Sex Offender Notification (LSB 5519HV) Analyst: Dwayne Ferguson (Phone: 515-281-6561) (<u>dwayne.ferguson@legis.state.ia.us</u>) Fiscal Note Version – New

Description

House File 2422 relates to registered sex offenders residing in nursing facilities, residential care facilities, and assisted living facilities and requires notice to other residents and their families. A sex offender cannot be placed in one of these facilities by court order, referral, or other means without the approval of the administrator or owner of the facility. The clerk of court must notify the Department of Inspection and Appeals (DIA) and the admitting facility of a registered sex offender's status upon the Court's commitment of the individual to a facility. Facilities are required to search the sex offender registry to determine the status of individuals admitted to their facilities. Registered sex offenders are required to notify the facilities upon their admission. Facilities are required to have a written safety plan for each registered sex offender admitted. The Department of Human Services (DHS) is to secure placement for sex offenders released from prison and other sex offenders in need of facility care but who are unable to find placement. The DHS has 10 days to find placement. The DHS may contract with private facilities or provide placement in a DHS facility. The Bill requires two committees: (1) a workgroup to address issues ensuring an adequate workforce is available to provide services for the sex offender population, and (2) a committee to examine options for designating a facility to provide care for persons with a history of committing sexual offenses.

Assumptions

- Nine persons on the sex offender registry are currently housed in nursing facilities, and the Department of Corrections (DOC) will release three sex offenders in FY 2013 that will require nursing facility care, bringing the FY 2013 total to 12 sex offenders under DHS care. Eight of these individuals will be eligible for federal Medicaid funding.
- It is estimated that twenty-three of the 38 registered sex offenders currently in residential care facilities will be moved to DHS-sponsored facilities. Fifteen new sex offenders will be admitted to DHS facilities. None of these 38 individuals will be eligible for Medicaid funding.
- The DHS projects it will be less expensive to contract with a private provider than to renovate and house registered sex offenders in an existing DHS facility. The per-resident cost will be \$293 per day for a nursing facility and \$56 per day for a residential care facility. No assisted living residents are included in the estimate.
- Capital costs paid to the private contractor for facility upgrades for improved security will be \$300,000.
- The annual cost for a workgroup or study committee is approximately \$5,000 per year.
- The DOC will coordinate the release of sex offenders to be placed by the DHS within the 10-day window specified for placement by DHS in the Bill.
- The DOC and the Judicial Branch will incur some costs for notifications and communications with the DHS and care facilities. These costs will not be significant and will be absorbed as an ongoing operation expense.

- The DIA will not experience a significant change in inspection costs and can absorb the study committee costs.
- Nursing homes, residential care facilities, and assisted living facilities will experience some additional costs for the required notifications, but they will transfer or refuse to admit registered sex offenders if the costs become significant.
- The number of registered sex offenders needing care in one of these facilities will increase as the sex offender population ages and the number under special sentence supervision increases.

Fiscal Impact

The projected first-year costs are \$2.4 million with \$1.9 million coming from the State General Fund and \$508,000 from Medicaid. The following table provides the detail:

Estimated First Year Costs						
	General Fund		Medicaid		Total	
One-time Capital Costs	\$	300,000	\$	0	\$	300,000
Nursing Facilities		777,376		507 <i>,</i> 845		1,285,221
Residential Care Facilities		777,979		0		777,979
Committees and Workgroups		10,000				10,000
Total	\$	1,865,355	\$	507,845	\$	2,373,200

Care facility costs will grow as the registered sex offender population needing facility care grows and as health care costs increase. The current small population of sex offenders needing DHS care makes estimating the percentage increase for future years unstable.

<u>Sources</u>

Department of Human Services Department of Corrections Department of Inspections and Appeals Judicial Branch Criminal and Juvenile Justice Planning Division

/s/ Holly M. Lyons

March 21, 2012

The fiscal note for this bill was prepared pursuant to <u>Joint Rule 17</u> and the correctional and minority impact statements were prepared pursuant to <u>Iowa Code section 2.56</u>. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.