

Fiscal Note

BILL # SB 1029

TITLE: psychiatric security review board; hearings

SPONSOR: Barto

STATUS: Senate Engrossed

PREPARED BY: Morgan Dorcheus

Description

The bill would establish the Psychiatric Security Review Board (Board) as an independent agency and make changes to the Board's hearing procedures. The bill would also sunset the Board and transfer its powers and duties to the Court beginning July 1, 2023.

Estimated Impact

We estimate the bill would increase net statewide General Fund costs by up to \$91,000 in FY 2022 and FY 2023. This includes a decrease of \$(62,300) from the Department of Health Services (DHS) Arizona State Hospital (ASH) General Fund budget for no longer administering the Board and an increase of \$153,300 to the Board for meeting the bill's provisions. Of this amount, \$62,300 would be for maintaining the Board's current level of direct support, \$73,000 would be for paying expenses for administrative support and general services as an independent state agency, and \$18,000 would be for increases to board member compensation as required by the bill.

Beginning in FY 2024, the bill would decrease the Board's General Fund costs by \$(153,300) compared to FY 2023 or by \$(62,300) compared to current spending. We estimate costs to the individual counties for absorbing the supervisory jurisdiction would be minimal. The Administrative Office of the Courts reports that any General Fund costs for establishing new court rules to implement the bill's provisions would also be minimal.

Analysis

The Board oversees the treatment and release of persons an Arizona Court has found guilty except insane (GEI) if the crime was such to cause or threaten death or serious physical injury. GEI persons under the jurisdiction of the Board are committed to the Arizona State Hospital (ASH) for treatment. The Board's responsibilities also include conducting hearings for GEI persons to determine appropriate actions for ongoing treatment, transfer to the Department of Corrections, conditional release, and continued monitoring after release into the community. In 2019, the Board had jurisdiction over 114 people and conducted 102 statutory hearings. Statute does not specify a source of administrative support for the Board, which has been provided by the Department of Health Services (DHS) since the board's inception in 1994.

In FY 2020, DHS reported its annual costs of administering the Board were \$62,300 from the ASH General Fund appropriation, which includes the cost of a part-time Executive Director, board member compensation, and other administrative costs. The bill would establish the Board as an independent state agency, which would decrease DHS costs by \$(62,300) and increase the Board's costs by at least an equivalent amount in FY 2022 and FY 2023.

General Services

In addition to the costs above, DHS reports that it provides other general services to the Board, which are not specifically attributed to the Board in the department's budget. This includes information technology, accounting, human resources, risk management, office space, and other costs for general support. Since the bill would establish the Board as an independent agency, costs would increase above the \$62,300 level to acquire these services. The actual increase would depend on whether the Board would need to hire an additional employee for assistance, enter into a contract with the Arizona Department of Administration (ADOA) to provide general services, or use some combination of these 2 approaches.

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We estimate that the Board's costs would increase by up to \$73,000, assuming the Board requires a full-time employee to provide administrative support, contracts with ADOA for other general services, and requires an amount of office space similar to other small state boards. The Board's indirect costs are currently handled by multiple DHS employees and the services represent a small portion of their time. As a result, reducing the DHS General Fund budget for no longer providing these services would be difficult.

Board Member Compensation

The Board is currently required to meet twice per month to conduct business, unless the chair determines there is not sufficient business to warrant a meeting. The bill would change the meeting requirement to once per month unless the chairperson determines there is sufficient business to warrant additional meetings. To the extent that this change would decrease the number of meetings per year, the Board's costs may decrease. However, since the Board only held 14 meetings in FY 2019 and 10 meetings in FY 2020, any compensation change due to frequency of meetings is not expected to be significant.

The Board's members are currently receiving per diem compensation for the number of days engaged in board-related service at a rate of \$30 per day. In FY 2019, DHS reported paying \$13,200 to the Board's 5 members. The bill would instead require board members to receive \$250 per meeting and \$250 for meeting preparation. The chair and co-chair would also receive \$50 for each additional day engaged in board-related service. In addition, the bill would add a sixth member to the Board.

We estimate that total annual compensation costs could increase by up to \$18,000, for total annual costs of \$31,200. This is based on assumptions that the Board would continue meeting an average of 12 times per year, 5 of the 6 board members may be present at each meeting, and chair and co-chair activities would average 1 additional day for every meeting held.

Board Member Training

Beginning January 1, 2022, the bill would require the Board's members to receive 12 hours of training on governance and administrative management, conduct of quasi-judicial proceedings, and administrative procedure and rule adoption within 1 year of appointment. The bill also states that the training may be provided by the Attorney General, ADOA, or an outside educational institution. We estimate any cost increase as a result of providing the training is expected to be minimal.

Annual Report

The bill would require the Board to submit an annual report to the Governor, President of the Senate, Speaker of the House, and chairs of the House and Senate Health Committees that includes data on the Board's case actions, appealed decisions, progress on implementation of Auditor General recommendations, and ASH's compliance with requests from the Board. The Board currently publishes an annual report on its website with similar data, and the requirement is not expected to significantly increase the Board's workload or costs.

In total, we estimate that the bill would increase the Board's General Fund costs by up to \$91,000 in FY 2022 and FY 2023, for total annual costs of \$153,300. These costs would be comparable to the annual budget of other small state boards.

Beginning July 1, 2023, the bill would transfer the power and duties of the Board to the Superior Court in each county, which would place all GEI persons under the Court's supervisory jurisdiction. The Administrative Office of the Courts reports that the cost of maintaining supervisory jurisdiction over GEI persons would be paid by the county holding jurisdiction over the defendant's original case. We estimate the costs to individual counties would be minimal. The office also reports that any costs to the state General Fund for establishing new court rules to implement statutory GEI hearings would be minimal.

Local Government Impact

See above.