

ADMINISTRATIVE RULES – FISCAL ESTIMATE

1. **Fiscal Estimate Version**

Original Updated Corrected

2. Administrative Rule Chapter Title and Number

Chapter DHS 85, Non-profit corporation as guardian.

3. Subject

To repeal and recreate ch. DHS 85 relating to Non-profit Corporation as Guardian.

4. **State Fiscal Effect:**

<input checked="" type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No May be possible to absorb within agency's budget.
		<input type="checkbox"/> Decrease Costs

5. Fund Sources Affected:

GPR FED PRO PRS SEG SEG-S

6. Affected Ch. 20, Stats. Appropriations:

7. **Local Government Fiscal Effect:**

<input type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Revenues	<input checked="" type="checkbox"/> Increase Costs
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Revenues	<input type="checkbox"/> Decrease Costs

8. Local Government Units Affected:

Towns Villages Cities Counties School Districts WTCS Districts Others:

9. **Private Sector Fiscal Effect (small businesses only):**

<input type="checkbox"/> No Fiscal Effect	<input checked="" type="checkbox"/> Increase Revenues	<input checked="" type="checkbox"/> Increase Costs
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Revenues	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No May have significant economic impact on a substantial number of small businesses
	<input type="checkbox"/> Yes <input type="checkbox"/> No May have significant economic impact on a substantial number of small businesses	<input type="checkbox"/> Decrease Costs

10. Types of Small Businesses Affected:

Data from DHS datasets list 72 Corporate Guardianships in Wisconsin at this time. These entities must be "Nonprofit Corporations" as defined in s.181.0103 (17) Stats., namely a corporation, no part of the income which is distributed to its members, officers, or directors. The Department of Financial Institutions also requires Corporate Guardianships to be Non-stock corporations.

11. **Fiscal Analysis Summary**

Effect on small business:

Available data implies that most corporate guardians should be considered small business as defined in Section 227.114 (1) (a), Stats. Guardianships must be chartered as a non-profit entity authorized to conduct business in Wisconsin. DHS conducted a survey of corporate guardians with more than 50 percent of the agencies responding. DHS approves the number of wards that an agency can serve. The results of the survey reveal that 80 percent of agencies serve less than 100 wards.

Number of Wards Served	Percent of Agencies
20 Wards or less	52.00%
21 - 99 Wards	30.00%
100 or more Wards	18.00%

Financial data for corporate guardianships is not readily available. Based on an agency with 100 wards and 6 guardian representatives the following potential increased costs from DHS 85 were identified:

- The proposed rule requires agencies to conduct criminal background checks for all employees who have contact with wards. The cost for the background check and staff time to complete the review is estimated at \$22.00 per review. For an agency with 6 guardian representatives, the cost will be \$132.00 every 4 years (6 x \$22) or \$33.00 annually. The proposed rule requires background checks on paid staff only; volunteers are exempt. Based on DQA survey results, over half of the responding agencies indicated that background checks are already being performed on paid staff. Some agencies also complete criminal background checks on their volunteers.
- The proposed rule will require that each new guardian representative receive initial training regarding their job responsibilities including information about the needs and services for wards they are assigned to, information about local resources to meet the needs of wards, prevention and reporting of abuse, neglect and misappropriation of property, ward's rights and the agency's policies and procedures including the their grievance procedure. The rule does not require a specific number of hours for this training, however, initial training is estimated to require up to 40 hours. The cost of training is estimated at \$28.00 per hour totaling \$1,200 for each new guardian representative (40x\$28). It is estimated that one new guardian representative will need this training at an average agency each year.
- The proposed rule will require that each guardian representative complete 20 hours of continuing education training every 24 calendar months. Costs for training are estimated on 10 hours of continuing education training provided each year for 6 guardian representatives. Continuing education training is estimated to cost \$56.00 per hour each for 6 guardian representatives totaling \$3,360.00 (60x\$56) annually. A large number of guardian representatives hold assorted credentials (social workers, attorneys, etc.) and are required by their licensure status to accrue a number of continuing education credits annually. These continuing education credits may be used to meet the requirement for continuing education in the proposed rule. Based on DQA survey results, many agencies already provide between 17 – 20 hours of training annually, exceeding the proposed rule.
- The proposed rule will require agencies to have a photograph of each ward in its file. It is estimated that this requirement will cost \$3.00 per ward. Options include an inexpensive digital camera at \$100.00, a disposable camera and 24 prints at \$15.00, or individual passport photos at \$3.00 per photo.

The Wisconsin Guardianship Association (WGA) is planning to offer training and workshops to all nonprofit corporate guardian agencies on meeting the new standards in the proposed rule. This training will include sample policies and procedures that agencies may choose to use and adapt to meet their agency's program. The WGA will also sponsor regular training/educational conferences for guardian representatives to meet the continuing education training requirement.

Many corporate guardians charge fees to wards or to counties for services provided. As costs for providing these services increase, including additional costs from revisions in DHS 85, fees may also be adjusted. It is unknown if the costs identified above will exceed the current consumer price index of 4.2 percent for any given agency, no single requirement appears to exceed this criteria. The fiscal impact of these additional requirements does not appear to be significant and will vary directly with the size of the agency. Agencies have the ability to increase fees charged to the wards or via the county court system; the overall effect of these proposed increases on corporate guardian agencies should be minimal.

12. Long-Range Fiscal Implications

None anticipated.

13. Name - Prepared by Larry Schneider DQA	Telephone Number (608) 267-2874	Date 5/21/2008
14. Name – OSF Analyst Reviewer Andy Forsaith	Telephone Number 608-266-7684	Date 6/23/09
Signature – DHFS Secretary or Designee	Telephone Number	Date