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|  | **The Council of the City of New York**  **Finance Division**  **Latonia McKinney, Director**  **Fiscal Impact Statement**  **Proposed Intro. No.: 358-A**  **Committee:** Health |
| **title:** A local law to amend the administrative code of the city of New York, in relation to regulating social adult day care. | **Sponsors:** Council Members Chin, Vallone, Johnson, Arroyo, Vacca, Dickens, Koo, Levine, Rose, Wills, Rodriguez, Mendez, Koslowitz, Rosenthal, Deutsch, Cohen, Dromm, Barron, Constantinides, Crowley, Lancman, Lander, Treyger, Kallos, Levin, Menchaca, Miller, Ferreras, Maisel, Gentile, Cabrera, Cornegy, Gibson, Greenfield, Mealy, Reynoso, Torres, Weprin, Cumbo, Van Bramer, Espinal, Richards, Garodnick, King, Palma, Williams and Ulrich. |

**Summary of Legislation:**

Proposed Intro. No. 358-A would require all social adult day cares, which are programs that provide functionally impaired individuals with personal care, nutritious meals, and the opportunity to socialize in a safe, supervised, setting, in New York City to register with the Department for the Aging (DFTA) even if the social day care does not receive City or State funding. The legislation would also require these social day cares to adhere to basic standards on participant eligibility, program services and administration, staffing, and facilities in the same manner as the social day cares that do receive City or State funding. Civil penalties for violations of rules promulgated by DFTA would range from $250 to $500 per day, except that failure to register would result in a penalty of $250 to $1,000 per day. The notices of violation for these violations would be issued by the Department of Consumer Affairs (DCA) or another agency designated by the Mayor.

The bill would also create an ombudsperson at DFTA that would receive complaints regarding programs through a hotline and website, conduct investigations, and refer results of such investigations to managed long-term care companies, the New York City Department of Investigation, and the State as necessary. All social day cares would be required to post notices containing the ombudsperson’s contact information and DFTA would be required to post this information in its website. The ombudsperson would be required to provide an annual report to the Council regarding social adult daycares.

**Effective Date:** This local law would take effect 180 days after its enactment, except that the requirement that DFTA establish rules regarding civil penalties would take effect 12 months after enactment, unless any State law, rule, or regulation establishes civil penalties within that one year period that provision will be deemed repealed, except that the provision that requires the Mayor an agency to issues notices of violation would take effect immediately, and except that DFTA may take necessary action, including the promulgation of rules, prior to the effective date.

**Fiscal Year in Which Full Fiscal Impact Anticipated:** Fiscal 2016

**Fiscal Impact Statement:**

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|  | **Effective FY15** | **FY Succeeding**  **Effective FY16** | **Full Fiscal**  **Impact FY16** |
| **Revenues** | $0 | $0 | $0 |
| **Expenditures** | $0 | $250,000 | $250,000 |
| **Net** | $0 | ($250,000) | ($250,000) |

**Impact on Revenues:** While penalties are imposed under this legislation, the penalties are designed to ensure compliance, not generate revenue. Therefore, it is anticipated that there would be no impact on revenues as a result of this legislation.

**Impact on Expenditures:** This fiscal impact statement assumes the designation of DCA as the agency designated by the Mayor to issues notices of violations. It is estimated that this legislation would require DFTA and DCA to hire additional staff to fully implement the provisions of this bill. DCA would need two licensing staff to handle notices of violations and DFTA would add one staff to serve as ombudsperson. Compensation for licensing staff, including fringe benefits would total $75,000 per year per staff. The projected salary including fringe benefits of the DFTA ombudsperson would approximate $100,000. If the Mayor chooses to designate a different agency to issues notices of violation that does not already have an infrastructure to do so, as DCA does, it is anticipated that the impact on expenditures would be greater. It is noted that, although a portion of the legislation would take effect immediately in Fiscal 2015, the provisions of the legislation that have a non-zero fiscal impact would not take effect until Fiscal 2016.

**Source of Funds To Cover Estimated Costs:** General Fund

**Source of Information:** New York City Council Finance Division

**Estimate Prepared By:**  Crilhien R. Francisco, Senior Legislative Financial Analyst

**Estimated Reviewed By:** Regina Poreda Ryan, Deputy Director, New York City Council Finance Division

Rebecca Chasan, Assistant Counsel, New York City Council Finance Division

**Legislative History:** Intro. No. 358 was introduced to the Council on May 29, 2014 and referred to the Committee on Health. The Committee on Health held a hearing, jointly with the Committee on Aging, on Intro. No. 358 on September 4, 2014 and the legislation was laid over. The legislation was subsequently amended and the amended legislation, Proposed Int. No.358-A, will be voted on by the Committee on Health on December 16, 2014. Upon successful vote by the Committee, Proposed Int. No. 358-A will be submitted to the full Council for a vote on December 17, 2014.

**Date prepared:** December 16, 2014