

## Department of Planning and Budget 2015 Fiscal Impact Statement

**1. Bill Number:** SB 1055

**House of Origin**    ☐ Introduced    ☒ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Hanger, Emmett W. Jr.

**3. Committee:** Finance

**4. Title:** Family day homes; barrier crimes

**5. Summary:** The substitute bill establishes a national criminal history record check requirement for the following: licensure as a child welfare agency; approval as a family day home by a family day system; approval as a foster or adoptive parent; employment or to volunteer at a child welfare agency or family day home; and all adults residing in a home in which a family day home is operated. In addition, this bill requires annual central registry searches for licensed and registered family day homes and licensed child day centers. This bill includes a delayed effective date of July 1, 2017 for the national criminal history record checks.

**6. Budget Amendment Necessary:** Yes. The provisions of this bill, related to national background checks, do not take effect until July 1, 2017. Therefore, no FY 2016 costs are assumed for these checks; however, it is assumed that most facilities would begin performing background checks beginning July 1, 2016 in anticipation of the pending requirement. The costs in FY 2016 reflect addition central registry checks as it is assumed that the enactment clause does not delay this provision of the bill.

**7. Fiscal Impact Estimates:** Preliminary

**Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2015	-	-	-
2016	\$257,782	4.0	Special
2017	\$1,640,395	21.0	Special
2018	\$1,445,522	21.0	Special
2019	\$1,445,522	21.0	Special
2020	\$1,445,522	21.0	Special
2021	\$1,445,522	21.0	Special

**8. Fiscal Implications:** The bill expands the Department of Social Services (DSS) authority to process national criminal background checks and increases the frequency of some required central registry checks.

## **National Criminal Background Checks**

This legislation gives DSS the authority to process national criminal background checks for foster and adoptive parents as well as employees and volunteers of all licensed, registered, and regulated child welfare agencies. Child welfare agencies include child day centers, child placing agencies, children's residential facilities, family day homes, family day systems, and independent foster homes. This bill also gives DSS the authority to process national criminal background checks for any family day home or child day home, not licensed but receiving federal or state child care subsidy funds. Currently, DSS' Office of Background Investigations (OBI) only processes and screens national background checks for individuals in children's residential facilities licensed by DSS and the Departments of Behavioral Health and Developmental Services (DBHDS) as well as for foster/adoptive parents.

OBI staff currently receives the fingerprints of the individual; scan them to the State Police who in turn, sends them to the FBI. The FBI sends the search results back to the State Police who forwards them to OBI. OBI staff determine, based on the results, if the individual is eligible to work or volunteer in a children's residential facility or become a foster/adoptive parent. HB 412 from the 2014 session of the General Assembly directed DSS to convene a workgroup to review current state and federal laws and regulations governing criminal history background checks for child care providers, develop a plan for implementation, and complete a report by November 1, 2014. This analysis is based in part on that report.

Due to the large volume of criminal background checks required, the workgroup recommended utilizing a fingerprint vendor to take fingerprints and electronically transmit them to the Virginia state police because of the potential administrative savings and reduced turnaround time in receiving criminal history results. A fingerprint vendor can process all fees associated with the background check, which includes fees for the state police, the FBI, the screening agency, as well as their own fee. The vendor would collect all fees and pay each agency based on the number of background checks processed. Therefore, this analysis presumes the use of a fingerprint vendor as the primary means of scanning fingerprints rather than the current method where OBI scans the fingerprints. OBI would still be required to screen and process all results.

### **Additional OBI Staff**

DSS has no way of knowing how many additional criminal background checks will be required as a result of this legislation. DSS estimates that approximately 95,000 additional national criminal background checks will be required annually as a result of SB 1168. While the legislation has an enactment date of July 1, 2017, it is assumed that most facilities would begin requiring background checks beginning July 1, 2016 (fiscal year 2017) in preparation for this change. OBI would need additional staff to handle this volume of background checks. With the use of a fingerprint vendor, it is estimated that each additional staff person can process approximately 8,500 background checks annually. Based on this, 11 (95,000/8,500) additional full time staff (program support technicians) and one supervisor (administrative staff specialist) are needed.

Using an average salary of \$32,022 for the program support technicians and \$41,685 for the administrative staff specialist, salaries and benefits for the additional staff are estimated to be \$612,807 annually. Non-personnel services, which includes rent, telephone, computer costs, and travel total \$14,368 in year one and \$9,205 each year thereafter for each additional employee. The total annual cost for the additional staff is estimated to be \$785,223 in FY 2017 and \$723,267 each year thereafter.

#### Other OBI Costs

In addition, DSS would incur additional systems costs to implement this bill. The Background Information System (BIS) must be updated to receive downloaded information from fingerprint companies. This one-time system upgrade is estimated to cost \$95,725. Other operating costs such as additional space and postage are estimated at \$140,616 in the first year and \$132,076 each year thereafter.

DSS estimates the total cost to implement the proposed legislation at \$1,021,564 in the first year and \$855,343 each year thereafter. It is presumed that DSS will establish a background check fee that is sufficient to allow it to break even on the operating cost of OBI as a whole. Therefore, the current fee of \$50 would have to be increased to approximately \$62, which includes a \$25 administration fee for OBI; a \$13 administration fee for the State Police, and a \$24 fee for the FBI.

#### Virginia State Police

The State Police estimate that they would need five additional employees (includes four fingerprint technicians and one office services specialist) as well as office space and equipment associated with each new employee to support this legislation. State Police estimate the cost of these positions to be \$361,049 the first year and \$353,049 each year thereafter. In addition, a Global Transaction Controller estimated to cost \$48,000 would need to be purchased.

#### **Central Registry Checks**

##### Additional OBI Staff

This legislation increases the frequency with which central registry searches must be completed annually for licensed and registered family day homes and child centers. Currently, central registry checks are required to be repeated every two to three years for these groups. By increasing the frequency of these checks, an increased number of central registry checks will be required annually.

The Department estimates that approximately 69,538 additional staff, applicants, agents, and household members of licensed and registered family day homes and child centers would require annual central registry checks based on this legislation. Using the average time between required central registry checks for these groups of 2.5 years  $((2 + 3) / 2)$ , the Department estimates that currently an average of 27,815  $(69,538 / 2.5)$  background checks are completed in any given year for this group. Therefore, 41,723 additional central registry checks will be required based on this bill. Central registry staff complete an average of

10,700 central registry checks each year. Based on this, four additional full-time staff (program support technicians) would be required annually. Using an average salary of \$32,022 for a program support technician, salaries and benefits for the additional staff are estimated to be \$200,310 annually. Non-personnel services, which includes rent, telephone, computer costs, and travel total \$14,368 in year one and \$9,205 each year thereafter for each additional employee. The total annual cost for the additional staff is estimated to be \$257,782 in FY 2016 and \$237,130 each year thereafter.

OBI currently charges \$7 for a central registry check. Due to the Governor's 2015 budget reductions, it is anticipated that the standard fee for central registry checks will increase to \$10 effective July 1, 2015. It is presumed that DSS will establish a central registry search fee sufficient to fully cover its processing and administrative costs.

**9. Specific Agency or Political Subdivisions Affected:**

Department of Social Services  
Virginia State Police

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None

**Date:** 2/3/15