

## Department of Planning and Budget 2015 Fiscal Impact Statement

**1. Bill Number:** HB 1931

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

**2. Patron:** Anderson, Richard L.

**3. Committee:** Health, Welfare and Institutions

**4. Title:** Child welfare agencies; criminal history record checks

**5. Summary:** The proposed legislation establishes a national criminal history record check requirement for licensure as a child welfare agency, for approval as a family day home by a family day system, for approval as a foster or adoptive parent; for employment or to volunteer at a child welfare agency or family day home; and for all adults residing in a home in which a family day home is operated. This bill includes a delayed effective date.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Preliminary

**Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2015	-	-	-
2016	-	-	-
2017	\$100,000	-	General
	\$1,430,613	17.0	Special
2018	\$100,000	-	General
	\$1,208,392	17.0	Special
2019	\$100,000	-	General
	\$1,208,392	17.0	Special
2020	\$100,000	-	General
	\$1,208,392	17.0	Special
2021	\$100,000	-	General
	\$1,208,392	17.0	Special

**8. Fiscal Implications:**

**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 Virginia 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.

#### Vendor

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, the Department of Social Services assumes 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. The department reports that this vendor would not require any state support as it would collect an additional fee (estimated at \$10 to \$25) that would be paid by each applicant (this would be in addition to the state fees outlined above).

#### 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 this bill. While the legislation has an enactment date of July 1, 2017 for individuals who have not had a criminal background check prior to July 1, 2015, it is assumed that most facilities would begin requiring background checks in FY 2016 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 program support technicians and one supervisor 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 2015 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.

This legislation also requires DSS to develop and make available training, technical information, and assistance to child care providers, child day centers, and family day homes regarding compliance with these new licensure requirements. Training costs are estimated at \$100,000 annually. It is assumed that fee revenue would not be available to cover these costs; therefore, general fund support would be necessary.

DSS estimates the total cost to implement the proposed legislation at \$1,121,564 in the first year and \$955,343 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. This is currently estimated to be 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.

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

Department of Social Services  
Virginia State Police

#### **10. Technical Amendment Necessary:** No

#### **11. Other Comments:** None

**Date:** 2/4/15