

Department of Planning and Budget 2019 Fiscal Impact Statement

1. **Bill Number:** HB1994

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. **Patron:** Price

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

4. **Title:** Child care providers; fingerprint background checks.

5. **Summary:** Allows local law-enforcement agencies to process and submit requests for national fingerprint background checks required for (i) applicants for licensure as a child day center, family day home, or family day system, registration as a family day home, or approval as a family day home by a family day system; (ii) agents of an applicant for licensure as a child day center, family day home, or family day system, registration as a family day home, or approval as a family day home by a family day system at the time of application who is or will be involved in the day-to-day operations of the child day center, family day home, or family day system, or who is or will be alone with, in control of, or supervising one or more of the children; (iii) adults living in such child day center or family day home; and (iv) employees and volunteers of any child day center, family day home, or family day system licensed in accordance with the provisions of this chapter, child day center exempt from licensure, registered family day home, family day home approved by a family day system, or child day center, family day home, or child day program that enters into a contract with the Department or a local department to provide child care services funded by the Child Care and Development Block Grant.

6. **Budget Amendment Necessary:** Yes.

7. **Fiscal Impact Estimates:** See Item 8.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2019	-	-	-
2020	\$286,414	2	special
2021	\$136,414	2	special
2022	\$136,414	2	special
2023	\$136,414	2	special
2024	\$136,414	2	special
2025	\$136,414	2	special

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2019	-	-
2020	\$129,492	special
2021	\$129,492	special
2022	\$129,492	special
2023	\$129,492	special
2024	\$129,492	special
2025	\$129,492	special

- 8. Fiscal Implications:** This legislation allows individuals who need to be fingerprinted and receive background checks, as required by § 63.2-1720.1 and § 63.2-1721.1, to obtain those services through local law enforcement agencies. Local law enforcement agencies will forward fingerprints and personal descriptive information through the Central Criminal Records Exchange to the Federal Bureau of Investigation (FBI) for the purpose of obtaining national criminal history record information. This legislation limits the fees charged by local law enforcement for background checks to the actual cost of processing and administration.

Based on the US Bureau of Justice Statistics' 2008 Census of State and Local Law Enforcement Agencies, there are 295 local law enforcement agencies in Virginia that will be affected by this legislation. This number includes: 104 county agencies (sheriff & police departments), 28 city sheriff's departments, 37 city agencies (police departments), and 126 town agencies (police departments). The volume of fingerprints or personal descriptive information that will be forwarded by local law enforcement agencies is unknown. However, given that local law enforcement agencies may be more conveniently located, it is assumed that a portion of the fingerprint applicants will utilize this option. This legislation is not expected to increase the volume of checks, as it does not expand the current population required to submit to background checks.

Currently, the Department of Social Services (DSS) has a Virginia Information Technology Agency (VITA) approved statewide process in place to contract with a fingerprint vendor for the submission and transfer of fingerprints. This process involves applicants being fingerprinted at a vendor facility, then transferring the fingerprint and identifying data to the Virginia State Police (VSP), and transferring identifying information to DSS. The fingerprint vendor collects a total payment and then distributes fees to VSP, the Federal Bureau of Investigation (FBI) and the DSS Office of Background Investigation (OBI). Nine DSS program support technicians process approximately 99,000 fingerprint checks per year, for an average of 11,000 checks per staff member annually.

Because this legislation allows for an origination point other than the current vendor, agreements and manual processes between DSS, VSP, and local law enforcement agencies will need to be set up. Allowing local law enforcement agencies to forward fingerprints and personal descriptive information will increase the amount of time it takes to process criminal history record information, because DSS will need to establish a manual process with VSP and local law enforcement agencies so that fingerprint results will be returned to DSS instead

of the local law enforcement agency. Furthermore, manual processes will need to be established to collect fingerprints and distribute fees to the correct agencies. The costs to establish these processes are not known at this time.

Additional Office of Background Investigation Staff

Prior to the use of the fingerprint vendor, DSS had three staff members who processed approximately 13,800 annual checks in total, along with fee processing and data entry (House Bill 1570 passed during the 2015 General Assembly session increased the number of fingerprint checks processed to the current total of 99,000). It is expected that the staff time required to complete a background check submitted by a local law enforcement agency will be similar to the processing time prior to using the fingerprint vendor, or about double the current processing time, due to the new agreements and manual processes between the agencies that may result from this bill.

For purposes of this analysis, it is estimated that 15 percent or 14,850 ($99,000 \times 15\%$), of fingerprint checks will originate at a local law enforcement agency. This is similar to the Department of Social Services' workload level prior to implementing the current vendor process. DSS' OBI will need two additional program support technicians to process these new requests. The processing capacity of a technician will be reduced from 11,000 annually through the fingerprint vendor to approximately 5,500, due to the new agreements and manual processes between the agencies. Including benefits and non-personal services, a program support technician's salary is approximately \$68,207. Total costs for two new program support technicians equal \$136,414 ($2 \times \$68,207$).

Information System Updates

In addition, DSS will incur systems costs to implement this bill. The Background Investigation System (BIS) will need to be updated to create an interface mechanism and data display to capture as much information from local law enforcement agencies as can be transferred electronically, as well as a modification to generate reports. This one-time system upgrade is projected to cost \$150,000 in the first year.

Total costs for this legislation are estimated at \$286,414 in the first year and \$136,414 each year thereafter. Should a greater percentage of fingerprint applicants utilize the local law enforcement agencies, DSS will need additional staff beyond the two identified in this analysis at an annual cost of \$68,207 per employee.

It is assumed that, for fingerprints and identifying information collected by local law enforcement agencies, DSS will collect the portion of the background check fee that is usually paid to the fingerprint vendor, in order to help recover the additional costs associated with the new processes created by this bill. The current background check fee paid to the contract vendor, for both employee and volunteer checks, is \$8.72 per check. This amounts to an approximate increase in revenue collected by OBI equal to \$129,492 ($14,850 \times \8.72).

It is presumed that affected agencies will establish background check fees sufficient to allow them to break even on the operating costs resulting from this bill. The Department of Social

Services has indicated that it will adjust OBI fees once it has enough data on the number of background check applicants, in order to recover the cost of the program.

9. Specific Agency or Political Subdivisions Affected: Department of Social Services, Virginia Department of State Police, local law enforcement

10. Technical Amendment Necessary: No.

11. Other Comments: None.