



Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 10-0108
Prime Sponsor(s): Rep. Kerr J.
 Sen. Schultheis

Date: January 20, 2010
Bill Status: House Finance
Fiscal Analyst: David Porter (303-866-4375)

TITLE: CONCERNING AUTHORIZATION FOR THE DEPARTMENT OF REVENUE TO OBTAIN FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECKS FOR EMPLOYMENT PURPOSES.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
State Expenditures		
Total	\$ 67,940	\$ 17,380
General Fund	36,142	16,195
Multiple Department of Revenue Cash Funds	21,370	1,185
Federal Funds	10,428	
FTE Position Change	0.3 FTE	0.0 FTE
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2010-2011: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

HB10-1011, recommended by the Legislative Audit Committee, requires all current and future Department of Revenue (DOR) employees who can access driver's license data, state identification card data, and personal identifying information to undergo a fingerprint-based criminal history check (background checks). The results of the background check may be used by the DOR to make employment decisions.

State Expenditures

Total state expenditures under this bill are at least **\$67,940 and 0.3 FTE in FY 2010-11 and \$17,380 in FY 2011-12**. As discussed in the sections that follow, multiple funding sources are used to pay for the background checks. DOR moneys will be reappropriated to the Colorado Bureau of Investigation (CBI) in the Department of Public Safety (DPS) for the background checks.

Department of Revenue. Background checks cost \$39.50 each. The DOR will conduct background checks on approximately 1,720 individuals in FY 2010-11, including current employees, seasonal employees, and newly hired employees. In FY 2011-12 and thereafter, only the approximately 440 seasonal and new employees hired by the DOR will require a background check.

This fiscal note assumes that the costs of the background checks will be paid by the DOR using the funding stream associated with the individual's position. Table 1 shows the breakdown of employees by funding source. Seasonal employees are employed by the taxation division and are assumed to be General Fund. New employees are divided between General Fund and cash funds in similar proportions to existing employees. Since cash-funded employees are split among 13 different cash funds, the table simply aggregates all cash-funded employees.

Funding Source	FY 2010-11					FY 2011-12				
	Counts				Total Cost	Counts				Total Cost
	Current	Seasonal	New	Total		Current	Seasonal	New	Total	
General Fund	565	350	0	915	\$36,142	0	330	80	410	\$16,195
Multiple Cash Funds	541	0	0	541	21,370	0	0	30	30	1,185
Federal Funds	264	0	0	264	10,428	0	0	0	0	0
TOTAL	1,370	350	0	1,720	\$67,940	0	330	110	440	\$17,380

Employees requiring background checks are split among the Division of Motor Vehicles, Enforcement Divisions, Taxation Division, and other functions within DOR (e.g., programming or personnel).

Department of Public Safety. The DPS is expected to complete 1,720 additional background checks in FY 2010-11 and 440 each year thereafter. Table 2 shows the distribution of the fees collected for background checks.

Cost Components	FY 2010-11	FY 2011-12
To CBI – \$22.25 for Colorado background check	\$38,270	\$9,790
To FBI – \$17.25 for federal check	29,670	7,590
TOTAL	\$67,940	\$17,380

In FY 2010-11, the number of background checks is enough to require 0.2 FTE Fingerprint Examiner II and 0.1 FTE Data Specialist. Costs identified in Table 3 and costs shown in the Expenditures Not Included section of this fiscal note will be paid from the funds reappropriated to the DPS.

Table 3. Expenditures Under HB10-1011		
Cost Components	FY 2010-11	FY 2011-12
Personal Services	\$14,513	\$0
<i>FTE</i>	0.3	0.0
Operating Expenses	1,198	0
Fingerprint Hardware, Software, and Access Charges	19,162	0
TOTAL	\$34,873	\$0

In FY 2011-12, fees collected for the Colorado background check will be used to support existing staff.

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 4.

Table 4. Expenditures Not Included Under HB10-1011*		
Cost Components	FY 2010-11	FY 2011-12
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$2,133	\$0
Supplemental Employee Retirement Payments	540	0
TOTAL	\$2,673	\$0

*More information is available at: <http://www.colorado.gov/cs/Satellite/CGA-LegislativeCouncil/CLC/1200536133924>

State Appropriations

For FY 2010-11, the Department of Revenue requires a \$36,142 General Fund appropriation and a \$21,370 cash funds appropriation. Of the total, the Department of Public Safety receives reappropriated funds in the amount of \$67,940 and 0.3 FTE to the Department of Public Safety. This includes \$29,670 that Department of Public Safety will pass through to the FBI.

Departments Contacted

Revenue Public Safety