



Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 11-0320
Prime Sponsor(s): Rep. McCann
 Sen. Tochtrop

Date: February 4, 2011
Bill Status: House Education
Fiscal Analyst: Bill Zepernick (303-866-4777)

TITLE: CONCERNING REQUIREMENTS SURROUNDING BACKGROUND CHECKS FOR CHILD CARE FACILITIES.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
Cash Funds		
Colorado Bureau of Investigation Identification Unit Cash Fund	\$172,500	\$172,500
Child Care Licensing Cash Fund *	23,008	23,160
State Expenditures		
Cash Funds		
Colorado Bureau of Investigation Identification Unit Cash Fund	\$172,500	\$172,500
Child Care Licensing Cash Fund	19,311	19,311
FTE Position Change	0.4 FTE	0.4 FTE
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2011-2012: See State Appropriations section.		
Local Government Impact: None.		

**Revenue is higher than expenditures to account for Expenditures Not Included in the fiscal note.*

Summary of Legislation

The bill requires all child care workers to have a fingerprint-based criminal history record check through the Federal Bureau of Investigation (FBI). Under current law, all child care workers must undergo a background check through the Colorado Bureau of Investigation (CBI), and only workers living in Colorado for less than 2 years must also undergo an FBI background check.

The Department of Human Services (DHS) is required to conduct a study on the feasibility of releasing the results of background checks on workers to parents of children in child care facilities. The study is to be completed by January 1, 2012. The bill also requires child care facilities to provide access to the clearance letter from the DHS resulting from a completed background check on a worker, upon the request of a parent.

State Revenue

The bill increases revenue in the Department of Public Safety and the DHS, as described below.

Background checks. The bill is expected to increase revenue by \$172,500 per year beginning in FY 2011-12 to the CBI Identification Unit Cash Fund in the Department of Public Safety (DPS). Child care workers who have only had a CBI background check under current law must now also have an FBI background check. It is estimated that about 10,000 child care workers have only CBI background checks each year. A CBI background check costs \$22.25 and an combined FBI/CBI background check costs \$39.50. Requiring these 10,000 child care workers to pay an additional \$17.25 for an FBI background check will result in \$220,000 in additional revenue each year.

Fee impact on individuals, families or business. Section 2-2-322, C.R.S., requires legislative service agency review of measures which create or increase any fee collected by a state agency. Table 1 identifies the fee impact of this bill.

Type of Fee	Current Fee	Proposed Fee	Fee Change	Number Affected	Total Fee Impact
CBI/FBI background check	\$22.25	\$39.50	\$17.25	10,000	\$172,500

Child care licensing. The bill is expected to result in an increase in revenue of about \$25,000 per year to the Child Care Licensing Cash Fund in the DHS. This revenue is from licensing fees on child care facilities. The DHS adjusts fees in rule to cover the costs of the child care licensing program. The change in license fees is expected to be minimal and is not estimated at this time.

State Expenditures

The bill will increase costs each year by \$172,500 in the DPS and by \$19,311 and 0.4 in the DHS beginning in FY 2011-12. These costs are described below and shown in Table 2.

Department of Public Safety. The DPS will pass through \$172,500 per year to the FBI for the FBI portion of child care worker background checks beginning in FY 2011-12.

Department of Human Services. The DHS will have costs of \$19,311 and 0.4 FTE per year beginning in FY 2011-12. These costs are for additional staff to review the results of FBI background checks and to issue clearance letters to child care facilities when a worker is approved to work. Standard operating expenses for supplies and telephone are also included in these costs. The costs of conducting the feasibility study can be accomplished within existing resources.

Table 2. Expenditures Under HB11-1145		
Cost Components	FY 2011-12	FY 2012-13
<i>Department of Human Services</i>		
Personal Services	\$18,931	\$18,931
FTE	0.4	0.4
Operating Expenses and Capital Outlay	380	380
DHS TOTAL	\$19,311	\$19,311
<i>Department of Public Safety</i>		
Pass through to FBI	\$172,500	\$172,500
DPS TOTAL	\$172,500	\$172,500

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 3.

Table 3. Expenditures Not Included Under HB11-1145*		
Cost Components	FY 2011-12	FY 2012-13
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$2,840	\$2,840
Supplemental Employee Retirement Payments	857	1,009
TOTAL	\$3,697	\$3,849

*More information is available at: <http://colorado.gov/fiscalnotes>

State Appropriations

The bill requires the following appropriations for FY 2011-12:

- \$172,500 to the Department of Public Safety from the Colorado Bureau of Investigation Identification Unit Cash Fund to pass through to the Federal Bureau of Investigation; and
- \$19,311 and 0.4 FTE to the Department of Human Services from the Child Care Licensing Cash Fund.

Departments Contacted

Human Services Public Safety