


Colorado Legislative Council Staff Fiscal Note
FINAL
FISCAL NOTE

Drafting Number: LLS 12-0644
Prime Sponsor(s): Rep. Levy
 Sen. Steadman

Date: July 19, 2012
Bill Status: Signed into Law
Fiscal Analyst: Jonathan Senft (303-866-3523)

TITLE: CONCERNING REDUCING BARRIERS TO EMPLOYMENT BY STATE OF COLORADO AGENCIES FOR PEOPLE WITH CRIMINAL RECORDS.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue Multiple Cash Funds	up to \$10,902	
State Expenditures Multiple Cash Funds	up to \$10,902	
FTE Position Change		
Effective Date: The bill was signed into law by the Governor on May 29, 2012, and takes effect August 8, 2012, assuming no referendum petition is filed.		
Appropriation Summary for FY 2012-2013: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

This bill prohibits state agencies that solicit job applications to advertise that a person with a criminal background may not apply, unless a specific crime statutorily prevents the applicant from having that job. It also prevents agencies from stating this criteria on the application. In addition, the bill prevents agencies from performing background checks until a conditional offer has been given, and defines areas where discretion may be used when considering an applicant's criminal history. Finally, the bill specifies similar considerations for applicants under review by the Department of Regulatory Agencies (DORA).

State Revenue

This bill will increase state revenue by \$10,902, cash funds, to cover the costs of this bill. Expenditures for the legal costs named below will be offset by minimal increases in fee revenue, set by DORA, for each licensed profession.

State Expenditures

For FY 2012-13, this bill has a one-time expenditure of up to \$10,902, cash funds, in the Department of Regulatory Agencies.

State Employment. This bill slightly alters the hiring processes performed by state agencies and, in limited circumstances, may add two indeterminate expenditure increases. First, the bill requires the communication of a new policy to personnel administrators, and may require the alteration of employment applications. Second, the bill allows discretion in the hiring of individuals with criminal history, which may lead to differing interpretations in the hiring decision. This may then lead to adjudication of appeals. These costs are based on variable circumstances and are thus indeterminate.

Regulated Professions. This bill prohibits DORA from using an applicant's criminal history as grounds to deny or revoke a license unless the offense is specifically related to the profession, among other criteria. In the absence of guidance regarding offenses 'specifically related' to the profession, DORA may require additional legal staffing to determine these offenses. It is estimated that approximately four hours would be needed, per profession (36), to review current rules and update policies in FY 2012-13.

Departmental Differences

This fiscal note differs from DORA estimates in three areas: rulemaking, general counsel services and enforcement.

Rulemaking and General Counsel Review. DORA submits that an average of eight hours of legal research and analysis is required, per profession, to determine offenses specifically related to the profession, for a total of \$21,804. This fiscal note includes only four hours per profession because not all professions will require this analysis, as some statutes already enumerate prohibited offenses. This fiscal note also includes costs for General Counsel review. The department represents that four hours of General Counsel review is needed, per profession, for analysis of the statute as it relates to practice issues and vulnerable persons, at a cost of \$10,092. To the extent that additional staffing is needed for this review, beyond what is estimated above, it is expected to be minimal and handled within DORA's annual budget for legal staffing.

Enforcement. DORA represents that each profession will have one case per year, on average, that will be referred to the Office of the Attorney General for adjudication. DORA estimates that these costs could rise to 20 hours per case for a total of 720 hours per year for the first and ongoing years, for a total cost of \$54,511. This bill may create additional grounds for appealing the denial of a professional license. But because of the bill's permissive language, it is assumed that fewer people will be denied licenses. Since it is unlikely a successful applicant will appeal his or her decision, any increase in appeals created by the permissive language would be offset by a corresponding decrease created by the lower barrier for denying a license within this bill. Therefore, this fiscal note does not try to estimate any activity in adjudication of these appeals. Any new costs associated with adjudication are expected to be handled in the annual budget process.

State Appropriations

For FY 2012-13, this bill requires an appropriation of \$10,902, cash funds, to the Department of Regulatory Agencies, and reappropriated to the Department of Law.

Departments Contacted

All Departments