

*Colorado Legislative Council Staff*

**STATE  
FISCAL IMPACT**

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| <b>Drafting Number:</b> LLS 01-0524                      | <b>Date:</b> January 22, 2001   |
| <b>Prime Sponsor(s):</b> Sen. Linkhart<br>Rep. Alexander | <b>Bill Status:</b> Senate Judiciary<br><b>Fiscal Analyst:</b> Janis Baron (303-866-3523) |

**TITLE:** CONCERNING CRIMINAL BACKGROUND CHECKS.

| Fiscal Impact Summary  | FY 2001/2002                               | FY 2002/2003 |
|--|--|--------------|
| <b>State Revenues</b>  |  |              |
| Cash Fund  | \$ 540,000                                 | \$ 540,000   |
| Cash Fund Exempt — Pass Through to FBI   | 123,750                                    | 123,750      |
| <b>State Expenditures</b>  |  |              |
| General Fund   | \$ 2,407,436                               | \$ 1,514,986 |
| Cash Fund  | 360,327                                    | 349,989      |
| Cash Fund Exempt — Local Funds   | 235,416                                    | 228,566      |
| <b>FTE Position Change</b>   | 17.3 FTE                                   | 17.3 FTE     |
| <b>TABOR Refund from General Fund</b>  | \$ 0                                       | \$ 540,000   |
| <b>Effective Date:</b> Upon Signature of the Governor  |  |              |
| <b>Appropriation Summary for FY 2001/2002:</b>   |  |              |
| Department of Human Services   | \$ <u>1,476,512</u> TOTAL                  |              |
|  | 1,169,816 GF                               |              |
|  | 71,280 CF — Child Abuse Registry Cash Fund |              |
|  | 235,416 CFE — County Funds                 |              |
|  | 5.3 FTE                                    |              |
| Judicial Department  | \$ 456,870 GF and 9.0 FTE                  |              |
| Department of Public Safety  | \$ <u>1,069,797</u> TOTAL                  |              |
|  | 780,750 GF                                 |              |
|  | 289,047 CF — Fees                          |              |
|  | 3.0 FTE                                    |              |
| <b>Local Government Impact:</b> The county share for the Colorado Child Care Assistance Program is estimated at \$235,416 in FY 2001-02 and \$228,566 in FY 2002-03. |  |              |

**Summary of Legislation**

The bill includes the following provisions regarding criminal background checks:

- encourages the Judicial Department to continue working with other law enforcement entities to complete the Colorado Integrated Criminal Justice Information System (CICJIS) in a timely manner, and to pursue the integration

- of municipal records, including county court records of the City and County of Denver, into the department's Integrated Court On-line Network (ICON);
- encourages various law enforcement entities to complete work on CICJIS;
  - requires the Colorado Bureau of Investigation (CBI) to require uniform identifiers in state-wide arrest information sent to the CBI, and requires the transmittal of the information to be forwarded to the CBI within 72 hours after receipt by the law enforcement entity;
  - requires the CBI, upon the request of the Department of Human Services (DHS), to forward background check information to the Judicial Department's ICON system;
  - requires counties to ensure that criminal background checks are conducted on child care providers that are legally exempt from licensure by the state as a condition of receiving child care assistance program moneys;
  - requires the use of both CBI records and the ICON system in conducting criminal background checks on child care providers licensed pursuant to state law;
  - repeals the pilot program, established by SB 99-152, used to study the effectiveness of such a dual check;
  - permits the DHS to request the CBI to forward criminal background check information to the Judicial Department for comparison to ICON records; and
  - based on such information, directs the DHS to investigate whether a person should be prohibited from providing child care pursuant to state law.

### **State Revenues**

**Cash Funds.** An estimated \$540,000 in new cash funds revenue will be collected under the bill. Approximately 22,500 individuals will require a CBI criminal background check at a cost of \$14.00 ( $\$14.00 \times 22,500 = \$315,000$ ). Thus, \$315,000 in fees will be collected by the Department of Public Safety (DPS). In addition to the CBI criminal background check, a check of the Child Abuse Registry in the DHS will be required at a cost of \$10.00 ( $\$10.00 \times 22,500 = \$225,000$ ). Thus, \$225,000 in fees will be collected by the DHS.

**Cash Funds Exempt.** An estimated \$123,750 in pass through revenue to the FBI will be collected under the bill. Approximately 5,625 individuals (25% of the total number of individuals requiring a CBI criminal background check) will require an FBI criminal background check at a cost of \$22.00 ( $\$22.00 \times 5,625 = \$123,750$ ).

### **State Expenditures**

The total fiscal impact of the bill is assessed at \$3,003,179 in FY 2001-02 and \$2,093,541 in FY 2002-03. Costs will be incurred in three state departments.

**Department of Human Services.** The department will require \$1,476,512 in FY 2001-02 and \$1,392,612 in FY 2002-03 to comply with the bill. The department will require 5.3 FTE state staff and 10.0 FTE county staff in both fiscal years. Those sections of the bill which create a fiscal impact are:

**Section 26-2-805 (2.5) and Section 26-6-118.** These sections of the bill require: (1) the county department of social services to conduct a criminal background check on a person providing child care services in a home or facility and on any resident adult of the home or facility if such home or facility is a legally-exempt child care facility and receiving moneys through the Colorado Child Care Assistance Program (CCCAP); and (2) the county department of social services to ensure that no child care provider that is legally exempt from licensure receives moneys from the CCCAP unless the county department and the provider have complied with the criminal background check requirements. Year one costs are noted in bold.

- DHS data indicates there are an estimated 11,260 legally-exempt providers. Assuming an average of one other adult in the household, an estimated 22,500 providers and co-residents will required a criminal background check in FY 2001-02. Due to the high turnover in these providers, it is assumed that this number will require a criminal background check annually. Based on pilot program data, it is assumed that **\$132,495** will be required in FY 2001-02 and \$88,545 in FY 2002-03 to perform the CBI and ICON on the expanded population. The department will require 2.8 FTE for this effort. Additionally, **\$71,280** will be required in both FY 2001-02 and FY 2002-03 to perform checks in the Child Abuse Registry. Contractual services to perform the checks are estimated at \$48,780 and operating and postage are estimated at \$22,500. Lastly, the CCCAP will require **\$1,177,079** in FY 2001-02 and \$1,142,829 in FY 2002-03 for county staffing, operating expenses, and resources to pay the cost of the criminal background checks. Because these providers are not in the general business of providing child care, it is estimated that the counties will cover the costs (\$663,750 in both fiscal years).

**Section 26-6-104 (7) (b).** This section requires the DHS to check the ICON system for information leading to identifying convictions of certain offenses for individuals applying or reapplying for child care licenses.

- It is assumed the the CICJIS will not be finalized and implemented during the two-year period covered by the fiscal note. Thus, the DHS will implement this requirement as performed in the pilot program. DHS data indicates that 19,083 criminal background checks related to licensing are done over the course of a year. Pilot program data indicates it takes 11.4 minutes to perform this check. Performing these checks to an expanded statewide population will require **\$95,658** in FY 2001-02 and \$89,958 in FY 2002-03. The DHS will required 2.5 FTE to perform these checks.

**Department of Public Safety.** The department will require a total of \$1,069,797 in FY 2001-02 and \$278,709 in FY 2002-03 to comply with the bill. The DPS will require 3.0 FTE. Additional staff and associated operating expenses will be required to perform criminal background checks on 22,500 individuals. Personal services and operating are estimated at \$289,047 in year one and \$278,709 in year two. Additionally, the department will require \$780,750 for systems changes. An estimated 560 hours of programming changes, at a rate of \$75 per hour, will be performed on the

CBI system (560 hours x \$75/hour = \$42,000). An estimated 9,850 hours of programming changed will performed on the CICJIS system (8,850 hours x \$75/hour = \$738,750). These programming changes are required pursuant to Section 24-33.5-412 (3) (c) (I) of the bill which mandates the user of uniform identifiers. The department indicates the development of a universal tracking number will necessitate significant programming changes.

**Judicial Department.** The department will require \$456,870 in FY 2001-02 and \$422,220 in FY 2002-03 to comply with the bill. The department will require 9.0 FTE computer programming staff. Section 16-1-107 (2) (a) and (b) of the bill encourage the Judicial Department to pursue integration of all municipal court records, including county court records of the City and County of Denver into ICON, and to continue working with other law enforcement entities to complete CICJIS. The fiscal note is based on the assumption that the department will develop a plan to integrate all municipal court records at the cost noted above. It is assumed that the plan will require 24 months to complete. Actual integration of municipal court records into one case management system may require upwards of \$3.0 million. It is assumed that future costs will be identified after development of the integration plan for court records. Any future costs would be addressed through the budget process.

**Local Government Impact**

The counties' 20 percent share for the Colorado Child Care Assistance Program is estimated at \$235,416 in FY 2001-02 and \$228,566 in FY 2002-03.

**State Appropriations**

The fiscal note indicates the following appropriations are required for FY 2001-02:

|                              |  |
|------------------------------|--|
| Department of Human Services | \$ <u>1,476,512</u> Total                  |
|                              | 1,169,816 GF                               |
|                              | 71,280 CF - Child Abuse Registry Cash Fund |
|                              | 235,416 CFE - Local Funds                  |
|                              | 5.3 FTE                                    |
| Judicial Department          | \$ 456,870 GF and 9.0 FTE                  |
| Department of Public Safety  | \$ <u>1,069,797</u> Total                  |
|                              | 780,750 GF                                 |
|                              | 289,047 CF - Fees                          |
|                              | 3.0 FTE                                    |

**Departments Contacted**

Human Services      Judicial      Public Safety