

Colorado Legislative Council Staff

**STATE
REVISED FISCAL IMPACT**

(replaces fiscal impact dated January 22, 2001)

Drafting Number: LLS 01-0524	Date: April 3, 2001
Prime Sponsor(s): Sen. Linkhart Rep. Alexander	Bill Status: Senate Appropriations
	Fiscal Analyst: Janis Baron (303-866-3523)

TITLE: CONCERNING CRIMINAL BACKGROUND CHECKS.

Fiscal Impact Summary	FY 2001/2002	FY 2002/2003
State Revenues		
Cash Funds — Fees	\$ 396,352	\$ 396,352
Cash Fund Exempt — Pass Through to FBI	74,316	74,316
State Expenditures		
General Fund	\$ 245,268	\$ 229,503
Cash Fund	219,146	214,739
Cash Fund Exempt — Local Funds	203,828	195,016
Cash Fund Exempt — Pass Through to FBI	74,316	74,316
Federal Funds	998,127	922,868
FTE Position Change	10.8 FTE	10.8 FTE
TABOR Refund from General Fund*	\$ 0	\$ 416,170

Effective Date: Upon Signature of the Governor

Appropriation Summary for FY 2001/2002:

Department of Human Services	\$ 1,319,007	TOTAL and 5.3 FTE
	45,703	GF
	71,349	CF - Child Abuse Registry Cash Fund
	203,828	CFE - County Funds
	998,127	FF - Child Care Development Funds
Judicial Department	\$ 199,565	GF and 4.0 FTE
Department of Public Safety	\$ 222,113	TOTAL and 1.5 FTE
	147,797	CF - Fees
	74,316	CFE - Pass Through to FBI

Local Government Impact: The county share for the Colorado Child Care Assistance Program is estimated at \$203,828 in FY 2001-02 and \$195,016 in FY 2002-03.

* The six-tier sales tax refund mechanism would be increased by 105 percent of any increased cash fund revenue, as per the provisions of HB 99-1001.

Summary of Legislation

The bill, as amended by the Senate Judiciary Committee, includes the following provisions regarding criminal background checks:

- **as amended**, declares that it is critical that the Judicial Department continue working with other law enforcement entities to complete the Colorado Integrated Criminal Justice Information System (CICJIS) in a timely manner, and consider the integration of municipal records, including county court records of the City and County of Denver;
- 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 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;
- based on such information, directs the DHS to investigate whether a person should be prohibited from providing child care pursuant to state law;
- requires county departments 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 legally exempt and receiving moneys through the Colorado Child Care Assistance Program (CCCAP); and
- **as amended**, states that the criminal background check need not include a fingerprint check, but shall include a comparison search on the ICON system at the Judicial Department.

State Revenues

Cash Funds — \$396,352 Annually. An estimated \$171,152 in new cash funds revenue will be collected under the bill in the CBI. Approximately 22,520 individuals will require a CBI name check at a cost of \$5.50 ($\$5.50 \times 22,520 = \$123,860$). Of the 22,520 name checks, it is estimated that 3,378 (15%) will require a fingerprint check at a cost of \$14.00 ($\$14.00 \times 3,378 = \$47,292$). In addition to the CBI criminal background check, a check of the Child Abuse Registry in the DHS will be required on 22,520 individuals at a cost of \$10.00 ($\$10.00 \times 22,520 = \$225,200$).

Cash Funds Exempt — \$74,316. An estimated \$74,316 in pass through revenue to the FBI will be collected under the bill. Approximately 3,378 individuals (15% of the total number of individuals requiring a CBI name check) will require an FBI criminal background check at a cost of \$22.00 ($\$22.00 \times 3,378 = \$74,316$).

State Expenditures

The total fiscal impact of the bill is assessed at \$1,740,685 in FY 2001-02 and \$1,636,442 in FY 2002-03. Costs will be incurred in three state departments.

Department of Human Services. The department will require \$1,319,007 in FY 2001-02 and \$1,224,934 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. Currently, the DHS indicates that federal Child Care Development Funds qualify for expenditure under the bill. Thus, the General Fund costs identified in the fiscal note dated January 22, 2001, are significantly reduced. 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 departments 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 CCCAP; and (2) the county departments 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 22,520 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 **\$132,858** will be required in FY 2001-02 and \$88,545 in FY 2002-03 to perform the CBI and ICON check on the expanded population. The department will require 2.8 FTE for this effort. Additionally, **\$71,349** 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 \$48,829 and operating and postage are estimated at \$22,520. Lastly, the CCCAP will require **\$1,019,142** in FY 2001-02 and \$975,082 in FY 2002-03 for county staffing, operating expenses, and resources to pay the cost of the criminal background checks. Because these legally-exempt providers are not in the general business of providing child care, it is estimated that the counties will cover the costs of their criminal background checks (\$496,003 annually).

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 \$222,113 in FY 2001-02 and \$217,706 in FY 2002-03 to comply with the bill. The DPS will require 1.5 FTE additional staff and associated operating expenses will be required to: (1) perform criminal background checks on 22,520 individuals; and (2) to forward information to the Judicial Department at the request of DHS for comparison of ICON records. Personal services and operating are estimated at **\$147,797** in year one and \$143,390 in year two. The DPS must also receive cash funds exempt spending authority of \$74,316 as pass through to the FBI for its fingerprint checks.

Judicial Department. The department will require \$199,565 in FY 2001-02 and \$193,802 in FY 2002-03 to comply with the bill. The department will require 4.0 FTE additional staff and associated operating expenses to: (1) allow for data comparison of CBI information with ICON information; and (2) develop and maintain statewide tracking numbers to comply with the bill's requirement that uniform identifiers be used in state-wide arrest information

Local Government Impact

The counties' 20 percent share for the Colorado Child Care Assistance Program is estimated at \$203,828 in FY 2001-02 and \$195,016 in FY 2002-03.

State Appropriations

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

- Department of Human Services — \$1,319,007 and 5.3 FTE. Of the total amount, \$45,703 is General Fund, \$71,349 is cash funds from the Child Abuse Registry Cash Fund, \$203,828 is cash funds exempt county/local funds, and \$998,127 is federal Child Care Development Funds. The General Assembly has appropriation authority over the federal Child Care Development Funds.
- Judicial Department — \$199,565 GF and 4.0 FTE.
- Department of Public Safety — \$222,113 and 1.5 FTE. Of the total amount, \$147,797 is cash funds from fees and \$74,316 is a cash funds exempt pass through to the FBI.

Departments Contacted

Human Services Judicial Public Safety