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FISCAL IMPACT STATEMENT

LS 6299

BILL NUMBER: SB 114

NOTE PREPARED: Nov 29, 2012

BILL AMENDED:

SUBJECT: National Criminal Background Checks for Child Care.

FIRST AUTHOR: Sen. Holdman

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill requires child care provider applicants, employees, and volunteers to undergo national criminal history background checks. The bill amends the list of convictions for which an individual is prohibited from being employed by or volunteering for a child care ministry.

(The introduced version of this bill was prepared by the Committee on Child Care.)

Effective Date: July 1, 2013.

Summary of NET State Impact: This bill could:

- (1) Increase Indiana State Police expenditures between \$208,000 and \$244,000 per year,
- (2) Increase revenue to the state General Fund by \$182,000 per year, and
- (3) Decrease revenue to the Indiana Office of Technology Portal Fund between \$94,000 and \$109,000 per year.

The net impact of this bill could increase state expenditures between \$120,000 and \$171,000 per year.

Explanation of State Expenditures: *Summary:* This bill could increase Indiana State Police expenditures between \$208,000 and \$244,000 per year to finance the federal portion and fingerprinting fee of national criminal history background check information fees for employees and volunteers of child care ministries. In addition, this bill is expected to increase the workload of the Division of Family Resources (DFR) to oversee implementation of the requirements of the bill as they apply to child care providers.

Additional Information:

Division of Family Resources: This bill establishes new requirements for child care providers as a condition of receiving Child Care Development Fund (CCDF) voucher payments. The Family and Social Services Administration (FSSA) reports the DFR annually inspects child care providers who receive CCDF voucher payments to ensure they meet requirements in current law. If this bill increases the number of child care providers found in noncompliance, it is expected to increase DFR workload to reinspect child care providers for compliance. The FSSA reports the increases in workload will be absorbed under current staff and resource levels.

Information from FSSA: FSSA reports the following information regarding child care facilities in the state and their associated caregivers between September 2011 and October 2012.

Total Child Protection Index Checks Performed Between September 2011 and October 2012		
Provider Type	Number of Programs/Facilities	Number of Caregivers
Center, Exempt	236	1,179
Center, Licensed	604	12,181
Home, Exempt	499	864
Home, Licensed	2,859	8,554
Ministry	783	9,705
Total	4,981	32,483

[The FSSA reports that of the above data provided, not all facilities report total number of staff and volunteers utilized in their operations. The data above also does not differentiate between child care provider employees and volunteers. Because of the limitations of the data, the actual fiscal impact may be greater than the estimates provided in this fiscal impact statement.]

Currently, all child care licensure applicants must submit to a national criminal history background check (IC 12-17.2-2-1). The FSSA reports the cost of any national criminal history background check required as a condition of child care licensure is the responsibility of the applicant. The FSSA also reports the limited criminal history background checks for licensed child care homes are furnished at no cost to the provider. The FSSA maintains a subscription service (after paying a minimum annual fee) with the Indiana State Police that allows them to perform limited criminal history background checks at no additional cost to the FSSA or child care home providers.

Further, the FSSA reports child care centers receive no state assistance for the costs of the limited criminal history background checks for employees and volunteers.

The FSSA reports that individuals involved in child care ministries currently do not have to undergo a national criminal history background check, whereas staff and volunteers must undergo a limited criminal history background check. Currently, these limited criminal history background checks, by law, must be provided at

no cost to religious entities.

The estimated number of national criminal history checks that would be conducted instead of limited criminal history checks as a result of the requirements of the bill is reported in the table below.

Child Care Provider Type	Number of National Criminal History Checks Conducted Instead Of Limited Criminal History Checks
Child Care Center	11,728
Child Care Home	5,834
Child Care Ministry	8,958
	26,787

Indiana State Police Costs: Under the bill, child care ministry employees and volunteers will be required to obtain national criminal history background information instead of limited criminal history information. The bill does not allow the Indiana State Police (ISP) to charge a fee for national criminal history background checks requested for child care ministry employees and volunteers. Currently the ISP can process requests for limited criminal history information made by child care ministries in-house, and do not incur expenditures to do so.

The cost for a national criminal history background check is as follows: \$9.95 for the Morphotrust Electronic Fingerprinting Fee, \$17.25 for a child care provider employee or \$13.25 for a child care provider volunteer, and \$15.00 state processing fee (deposited in the General Fund).

Because the ISP previously experienced no cost for providing child care ministry employees and volunteers with limited criminal history background checks, requiring national criminal history background checks will increase ISP expenditures to finance the federal portion and fingerprint portion of the background check fees.

An estimated minimum of 8,958 child care ministry employees and volunteers could require a national criminal history background check instead of a limited criminal history background check. The total federal and fingerprint fee portion for employees and volunteers are \$27.20 and \$23.20, respectively. Of the minimum increase in national criminal history background checks for child care ministries, it is not known how many are employees as opposed to volunteers. Therefore the minimum estimated increase in ISP expenditures to finance the federal portion of these background checks is expected to be between \$208,000 and \$244,000 per year.

Explanation of State Revenues: Summary: This bill could increase revenue to the General Fund by a minimum of approximately \$182,000 per year and decrease revenue to the IOT Portal Fund between \$94,000 and \$109,000 per year.

Additional Information:

This bill will require licensed child care providers in the state to request a national criminal history background

check for their employees and volunteers. The FSSA reports that child care centers currently do not receive any state assistance to finance limited criminal history information for their employees and volunteers.

Requiring child care center employees and volunteers to undergo a national criminal history background check instead of a limited criminal history background check has the net effect of increasing revenue to the General Fund by \$8 per request and decreasing revenue to the Indiana Office of Technology (IOT) Portal Fund by either \$8 or \$9.32 (depending on if the requestor has a subscription to AccessIndiana). [Information on the fees for limited and national criminal history background checks are provided below.]

Requiring an estimated 11,728 child care center employees and volunteers to obtain a national criminal history background check instead of a limited criminal history background check could increase revenue to the General Fund by approximately \$94,000 per year, and revenue to the IOT Portal Fund could decrease by between \$94,000 and \$109,000.

Child Care Home National Criminal History Background Checks: Currently the FSSA finances the costs of limited criminal history background information requests for child care home employees and volunteers. If child care home employees and volunteers are required to instead undergo a national criminal history background check, the requesting employees and volunteers will be responsible for the costs of the background check.

As a result, this bill is expected to increase state revenue from the increase in requests for national criminal history background checks from child care home employees and volunteers (an estimated increase of 5,834 requests). For each national criminal history background check requested, \$15 is forwarded to the General Fund. The minimum estimated increase in state revenue from background check fees is estimated to be approximately \$88,000 per year.

National Criminal History Background Check: A national criminal history background check requires a search of the criminal history record system maintained by the Federal Bureau of Investigation based on fingerprint identification or any other method of positive identification. A national criminal history background check is obtained through the ISP. For every national criminal history background check performed in the state, \$15 is forwarded to the General Fund.

Limited Criminal History Background Check: Fees for limited criminal history background checks are as follows: \$16.32 for persons who do not subscribe to AccessIndiana, \$15 for AccessIndiana subscribers, or \$7 by mail. For each limited criminal history background check requested, \$7 is deposited into the General Fund. For each limited criminal history background check requested using AccessIndiana, either \$8 or \$9.32 is deposited into the Indiana Office of Technology (IOT) Portal Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: FSSA; ISP.

Local Agencies Affected:

Information Sources: Christina Hage, FSSA; Bureau of Child Care; Tammy Watson, ISP; Mark Carnell, ISP; Melanie Brizzi, Bureau of Child Care.

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