



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

SB 19-177

FINAL FISCAL NOTE

Drafting Number: LLS 19-0941
Prime Sponsors: Sen. Ginal; Hisey
Rep. Singer

Date: July 31, 2019
Bill Status: Signed into Law
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Bill Topic: BACKGROUND CHECKS PERSONS WHO WORK WITH CHILDREN

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure (<i>minimal</i>)	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill allows the Department of Human Services to conduct child abuse background checks, upon request, for the screening of persons who work with children; removes exemptions from fingerprint background checks for certain child care employees; and clarifies certain procedures relating to the disclosure of involuntary mental health treatment on background checks. The bill increases state revenue and workload on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the enacted bill.

**Table 1
State Fiscal Impacts Under SB 19-177**

		FY 2019-20	FY 2020-21
Revenue	Cash Funds	up to \$252,046	up to \$252,046
Expenditure		-	-
Transfer		-	-
TABOR Refund		-	-

Summary of Legislation

This bill allows the state Department of Human Services (DHS) to conduct a background check in its child welfare tracking system (TRAILS) when requested in writing by an individual whose responsibilities include the care, treatment, supervision, or unsupervised contact with children. The bill also eliminates exemptions from fingerprint background checks for certain child care employees and requires that a check be conducted for any employee of a child care or child placement center under the age of 18; any out-of-state employee of a temporary school-age child care center; and all owners, employees, volunteers, and adults residing in a family child care home. Finally, the bill clarifies that notices filed by a professional person are treated the same as orders for involuntary mental health treatment during background checks conducted by the Colorado Bureau of Investigation (CBI).

Background and Assumptions

Prior to July 2018, the Background Investigations Unit in the Office of Early Childhood in DHS provided TRAILS background checks for individuals supervising children. The Attorney General's office provided guidance that these background checks were not within authority of the DHS or county departments of human or social services.

The fiscal note assumes that DHS will receive 7,058 requests for TRAILS background checks per year, based on the number of TRAILS background checks the DHS has received but are unable to process due to recent guidance from the Attorney General. In addition, the fiscal note assumes that there will be up to 127 new criminal fingerprint background checks under the bill.

State Revenue

Starting in FY 2019-20, state cash fund revenue will increase by up to \$252,046 per year from TRAILS background checks and criminal fingerprint background checks, as shown in Table 2 and described below.

TRAILS background checks. The bill increases state cash fund revenue from TRAILS background checks to the Records and Reports Fund in the DHS by an estimated \$247,030 per year beginning in FY 2019-20. This is based on the assumption that 7,058 background check requests will be received per year, as outlined in the Assumptions section above. This revenue is subject to TABOR.

Fingerprint-based background checks. The bill increases state cash fund revenue from fingerprint-based criminal history background checks to the CBI Identification Unit Cash Fund in the Department of Public Safety (DPS) by up to \$5,017 beginning in FY 2019-20. This is based on the assumption that up to 127 new criminal fingerprint background checks will be received per year, as outlined in the Assumptions section above. DPS receives \$39.50 per background check, which includes \$11.25 for a Federal Bureau of Investigation (FBI) fingerprint-based background check that is passed on to that federal agency. With the exception of the federal pass-through, this revenue is subject to TABOR.

Fee impact on certain individuals working with children. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. The fee for TRAILS background checks is currently capped at \$35 in State Board of Human Services rules. Fingerprint background checks are currently assessed at \$49.50, with \$10 dollars going to a 3rd party vendor and \$39.50 going to the DPS. Table 2 identifies the annual fee impact of this bill starting in FY 2019-20.

Table 2
Background Check Fee Impact Under SB 19-177

Type of Fee	Current Fee	Number Affected	Total Fee Impact
TRAILS Background Check	\$35.00	7,058	\$247,030
Fingerprint Background Check	\$49.50	127	\$6,286
		Total Fee Impact	\$253,316
		State Revenue	\$252,046
		Fee Retained by Vendor	\$1,270

State Expenditures

Starting in FY 2019-20, the bill will increase workloads in the DHS and DPS as described below.

Department of Human Services. Starting in FY 2019-20, workload to the DHS will increase to process additional TRAILS background checks. The fiscal note assumes that the DHS will complete background checks within 30 days, as was the practice prior to the issuance of the Attorney General's guidance, and that this workload can therefore be handled within existing appropriations. If background checks are expected to be completed in less time, additional resources will be necessary. The fiscal note assumes that additional funding will be requested through the annual budget process if necessary.

Department of Public Safety. The bill will increase costs by \$1,429 per year beginning in FY 2019-20 for the federal pass through to the FBI for each background check. The fiscal note assumes that this cost can be borne within existing appropriations.

Judicial Department. Starting in FY 2019-20, workload to the judicial Department's IT division may increase to update data tables to align with the requirements related to disclosing professional notices involuntary mental health treatment for criminal background checks. The fiscal note assumes that the increase in workload can be handled within existing appropriations.

Effective Date

This bill was signed into law by the Governor on May 29, 2019, and takes effect August 2, 2019, assuming no referendum petition is filed.

State and Local Government Contacts

Counties
Judicial

Human Services
Public Safety

Information Technology