

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3944-03
Bill No.: HCS for SB 873
Subject: Highway Patrol; Criminal Procedure
Type: Original
Date: May 4, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Various State Funds	\$0 to (\$409,800)	\$0 to (\$464,640)	\$0 to (\$491,160)
Criminal Records	\$2,818,333	\$3,985,000	\$4,685,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$2,408,533 to \$2,818,333	\$3,520,360 to \$3,985,000	\$4,193,840 to \$4,685,000

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	(\$354,070)	(\$428,131)	(\$502,192)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Governor, Department of Economic Development, Department of Transportation, Department of Health and Senior Services, Office of the Lieutenant Governor, Department of Conservation, Missouri House of Representatives, Missouri Senate, Office of the Secretary of State, and the State Treasurer's Office** assume the proposal would have no fiscal impact on their agencies.

In response to a previous version of the proposal (SB 873, LR # 3944-01), officials from the **Office of Administration, Public Service Commission, Department of Transportation and Patrol Employees' Retirement System, Department of Mental Health, Department of Natural Resources, Department of Labor and Industrial Relations, Department of Revenue, Missouri Consolidated Health Care Plan, Department of Insurance, Joint Committee on Public Employee Retirement, Joint Committee on Legislative Research, Missouri Ethics Commission, State Auditor's Office, and the State Tax Commission** assumed the proposal would have no fiscal impact on their agencies.

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.

ASSUMPTION (continued)

In response to a previous version of the proposal (SB 873, LR # 3944-01), officials from the **Department of Agriculture (AGR)** stated the eight commissioners of the Missouri State Fair Commission are appointed by the Governor and would need to be fingerprinted for a background check. AGR assumes there would be a potential of 8 background checks per year through the Missouri State Highway Patrol at \$15 each for fingerprinting. AGR assumes the cost to be approximately \$120 per fiscal year.

Officials from the **Coordinating Board for Higher Education** assume, if the responsibility of covering the fees associated with background checks on gubernatorial appointees is that of the department associated with a board or commission, the proposal could result in a negative fiscal impact.

Oversight assumes the Department of Agriculture and the Coordinating Board for Higher Education could absorb the cost of background checks for gubernatorial appointees within existing resources.

In response to a previous version of the proposal (SB 873, LR # 3944-01), officials from the **Department of Elementary and Secondary Education (DESE)** assumed the proposal would increase the fee for background checks by \$4 and allow the fee for background checks to increase by \$1 per annum. DESE states school districts conducted 74,061 background checks and 67,826 fingerprint searches in Calendar Year 2005. DESE estimates the cost to school districts to be \$354,070 in FY 07, \$428,131 in FY 08, and \$502,192 in FY 09.

Officials from the **Department of Social Services – Division of Youth Services (DYS)** assume at least 500 background checks will be required to fill vacancies. Based on the provision that fingerprinting would be between \$9 and \$15 per applicant, DHS assumes the cost of fingerprint checks for its new hires to be between 44,500 and \$5,500 during the first three years, if the division wishes to conduct these checks. Therefore, DHS assumes a fiscal impact of \$0 to less than or equal to \$4,500 in FY 07, \$0 to less than or equal to \$5,000 in FY 08, and \$0 to less than or equal to \$5,500 in FY 09.

Officials from the **Department of Social Services – Human Resource Center** assume the language in this bill appears to make conducting fingerprint background checks an option, rather than mandatory. It also appears the Department of Social Services could require the applicant/employee to pay the cost for this check. For these reasons, a fiscal impact could not be determined at this time.

ASSUMPTION (continued)

In response to a previous version of the proposal (SB 873, LR # 3944-01), officials from the **Missouri Lottery** assume the following increase in costs to the Lottery Enterprise Fund and corresponding reductions to the Lottery Proceeds Fund for Education: \$37,718 in FY 07, \$47,138 in FY 08, and \$56,558 in FY 09.

In response to a previous version of the proposal (SB 873, LR # 3944-01), officials from the **Department of Public Safety – Missouri State Water Patrol (MSWP)** assume criminal history checks on civilian and officer job applicants could cost as much as \$15 per request. MSWP requests up to 50 background checks per year for an annual cost of \$750.

Officials from the **Department of Public Safety – Missouri Veterans Commission (VET)** assume they would conduct background checks on 765 FTE. VET assume the cost would be \$11,475 annually from the Home Fund.

In response to a previous version of the proposal (SB 873, LR # 3944-01), officials from the **Department of Public Safety – Missouri Gaming Commission** assumed the increased cost to the Missouri Gaming Commission Fund due to the provisions increasing the cost of background/fingerprint checks would be \$165,000 in FY 07, \$219,840 in FY 08, and \$246,360 in FY 09.

In response to a previous version of the proposal (SB 873, LR # 3944-01), officials from the **Department of Public Safety – Missouri State Highway Patrol (MHP)** assume the Criminal Records and Identification Division (CRID) would conduct 700,000 name searches per year based on current activity. There will be an increase of \$1 every January 1st until the fee reaches a maximum of \$15, which means an increase of \$700,000 per year until 2012, when it will level off.

CRID assumes they would conduct criminal history background checks on no more than 50 gubernatorial appointees during an election year and less during off years. State processing fingerprint fees are \$14 (waived at the current time for state employees). FBI processing fingerprint fees are \$24 (pass-through fees to the FBI). 50 appointees x \$24 = \$1,200 (pass-through fees to the FBI – not retained in the Criminal Records System Fund).

CRID assumes fingerprint fees will increase to \$15 on August 28, 2006. MHP assumes approximately 135,000 fingerprint searches per year x \$1 extra fee = \$135,000 per year.

CRID assumes an increase in total revenues of \$2,819,533 in FY 07, \$3,986,200 in FY 08, and \$4,686,200 in FY 09.

BLG:LR:OD (12/02)

ASSUMPTION (continued)

Oversight has not reflected the \$1,200 pass-through fees to the FBI. In response to a similar proposal (HB 1320, LR # 4087-01), MHP assumed no fiscal impact for the because this amount is so small.

In response to a similar proposal (HB 1321, LR # 4085-01), officials from the **Department of Public Safety – Missouri State Highway Patrol** stated there are approximately 60,000 state employees. Based on data retrieved from the Turnover by Agency report (1/1/05 through 12/31/05), 17% of these employees will have criminal background checks conducted by the state and FBI. 17% x 60,000 = 10,200 employees x \$24 = \$244,800 (passed through to the FBI).

Oversight assumes the provisions allowing state agencies to require fingerprinting of applicants and criminal history records checks are permissive. Therefore, Oversight has ranged the cost from \$0 to \$244,800 per fiscal year to various state funds.

<u>FISCAL IMPACT - State Government</u>	FY 2007	FY 2008	FY 2009
	(10 Mo.)		

VARIOUS STATE FUNDS

Costs – Various State Agencies
 To Criminal Records Fund for
 background checks

<u>\$0 to (\$409,800)</u>	<u>\$0 to (\$464,640)</u>	<u>\$0 to (\$491,160)</u>
---------------------------	---------------------------	---------------------------

**ESTIMATED NET EFFECT ON
 VARIOUS STATE FUNDS**

<u>\$0 to</u>	<u>\$0 to</u>	<u>\$0 to</u>
<u>(\$409,800)</u>	<u>(\$464,640)</u>	<u>(\$491,160)</u>

CRIMINAL RECORDS FUND

Revenues – Missouri State Highway
 Patrol

Fees from record checks	<u>\$2,818,333</u>	<u>\$3,985,000</u>	<u>\$4,685,000</u>
-------------------------	--------------------	--------------------	--------------------

**ESTIMATED NET EFFECT ON
 CRIMINAL RECORDS FUND**

<u>\$2,818,333</u>	<u>\$3,985,000</u>	<u>\$4,685,000</u>
--------------------	--------------------	--------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
POLITICAL SUBDIVISIONS			
<u>Costs – School Districts</u>			
Background/fingerprint requests	<u>(\$354,070)</u>	<u>(\$428,131)</u>	<u>(\$502,192)</u>
ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	<u>(\$354,070)</u>	<u>(\$428,131)</u>	<u>(\$502,192)</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

The proposed legislation relates to criminal background checks:

§26.142 – Background Check for Gubernatorial Appointees

This section requires the Highway Patrol, at the direction of the Governor, to conduct name or fingerprint background investigations of gubernatorial appointees. The background investigation may include criminal history record information and other source information obtained by the Highway Patrol. The information received by the Highway Patrol is confidential and shall not be disclosed except to the Governor or necessary members of the Governor’s staff.

§43.530 – Fees for Criminal Background Checks

Currently, an entity making a request for criminal history record information that is not based on a fingerprint search must pay a fee of not more than \$5 per request. Under this section, an entity cannot be made to pay more than \$9 dollars for such a request. However, after January 1, 2007, the central repository of the Highway Patrol may increase the fee by not more than \$1 per year. Under no circumstances shall the fee exceed \$15 dollars per request.

DESCRIPTION (continued)

Currently, an entity making a request for criminal history record information that is based on a fingerprint search must pay a fee of not more than \$20 per request. Under this section, an entity cannot be made to pay more than \$15 dollars for such a request.

§43.546 – Background Checks by State Agencies

This section allows any state agency to require an applicant to provide fingerprints in specified occupations for the purposes of positive identification and receiving criminal history record information when determining an applicant's ability to serve in such an occupation.

In order to do so, the applicant or employee must submit a set of fingerprints. These fingerprints and the accompanying fees are forwarded to the Highway Patrol to search the state criminal history repository and the FBI for a national criminal background check. All records related to any criminal history information discovered shall be accessible to the state agency making the request.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture
Office of the Governor
Coordinating Board for Higher Education
Office of Administration
Office of State Courts Administrator
Department of Economic Development
Public Service Commission
Department of Elementary and Secondary Education
Department of Transportation and Patrol Employees' Retirement System
Department of Mental Health
Department of Natural Resources
Department of Health and Senior Services
Department of Labor and Industrial Relations
Department of Revenue
Department of Social Services

SOURCES OF INFORMATION (continued)

Department of Public Safety

- Missouri State Water Patrol
- Missouri State Highway Patrol
- Missouri Veterans Commission
- Missouri Gaming Commission

Missouri Consolidated Health Care Plan

Department of Insurance

Joint Committee on Public Employee Retirement

Missouri Lottery

Joint Committee on Legislative Research

Office of the Lieutenant Governor

Department of Conservation

Missouri Ethics Commission

Missouri House of Representatives

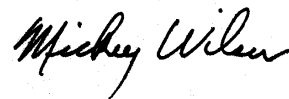
State Auditor's Office

Missouri Senate

Office of the Secretary of State

State Treasurer's Office

State Tax Commission



Mickey Wilson, CPA
Director
May 4, 2006