

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4375-01
Bill No.: HB 1465
Subject: Crimes and Punishment; Highway Patrol; Law Enforcement Officers and Agencies; Public Safety Department.
Type: Original
Date: March 2, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Criminal Records System	\$0 to \$2,561,316	\$0 to \$2,561,316	\$0 to \$2,561,316
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 to \$2,561,316	\$0 to \$2,561,316	\$0 to \$2,561,316

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0 to (Less than \$2,516,316)	\$0 to (Less than \$2,516,316)	\$0 to (Less than \$2,516,316)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DES)** state the proposal would increase fees for receiving background checks and fingerprint search requests. Payments for background checks will increase from \$5 to \$10; and payments for fingerprint searches will increase from \$14 to \$20.

DES states that during FY 2003, they requested background checks and fingerprint searches as follows:

	<u>FY 2003</u>	Fee increase	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Background	54,977	x \$5	= \$274,885		
Fingerprint	<u>12,910</u>	x \$6	= <u>\$ 77,460</u>		
TOTAL	67,887		\$ 352,345	\$387,580	\$426,337

School districts would see an additional cost directly related to the number of requests made. In FY 2003, the additional costs would have been \$352,345 to school districts. The number of requests increased by 9.2% and 10.7% during FY 2002 and FY 2003 respectively, therefore, DES' calculation for subsequent years is inflated by 10%.

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ASSUMPTION (continued)

In response to a similar proposal from this year, officials from the **Department of Social Services - Division of Youth Services (DYS)** stated they request substitute teacher certification for youth specialist who fill in during teacher absences. Criminal history record information is sought for each applicant. Approximately 100 new requests are made each year. Thus, it is estimated that passage of this bill will result in DYS being assessed an additional \$500 per year for background checks. DYS states they are currently able to utilize Title IV funds (Safe and Drug Free Schools) to pay those fees. DYS assumes the fiscal impact is “immaterial”.

In response to a similar proposal from this year, officials from the **Department of Social Services - Children’s Division (CD)** stated this legislation would change the fee for name based criminal record checks from \$5 to \$10. Currently, the CD obtains name based criminal history checks on Foster Parents through the Family Safety Registry. Currently, the fee is waived for Foster Parents to sign up for the registry. Therefore, there is no fiscal impact to CD for raising the fee from \$5 to \$10.

In addition, this legislation raises the cost of a fingerprint criminal record check through the Highway Patrol from \$14 to \$20. The CD states they are requesting funding in the FY 2005 budget to perform fingerprint criminal record searches. This would raise the amount of funding needed to perform the fingerprint criminal record check. The CD states the current budget request is based on a cost of \$14 for a Highway Patrol fingerprint criminal history check and \$24 for an FBI fingerprinting criminal history check. Therefore, the CD current budget request would be insufficient to meet the costs of a fingerprinting if the legislation is passed. There would be an additional \$6 per check needed on the following providers:

	<u>New</u>	<u>Renewals</u>	<u>Total</u>
Relative Homes	1,000	1,327	2,327
Adoptive Homes	1,145	2,658	3,803
Foster Homes	979	2,471	3,450
Court Ordered Placements	4,222		4,222
Supervision Only Placements	653		<u>653</u>
TOTAL			<u>14,455</u>

Therefore, CD assumed $14,455 \times 2$ persons per households \times an additional \$6 = \$173,460 in costs resulting from the proposal. The CD assumes the cost breakout would be \$82,394 of General Revenue Funds and \$91,067 of Federal Funds.

Oversight assumes the proposal may or may not have an impact on the current budget request for CD, and have not reflected the potential increase in the fiscal note.

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ASSUMPTION (continued)

In response to a similar proposal from this year, officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** stated that according to their Criminal Records and Identification Division, the proposed legislation would increase the revenue received for name checks and fingerprint checks.

The Criminal Records and Identification Division (CRID) currently charges \$5.00 for a name check and \$14.00 for a fingerprint check. The proposed legislation allows the division to charge not more than \$10.00 for a name check and not more than \$20.00 for a fingerprint check. The Patrol assumed that it would not raise the fee the full amount allowed in the first year so a range will be used for the purpose of this fiscal note.

Currently, the Criminal Records Identification Division processes 501,060 name searches, which generates \$2,505,300 (501,060 x \$5) in revenue. The MHP assumed the additional revenue that could be generated with this proposal from the name searches, could be up to an additional \$2,505,300. Below are some of the incremental increases possible.

\$6 per check (\$1 increase) = \$501,060 in additional revenue
\$7 per check (\$2 increase) = \$1,002,120 in additional revenue
\$8 per check (\$3 increase) = \$1,503,180 in additional revenue
\$9 per check (\$4 increase) = \$2,004,240 in additional revenue
\$10 per check (\$5 increase) = \$2,505,300 in additional revenue

Currently, the Criminal Records Identification Division processes 9,336 fingerprint searches, which generates \$130,704 (9,336 x \$14) in revenue. The MHP assumed the additional revenue that could be generated with this proposal from the fingerprint searches, could be up to an additional \$56,016. Below are some of the incremental increases possible.

\$15 per check (\$1 increase) = \$9,336 in additional revenue
\$16 per check (\$2 increase) = \$18,672 in additional revenue
\$17 per check (\$3 increase) = \$28,008 in additional revenue
\$18 per check (\$4 increase) = \$37,344 in additional revenue
\$19 per check (\$5 increase) = \$46,680 in additional revenue
\$20 per check (\$6 increase) = \$56,016 in additional revenue

The **overall** combined increases for the Criminal Records and Identification Fund, based on the increased fee for name checks and the increased fee for fingerprints checks would be from \$510,406 (\$1 dollar increase on both searches) to \$2,561,316 (increase fees to the maximums allowed by proposal).

ASSUMPTION (continued)

The MHP assumed that some amount of increase would be made each year. MHP also assumed that the increase would only be about \$1.00 each time. A decision would have to be made to determine how much the fee would increase once the legislation passed, and how often it would increase after that. It is possible that the name check and fingerprint check fees would increase at different rates. At this time, there is no way to determine that.

The MHP also stated they do not charge state agencies for background checks, so this proposal would not result in additional cost to other state agencies.

In response to a similar proposal from this year, officials from the **Jefferson City Police Department** and the **Springfield Police Department** each assumed the proposal would not have a fiscal impact on their respective agencies.

Officials from the **Independence Police Department (IPD)** state they process licenses for the Private Detective and Watch Guards. Part of this process includes sending in fingerprint cards and obtaining criminal histories. Although the IPD pays the charges for this process, the IPD passes on that charge to the companies or individuals applying for the license. The impact to the IPD will be passed on to those companies and individuals applying for the license once approval to do so has been obtained from all appropriate city officials.

The proposal states the MHP can charge not more than \$10 for a name check and not more than \$20 for a fingerprint check. Based on this and MHP's response, **Oversight** will range the fiscal impact of the proposal from \$0 (MHP is allowed to by statute but chooses not to raise the fees) to an additional \$2,516,316 in revenue to the Criminal Record System Fund.

Oversight assumes some of the potential increase in background and fingerprint searches will be paid by local political subdivision (including local school districts) and some of the potential increase will be paid by various other non-governmental entities. Therefore, Oversight will range the fiscal impact of the proposal to local political subdivisions from \$0 to (Less than \$2,516,316).

This proposal could increase Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
CRIMINAL RECORD SYSTEM FUND			
<u>Income</u> - increase fees for background checks	\$0 to <u>\$2,516,316</u>	\$0 to <u>\$2,516,316</u>	\$0 to <u>\$2,516,316</u>
ESTIMATED NET EFFECT TO THE CRIMINAL RECORD SYSTEM FUND	\$0 TO <u>\$2,516,316</u>	\$0 TO <u>\$2,516,316</u>	\$0 TO <u>\$2,516,316</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
LOCAL POLITICAL SUBDIVISIONS			
<u>Costs</u> - increased fees for background checks.	\$0 to (Less than <u>\$2,516,316</u>)	\$0 to (Less than <u>\$2,516,316</u>)	\$0 to (Less than <u>\$2,516,316</u>)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 to (Less than <u>\$2,516,316</u>)	\$0 to (Less than <u>\$2,516,316</u>)	\$0 to (Less than <u>\$2,516,316</u>)

FISCAL IMPACT - Small Business

Small businesses that need background checks to be performed by the Missouri State Highway Patrol could be paying more for the service as a result of this proposal.

DESCRIPTION

This proposal increases the fees the State Highway Patrol charges for criminal record requests. The proposal increases the fee from \$5 to \$10 for requests that do not involve a fingerprint search. For requests based upon a fingerprint search, the bill increases the fee from \$14 to \$20.

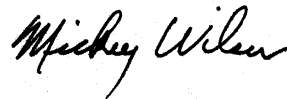
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

RAS:LR:OD (12/02)

SOURCES OF INFORMATION

Department of Public Safety
Missouri Highway Patrol
Department of Elementary and Secondary Education
Department of Social Services
Jefferson City Police Department
Springfield Police Department
Independence Police Department

NOT RESPONDING: Department of Corrections, Boone County Sheriff, Clark County Sheriff, St. Charles Police Department

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 2, 2004