

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: House Bill 2397 (Fourth Edition)

SHORT TITLE: Nursing Home Adminis. & Gen. Assembly Crim. Hist.

SPONSOR(S): Representatives Bordsen, Farmer-Butterfield, Boylan, and Pierce

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>
REVENUES:					
NC State Board of Examiners for Nursing Home Administrators	\$14,250	\$14,250	\$14,250	\$14,250	\$14,250
Department of Justice	\$14,250	\$14,250	\$14,250	\$14,250	\$14,250
EXPENDITURES:					
NC State Board of Examiners for Nursing Home Administrators	\$14,250	\$14,250	\$14,250	\$14,250	\$14,250
Department of Justice	Depending on the method of fingerprinting used, DOJ expenditures could range from \$13,703 to \$17,062 for each fiscal year.				
NC General Assembly	Minimal fiscal impact anticipated				
POSITIONS:	0	0	0	0	0
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: North Carolina State Board of Examiners for Nursing Home Administrators, Department of Justice, North Carolina General Assembly					
EFFECTIVE DATE: This act is effective when it becomes law.					

BILL SUMMARY:

HB 2397 amends proposed new G.S. 90-288.01 to include in the definition of criminal history a history of conviction of a federal crime and also changes the term person to applicant throughout. The bill changes the statute number of proposed G.S. 114-19.11 to GS 114-19.24 and amends the proposed

statute by requiring the Board to obtain a criminal history record check of an applicant. The bill states that the Board shall forward an applicant’s fingerprints to the State Bureau of Investigation (SBI) for a search of the State’s criminal history record file. The SBI has the authority to forward the fingerprints to the Federal Bureau of Investigation for a national criminal history record check. The bill also authorizes the employing entities of the General Assembly to conduct criminal records checks for current and potential employees of the General Assembly.

ASSUMPTIONS AND METHODOLOGY:

Department of Justice

Sections 1 and 2 of proposed G.S. 90-288.01 (and G.S. 114-19.24B) require the Board obtain a criminal history record check for every applicant. To initiate the check via the Department of Justice, the Board must forward the covered person’s fingerprints and consent form to the SBI and request that person’s criminal record. The Board will collect all associated fees and remit those fees to the Department of Justice.

Section 4 of the bill adds a new section to Chapter 114 of the General Statutes providing that the Department of Justice may provide an employing entity of the General Assembly, as defined in new GS 120-36.20, with state and federal criminal history reports for any current or prospective employee. This bill does not require the Department of Justice to perform criminal background checks for all current or prospective employees of General Assembly employing entities. Because it is unknown how many people would be subject to these checks, the fiscal impact of Section 4 cannot be determined.

The Department charges the following fees to non-criminal justice agencies for state and national fingerprint checks, which largely offset the costs of conducting the checks:

- N.C. Fingerprint Check: \$14 (\$14 retained by DOJ)
- N.C. & National Fingerprint Check: \$38 (\$16 retained by DOJ, \$22 remitted to the FBI)

Presently, the estimated unit costs for conducting national and criminal record checks via fingerprint card and live-scan are \$23.50 and \$14.54, respectively (costs include overhead and equipment). Each staff member in the fingerprint identification section can perform, on average, 8,000 - 10,000 checks per year. As implied, the costs incurred for criminal record checks are largely offset by fee collections, and existing personnel will absorb the additional workload. DOJ expenditures on Fiscal Impact Table (page 1) are derived from total fingerprint costs from table below multiplied by the number of expected background checks to be performed (375.)

Record Check	Agency Fee	DOJ Total Cost*
Fingerprint Card Check <i>(NC and FBI data)</i>	\$ 38.00	\$ 45.50
Live-Scan Fingerprint Check <i>(NC and FBI data)</i>	\$ 38.00	\$ 36.54
<p><i>*2005 unit costs are derived from OSBM “Study of the Cost of Providing Criminal Record Checks;” costs include an equipment allowance and 12.5% overhead rate</i></p> <p><i>Cost for state and federal record checks includes \$22 remittance per check to the Federal Bureau of Investigation</i></p>		

N.C. State Board of Examiners for Nursing Home Administrators

The Board will increase the license fee for new applications and renewals to cover Department of Justice expenses associated with conducting the criminal history record check. Any additional workload resulting from requisite record checks (e.g. fingerprinting, record-keeping, etc.) will be accommodated by current Board resources. Table 1 shows the current fee schedule and the increases the Board will make to cover the \$38.00 charge from the Department of Justice for conducting the record check. Table 2 shows the number of new applicants and renewals that the Board estimates to occur annually and the fiscal impact the increased fee will have on revenues. The increased fee will result in \$14,250 additional revenue annually for the Board, all of these funds will be sent to Department of Justice to cover their costs. The Board estimates that the number of new applicants and renewals will remain constant for at least the next five years.

Table 1. Current and Proposed Fee Schedule

Type of License	Fee Amount	New Fee Amount	Total Increase
New Administrator-in-training	\$150	\$188	\$38
New Reciprocity/Endorsement	\$200	\$238	\$38
Renewal	\$425	\$463	\$38

Table 2. Fiscal Impact Due to Change in Fees

	# of Applicants	Fee Increase	Increased Revenue
New Applicants	35	\$38	\$1,330
Renewals	340	\$38	\$12,920
Total	375		\$14,250

N.C. General Assembly

The intent of this bill is to grant the General Assembly (NCGA) the authority to conduct criminal record history checks on current or prospective employees. NCGA will reimburse the Department of Justice the costs associated with conducting this check. The check is not a requirement for employment. It is anticipated that costs associated with this bill are minimal and can be absorbed within existing resources.

SOURCES OF DATA: North Carolina State Board of Examiners for Nursing Home Administrators, Department of Justice, North Carolina General Assembly

TECHNICAL CONSIDERATIONS:

1. The words "to the Federal Bureau of Investigation for a national criminal history records check" should be added after the word "fingerprints" on Line 22, Page 4.
2. Section 3(b) does not explicitly grant authority to the North Carolina General Assembly to conduct a criminal history check on current or prospective employees.
3. The terms "criminal history check," "criminal record check," and "criminal history record check" are used interchangeably. The terms should be standardized.

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Signed Copy Located in the NCGA Principal Clerk's Offices