

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2250 - A10**Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

Prepared by: Theresa McHugh
Reviewed by: Laurie Byerly, Julie Neburka, Paul Siebert, Steve Bender
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Measure Description:

Authorizes Oregon Department of Administrative Services to adopt rules related to electronic fingerprint capture services.

Government Unit(s) Affected:

Department of Administrative Services (DAS), Oregon State Police (OSP), Department of Human Services (DHS), Judicial Department

Summary of Expenditure Impact:

See Analysis below

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The measure provides clarification on state electronic fingerprint capture requirements and continues the process of consolidating background and criminal records check rule-making authority in the Department of Administrative Services (DAS) originally started in HB 3168 (2013 Session). In addition, the bill shifts most of the Clearinghouse program activities from the Oregon State Police (OSP) to the Department of Human Services (DHS). OSP will continue to perform the background check processing, including the FBI portion. DHS will be responsible for communicating with service providers who are requesting background checks and determining the fitness of the subject individuals. The fitness determinations will now be handled on a case-by-case basis, consistent with guidance and factors established by DAS through administrative rule.

Based on OSP data from 2014, there were 3,605 fingerprint background check transactions per year that will become the responsibility of DHS. DHS will charge fees according to the fee schedule that is currently in place; however, a large percentage of the fees (approximately 46 percent) are expected to be waived in accordance with ORS 181.556, which requires the waiver of fees for volunteers, as defined in the law. DHS estimates total Other Funds revenue from fee collections of approximately \$188,000.

DHS estimates a fiscal impact of \$144,705 General Fund, \$509,472 Total Funds in 2015-17. Of the total cost, \$177,000 is anticipated to be paid with federal funds from the Centers for Medicare and Medicaid Services National Background Check Grant for the development of a Criminal Records Information Management System accounting module. Of the remaining costs of \$332,472, approximately \$118,000 is for one full-time position (0.80 FTE; phasing in during November 2015) to accommodate the increased workload associated with the bill, and approximately \$214,000 is to pay OSP for the background check work that they will continue to be doing. It is anticipated that the cost will be \$10 per request plus the FBI fee, which will be either \$13.50 or \$14.75, depending on whether the request is for a check on a volunteer or an employed person. Other Funds revenue will be used to cover as much of the costs as possible, but it is anticipated that the agency will need \$144,705 General Fund to cover costs that are not eligible for federal funds and cannot be covered by the projected revenue. The cost for the measure in 2017-19 is estimated to be \$143,665 General Fund, \$393,978

Total Funds, which are lower than 2015-17 costs because of the removal of the one-time federal funds for system needs and one-time services and supplies costs associated with the new position.

OSP indicates that they would expect to see a reduction in revenue and a corresponding reduction in the need for Other Funds expenditure limitation as work is shifted to DHS. They anticipate a reduction of \$90,049 Other Funds in 2015-17, growing to a reduction of \$120,065 Other Funds in 2017-19. This assumes that the agency will receive revenue from DHS as discussed above. OSP also anticipates that the Clearinghouse program, which is where this work currently resides, would be eliminated and remaining work would shift to the Regulatory program. The agency also anticipates eliminating one position, (0.59 FTE in 2015-17, 0.79 FTE in 2017-19) that has been conducting the Clearinghouse work.

The bill grants the Chief Justice the authority to adopt fitness rules related to fingerprint-based background checks after reviewing the rules adopted by DAS. The Oregon Judicial Department (OJD) anticipates a minimal fiscal impact if a review of the rules adopted by DAS results in a decision to update OJD background check rules. OJD also notes that the changes in House Bill 2250-A may create a slight increase in the number of cases that will be heard by the Court of Appeals, with minimal fiscal impact.

It is anticipated that there will not be a fiscal impact to DAS for the work they will need to complete regarding rule-making authority as specified in the measure. The agency also indicates that the requirement to continue the work group to study further statutory changes regarding criminal background checks and fitness determinations is minimal and absorbable.