

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 830** HLS 16RS 683

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 4, 2016	7:55 AM	<b>Author:</b> SEABAUGH
<b>Dept./Agy.:</b> Education		<b>Analyst:</b> Jodi Mauroner
<b>Subject:</b> Child Care Employees		

CHILDREN/CARE EG INCREASE FF EX See Note Page 1 of 2  
Provides relative to criminal background checks for owners, employees, volunteers, and inspectors of early learning centers

Present law prohibits any person who has been convicted of or has pled nolo contendere to certain crimes including sex crimes and crimes against children from directly or indirectly owning, operating, or participating in the governance of an early learning center, or being hired by an early learning center as a volunteer or employee of any kind, or being hired by the Dept. of Education (DOE) in a position whose duties include the performance of licensing inspections in early learning centers. BESE is required to establish procedures under which the owner or operator of an early learning center may request information concerning whether or not any owner or volunteer, applicant, or employee of any kind, including contractors, of an early learning center has been arrested for or convicted of or pled nolo contendere to any criminal offense. Proposed law changes requirement by authorizing DOE, rather than the owner or operator of an early learning center, to request criminal history information of certain personnel; otherwise retains present law.

<b>EXPENDITURES</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$440,511	\$262,354	\$262,354	\$262,354	\$262,354	<b>\$1,489,927</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$440,511</b>					<b>\$440,511</b>

  

<b>REVENUES</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$32,108	\$8,968	\$8,968	\$8,968	\$8,968	<b>\$67,980</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$32,108</b>	<b>\$8,968</b>	<b>\$8,968</b>	<b>\$8,968</b>	<b>\$8,968</b>	<b>\$67,980</b>

**EXPENDITURE EXPLANATION**

There will be an increase in expenditures of federal Child Care and Development Funds (CCDF) by the DOE for licensing activities related to the required background checks for persons associated with early learning centers. The increase may result in a decrease in the availability of these funds for other activities.

Federal guidelines included in the 2015 reauthorization of the Child Care and Development Block Grant (CCDF) require FBI criminal background checks on all persons associated with early learning centers. (Previously only statewide background checks were required.) The state must have procedures in place that meet these requirements no later than September 30, 2017; a one year extension may be granted. For any year that a state fails to substantially comply, 5% of the CCDF funds will be withheld which could result in a loss of \$4.4 M for LDOE.

Based on license capacity, capacity in homes and the average child ratio, anticipated turnover and associated contractors, DOE projects approximately 16,054 checks will be requested in year one (FY 17) and year five (FY 22). In FY 18 through FY 21 the number will be limited to new employees only and an estimated 4,484 checks will be required (assumes no growth in the number of centers). Background checks are required to be renewed every five years. **Continued on Page Two**

**REVENUE EXPLANATION**

There will be an increase in revenues to the Criminal Identification and Information Fund as a result of the La. Bureau of Criminal Identification and Information (LBCII) providing FBI criminal background checks for employees of early learning centers.

LBCII charges a processing fee of \$26 for criminal background checks provided to any agency or entity statutorily eligible to receive this information to assist the agency in performing a screening function as part of any regulatory or licensing scheme. There will be no change in collection of these fees. Additionally, the Bureau charges \$14.75 for FBI criminal history checks, \$12.75 of which is remitted to the FBI. Based on the projected number of applicants, 16,054 FBI checks will be required in FY 17 which would generate \$32,108 in statutory dedications in FY 17 (\$2 x 16,054). Since background checks must be conducted only once every five years, estimated revenues generated from these reports will be \$8,968 in FY 18 through FY 21 as checks will be conducted for new employees only (\$2 x 4,484).

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|--|--|--------------|
| <u>Senate</u>  | <u>Dual Referral Rules</u>   | <u>House</u> |
| <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}                    |              |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}      | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |              |

*Evan Brasseaux*  
**Evan Brasseaux**  
**Staff Director**

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**CONTINUED EXPLANATION from page one:**

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**Expenditure Explanation Continued From Page One**

Currently owner/operators request and pay the \$26 fee for state background checks; however, federal background checks must be requested and released to a state agency. Owner/operators will submit these applications and payments to DOE which will request and receive both the statewide and the federal reports from the La. Bureau of Criminal of Identification and Information. Estimated cost is of the FBI check is \$236,796 (16,054 \* \$14.75); DOE indicated that at this juncture there is no authority to recoup those costs and they will utilize CCDF funds for these expenses in FY 17. Estimated costs for FY 18 through FY 21 are \$66,139 (4,484 \* \$14.75) and are anticipated to be funded with self generated revenues.

Additionally, DOE anticipates the need for additional staffing as a result of the increased workload. If additional licensing positions are not authorized, the department will contract out services. DOE projects the need for three positions at an annual cost of \$196,215 (\$57,000 salary and related benefits, \$8,405 operating expenses) with additional acquisition costs of \$7,500 in FY 17 only. There is no anticipated impact to the La Bureau of Criminal Identification and Information as these checks are automated.

Senate      Dual Referral Rules      House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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