

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0880-01
Bill No.: HB 219
Subject: Education, Elementary and Secondary; Teachers; Elementary and Secondary Education Department; Children and Minors
Type: Original
Date: January 25, 2011

Bill Summary: This proposal contains provisions relating to background checks for school employees aimed at protecting children from sexual predators.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(\$629,291)	(\$272,148)	(\$275,071)
Total Estimated Net Effect on General Revenue Fund	(\$629,291)	(\$272,148)	(\$275,071)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 12 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	6 FTE	6 FTE	6 FTE
Total Estimated Net Effect on FTE	6 FTE	6 FTE	6 FTE

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Missouri State Highway Patrol** state this proposal will have no fiscal impact on their agency.

Officials from the **Department of Mental Health** state this proposal would not appear to add any requirement or responsibility to the their agency that would result in a fiscal impact.

Officials from the **Joint Committee on Administrative Rules** state this proposal will have no fiscal impact on their committee.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

§168.133

Officials from the **Department of Elementary and Secondary Education (DESE)** state that OA-ITSD has determined that automation will be required to share data between DESE, Department of Health and Senior Services, Department of Public Safety, Department of Corrections, and Department of Mental Health. Additional work by the licensure staff would be required as well.

Currently the certificated and non-certificated school employees are not always kept in the same data storage area. In order to make this process the most efficient, that would need to change. Because of outdated and unsupported software, a new system is currently in process of being developed. That system is estimated at \$1.5 million and is being funded primarily through a federal grant. This system also would accomplish the goal of verifying all employees are on the Family Care Safety Registry and Access Line (FCSR) system, once that system is fully

ASSUMPTION (continued)

automated. This system also would accomplish the goal of verifying the appropriateness of Social Security Numbers and gather information from national clearing houses for infractions in other states.

The annual cost of verifying that all school employees are registered in the FCSR will be approximately \$1,200,000 (\$10 per person for 120,000 certified teachers). In order to accomplish these requirements, DESE will require 1.5 FTE administrative assistant.

DESE further notes that according to officials with the Missouri Highway Patrol, a "wrap-back" system is currently being constructed which will automatically perform checks on all persons currently registered in the FCSR; therefore, once this system is implemented, the annual cost to DESE will no longer exist.

Oversight assumes, for fiscal note purposes only, that the "wrap-back" system will be in operation prior to implementation of this proposal and assigns no fee cost.

Oversight assumes that one FTE could perform the duties required by this proposal. If additional FTE are needed, duties can be shared with existing FTE or requested through the appropriation process. **Oversight** has, for fiscal note purposes only, changed the starting salary for the Administrative Assistants to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Oversight notes that in response to a similar proposal from last session (SCS/SB 631 FN 3358-06) the certificated and non-certificated school employees are not always kept in the same data storage area. Because of outdated and unsupported software, a new system would need to be developed to accomplish the goal of verifying all employees are on the Family Care Safety Registry and Access Line (FCSR) system. That system is estimated at \$1.5 million. This system also would accomplish the goal of verifying the appropriateness of Social Security Numbers and gather information from national clearing houses for infractions in other states. **Oversight** notes that apparently a federal government grant has been obtained to develop the new system.

DESE assumes there might be some increased time by school employees to meet the provisions of this proposal. **Oversight** assumes, based on responses from school districts, that costs would be minimal and could be absorbed with existing resources. The criminal background check and fingerprint collections permitted in §168.133.9 are at the school districts' expense but are

ASSUMPTION (continued)

permissive so no cost is assigned.

Officials from the **Department of Health and Senior Services (DOHSS)** provided the following assumptions regarding this proposal:

Family Care Safety Registry-Registrations

According to DOHSS, a registration is an individual's initial entry into the Family Care Safety Registry (FCSR) which establishes his/her record and stores the relevant data in the system.

Based on estimates provided by the Department of Elementary and Secondary Education (DESE), there are 124,000 certificated and temporary certificated staff in their active membership. DESE estimates there are 125,000 non-certified public school staff for a total of 249,000 staff to be registered with the FCSR. Based on information provided by DESE, 4,000 new teachers will graduate in-state annually and an additional 4,000 teachers will move or transfer to Missouri schools annually. DESE also estimates that 2,500 certificated staff will retire or leave Missouri annually. Based on information from DESE, DOHSS assumes that the number of non-certified staff will increase 3.2 percent annually (125,000 X 3.2 percent = 4,000). This will require an estimated 8,000 certified staff and 4,000 non-certified staff to be registered with FCSR on an ongoing basis.

The FCSR anticipates there will be an initial effort to register all current certificated (124,000) and non-certificated employees (125,000) in order to provide background screenings on an ongoing/annual basis. DESE will facilitate the certified staff screenings through a batch process. The FCSR will promulgate new rules to require the schools to submit all of the non-certified staff registrations via the web-based registration system. In order to meet the demand for processing registrations, DHSS plans to hire temporary FTEs to process the initial registrations. These staff will not be needed on an ongoing basis since the number of new registrations is estimated to decrease to 12,000 annually after the first year. Although online registrations require less FCSR staff intervention than registrations submitted on paper, DOHSS estimates each registration will require an average of three minutes of staff time each. DOHSS estimates each temporary FTE will work no more than 1,040 hours resulting in the need to hire 12 temporary FTE ($249,000 \text{ registrations} \times 3 \text{ minutes} = 747,000 \text{ minutes} \div 60 \text{ minutes per hour} = 12,450 \text{ hours} \div 1,040 \text{ hours worked per temporary FTE} = 11.97 \text{ rounded to } 12$). These staff will be housed in existing space, work after hour shifts, and use existing equipment and furniture. DHSS will also need approximately 600 hours ($12,000 \text{ registrations} \times 3 \text{ minutes} = 36,000 \text{ minutes} \div 60 = 600 \text{ hours}$) or 0.29 (600 hours \div 2080 hours per year) permanent HPR II FTE to process new registrations in subsequent years to process the annual 12,000 new registrations related to turnover and new staff

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ASSUMPTION (continued)

entering the public school system.

Family Care Safety Registry-Background Screenings

According to DOHSS, a background screening is an inquiry made of the Family Care Safety Registry (FCSR) currently accessing seven statewide databases and retrieving data concerning an individual.

DESE has informed the FCSR that they plan to conduct the annual background screenings required by the proposed legislation using the FCSR, as it incorporates all of the required screening, with the exception of the fingerprint-based criminal record searches which must be conducted through the MSHP. Upon passage of the proposed legislation DOHSS will need to modify its web-based background screening system to utilize batch processing in order to expedite the retrieval of background results and minimize the need for ongoing staff increases. The modifications will accommodate DESE's requests for annual screening of certified public school staff. FCSR will require schools to submit background screening requests for non-certified staff via secure, internet user accounts. Historically, 15 percent of the screening requests submitted via the internet require manual review by FCSR staff to determine an accurate match, for a total of 38,775 screenings requiring staff intervention each year (249,000 existing staff + 12,000 new staff - 2,500 staff leaving employment = 258,500 X 0.15). One HPR II FTE and 0.5 OSA FTE are required to process 12,000 screenings manually. Therefore, the additional annual background screenings required by the proposed legislation will result in the need for 3.1 HPR II FTEs and 1.6 OSA FTE (38,775 ÷ 12,000 = 3.23 HPR II; 3.23 X .5 = 1.6 OSA.)

TASK	Registrations/ Screenings	Staffing Required
One-time certified and non-certified staff registrations	249,000	12 (Hourly and Intermittent employees during FY 2012 only)
New Registrations each year	12,000	.29 HPR II FTE
Manual review of annual screenings	38,775	3.23 HPR II FTE; 1.6 OSA FTE

ASSUMPTION (continued)

Summary of DOHSS FTE request = 12 H&I, 3 HPR II FTE, and 2 OSA FTE. (HPR II FTE: 0.29 FTE for annual registrations for new public school staff + 3.23 FTE for annual background screenings = 3.52, rounding down to 3 FTE; OSA FTE: 1.6 FTE for annual background screenings rounding up to 2 FTE).

DOHSS notes that the costs calculated above are based on the assumption that the FCSR will promulgate rules to require all schools to utilize its internet-based registration and background screening request system in order to reduce costs and expedite the registration of public school staff and the subsequent background screening process. If the rules cannot be promulgated, a paper-based system would remain an option and the DHSS fiscal note response would need to be recalculated. Use of a paper-based system requires considerably more staff time than the web-based system and the fiscal note costs would increase significantly.

Oversight has, for fiscal note purposes only, changed the starting salary for the Health Program Rep II and the Office Support Assistants to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research. **Oversight** assumes the FTE would be housed in existing DHSS facilities. Therefore, the fiscal note includes no rent or janitor/trash/utilities expenses.

Postage Expenses

Currently the FCSR incurs postage expenses for the letter notifying each individual of their registration as well as the screening results that are sent to both the individual and their employer. By the time this legislation takes effect, however, the FCSR should have a new system in place which will provide employers with a secure user account where they will be able to view and print their own background screening notification letters. The FCSR will need to continue mailing registration and background screening notification letters to the employees in order to meet the statutory requirements in § 210.909.3. DOHSS estimates the mailing of each notification will cost \$0.335. The fiscal note request includes postage costs associated with the mailing of 522,000 result letters in the first fiscal year of implementation [249,000 current staff + 12,000 new employees = 261,000 X two letters = 522,000 (a registration result letter and a background screening notification letter to the employee)]. In year two FCSR would have 282,500 letters [258,500 current staff X one background screening letter + (12,000 new employees X two letters - registration result letter and background screening notification letter)]. In year three, FCSR would have 292,000 letters (268,000 current staff X one background

ASSUMPTION (continued)

screening letter + (12,000 new employees X two letters - registration letter and background screening notification letter)]. A 2.5 percent inflationary factor is applied to Fiscal Year 2013 and Fiscal Year 2014 to cover anticipated increase in postage costs.

Oversight assumes DOHSS would be mailing notification to regarding 261,000 new registrants in the first year and 12,000 new registrants in subsequent years.

Office of Administration-Information Technology Services Division Costs

Support from Office of Administration, Information Technology Services Division (OA-ITSD) will be needed to modify the existing database used by DOHSS, FCSR. The proposed language states the Missouri State Highway Patrol, DOHSS, the Department of Social Services, and DESE shall develop procedures that permit an annual check of employed persons holding current active certificates under §168.021 against criminal history records in the central repository under § 43.530, the sexual offender registry, and child abuse central registry under § 210.900 to 210.936.. DESE shall facilitate the development of procedures for school districts to submit personnel information annually for persons employed by the school districts who do not hold a current valid certificate who are required by subsection 1 of this section to undergo a criminal background check, sexual offender registry check, and child abuse central registry check.

An interface with a web-based system currently in use by the Missouri Highway Patrol will require modification. The FCSR plans to verify registration of certified staff through a batch process. OA-ITSD resources would be required to initially setup the batch process. On-going funds for a consultant and Data Center charges will be needed to complete the task annually once the batch process has been established.

ASSUMPTION (continued)

COST CATEGORY	FIRST YEAR (10 Months)	ONGOING
Consultant cost for analysis, design development, testing, and implementation of modification needed to collect and store data.	\$71,760	\$3,000
FTE - Computer Information Technology Specialist II (0.25 FTE) – to provide project management, development support and administration/maintenance of application.	\$13,887 (.25 FTE for 12 months)	\$0
Additional State Data Center charges due to increased volume.	\$12,000	\$12,000
TOTAL	\$97,647	\$15,000

Oversight assumes OA-ITSD (DOHSS) is provided with core funding to handle a certain amount of activity each year. **Oversight** assumes OA-ITSD (DOHSS) would absorb the information technology-related duties within existing resources. Therefore, **Oversight** has included no cost for the 0.25 FTE Computer Information Technology Specialist II. **Oversight** has adjusted the State Data Center charges for FY 2012 and 2013 to reflect approximately 12,000 new registrations per year. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOHSS) could request funding through the appropriation process.

Oversight assumes §168.133.4 of the proposal requires DESE to facilitate an annual check of employed persons holding current active certificates against criminal history records in the central repository under §43.530, the sexual offender registry under §589.400 to 589.475, and child abuse central registry under §210.900 to 210.936. **Oversight** assumes these required annual checks can be conducted in the manner they are currently being conducted. Therefore, **Oversight** assumes no ongoing background screenings will be conducted through the FCSR and Oversight has included no cost for the ongoing background screenings.

ASSUMPTION (continued)

Officials from the **Parkway School District** assume no fiscal impact to their district.

Officials from the **Fair Grove R-X School District** state this proposal will have no fiscal impact on their district as they are already doing the provisions of this proposal on all employees.

According to officials from the **Independence School District**, the provisions of this proposal are already in practice at their district. Consequently, no additional cost is anticipated.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE			
<u>Cost - Department of Elementary and Secondary Education (DESE) §168.133.4</u>			
Personal Service (1 FTE)	(\$21,960)	(\$26,616)	(\$26,882)
Fringe Benefits	(\$11,494)	(\$13,931)	(\$14,070)
Equipment and Expense	<u>(\$3,772)</u>	<u>(\$1,504)</u>	<u>(\$1,542)</u>
TOTAL COST - DESE	(\$37,226)	(\$42,051)	(\$42,494)
FTE Change - DESE	1 FTE	1 FTE	1 FTE
<u>Cost - Department of Health and Senior Services (DOHSS) §168.133</u>			
Personal Service (Temporary Staff - 12)	(\$200,554)	\$0	\$0
Personal Service (5 FTE)	(\$118,320)	(\$143,404)	(\$144,838)
Fringe Benefits	(\$166,899)	(\$75,058)	(\$75,808)
Equipment and Expense	(\$18,857)	(\$7,519)	(\$7,707)
Postage	<u>(\$87,435)</u>	<u>(\$4,116)</u>	<u>(\$4,224)</u>
TOTAL COST - DOHSS	(\$592,065)	(\$230,097)	(\$232,577)
FTE Change - DOHSS	5 FTE	5 FTE	5 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$629,291)</u>	<u>(\$272,148)</u>	<u>(\$275,071)</u>
Estimated Net FTE Change for General Revenue	6 FTE	6 FTE	6 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

§168.133

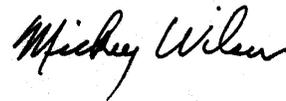
The number of sets of fingerprints required is reduced from two to one set; and anyone employed after July 1, 2012, who is required to undergo a background check must also register with the Family Care Safety Registry.

The Department of Elementary and Secondary Education (DESE) must facilitate an annual check of employed persons with active teaching certificates against the criminal history records in the central repository, the Sexual Offender Registry, and the Child Abuse Central Registry. DESE must also help school districts submit personnel information for noncertificated personnel.

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 Health and Senior Services
Department of Elementary and Secondary Education
Department of Social Services
Department of Public Safety
 Missouri State Highway Patrol
Department of Mental Health
Joint Committee on Administrative Rules
Office of Secretary of State
 Administrative Rules Division
School Districts
 Parkway
 Fair Grove R-X
 Independence



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