

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 933 – SB 789

February 20, 2019

**SUMMARY OF ORIGINAL BILL:** Authorizes the Department of Human Services (DHS) to obtain state and national criminal history background checks and investigations of employees and contractors of the DHS Division of Rehabilitation Services (DRS) who are likely to have access to individuals with disabilities.

Authorizes the DHS to require a person or entity contracting with the DRS to pay the costs associated with the background investigations of all employees of the contractor.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – \$7,300/FY19-20/TBI  
\$1,300/FY20-21 and Subsequent Years/TBI

Increase State Expenditures – \$7,300/FY19-20/TBI  
\$19,400/FY19-20/Department of Human Services  
\$1,300/FY20-21 and Subsequent Years/TBI  
\$3,400/FY20-21 and Subsequent Years/  
Department of Human Services

**SUMMARY OF AMENDMENT (004343):** Deletes and rewrites all language after the enacting clause such that the only substantive changes are: 1) requires contract employees of the DHS to agree to release all investigative records to their employer or the state for the purpose of verifying criminal history information; and 2) establishes that contract employees may either supply a fingerprint sample and submit to a state criminal history check conducted by the TBI or release information for a criminal background investigation by a state-licensed private investigation company.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

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Assumptions for the bill as amended:

- Requiring contract employees to release all investigative records to their employer or the state for the purpose of verifying criminal history information will ensure that contractors are not subjected to multiple background checks to work with state departments.
- Based on information provided by the DHS, there are currently 553 employees within the DRS program that would require a state and national criminal background check.
- A national criminal background check cost of \$35.15, to be paid by DHS.
- The disbursement of this fee is as follows:
  - Tennessee Bureau of Investigation (TBI): \$13.25;
  - Federal Bureau of Investigation (FBI): \$13.25; and
  - Applicable vendor: \$8.65.
- A one-time increase in state revenue to the TBI of \$7,327 (553 x \$13.25) in FY19-20.
- It is assumed that the cost for the TBI to perform such background checks offsets equally with the revenue collected to perform them.
- A one-time increase in state expenditures to the TBI of \$7,327 in FY19-20.
- A one-time increase in state expenditures to the DHS of \$19,438 (553 x \$35.15) in FY19-20.
- The DRS program estimates an increase of eight new employees a month. The number is assumed to remain constant.
- The recurring increase in state expenditures to DHS associated with the cost of new employee background checks is estimated to be \$3,374 (8 x \$35.15 x 12 months) in FY20-21 and subsequent years.
- The recurring increase in state revenue and expenditures to the TBI is estimated to be \$1,272 (8 x \$13.25 x 12 months) in FY20-21 and subsequent years.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/vlh