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**FISCAL IMPACT STATEMENT**

**LS 7327**

**BILL NUMBER:** SB 363

**NOTE PREPARED:** Apr 12, 2011

**BILL AMENDED:** Apr 12, 2011

**SUBJECT:** Criminal Background Checks of Health Professionals.

**FIRST AUTHOR:** Sen. Miller

**FIRST SPONSOR:** Rep. Frizzell

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill has the following provisions:

- (1) Authorizes the Indiana State Police Department (ISP) to use the fingerprints of an individual in a request related to an individual applying for or renewing certain health professional licenses or certificates.
- (2) Adds \$6 to the fee to be collected by the department in conducting a criminal background check and deposited into a created fingerprint identification fund.
- (3) Requires the department to permanently retain the applicant's fingerprints and store the fingerprints separately from fingerprints collected for the state central repository for criminal data.
- (4) Requires applicants for certain licensed health professions to submit to a national criminal history background check.
- (5) Requires the ISP to release the results of the national criminal history background check to the Indiana Professional Licensing Agency (PLA).
- (6) Authorizes a licensing board to suspend, deny, or revoke a license if the applicant or license holder has been convicted of specified offenses.
- (7) Requires the ISP and the agency to enter into a memorandum of understanding to provide data exchange and data matching regarding licensees who are charged with or convicted of an offense.
- (8) Requires the personal information data exchanged to be kept confidential.
- (9) Allows the board of a regulated occupation to designate a person to act on behalf of the board to perform certain duties when seeking a cease and desist order.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** (Revised) *Cease and Desist Orders:* This provision would reduce the

need for professional boards to call additional meetings to (1) file a complaint for a cease and desist motion to the Attorney General and (2) call on the person(s) affected by the professional practitioner in question to appear for a hearing to “show cause” as to why a practitioner should no longer be licensed, certified, or registered. If fewer professional board meetings occur as a result of this provision, state expenditures on professional board per diem and duty reimbursement may be reduced.

**Explanation of State Revenues:** *Summary:* This bill is expected to increase state revenue to the General Fund by approximately \$446,000 per year and generate approximately \$539,000 in annual revenue for the Fingerprint Identification Fund, created by the bill. The Fingerprint Identification Fund is established for the purpose of maintaining and updating the ISP’s Automated Fingerprint Identification System.

The bill is also expected to increase the workload of the ISP to maintain fingerprint information separate from fingerprints received from the Department of Correction (DOC) and to operate under a memorandum of understanding with the Professional Licensing Agency (PLA).

Additionally, the workload of state professional licensing regulating bodies (i.e., State Board of Dentistry, State Board of Nursing, Medical Licensing Board, and others) is expected to increase to (1) *deny* the applications for licensure or certificate of individuals who are convicted of specified disqualifying offenses and (2) suspend and revoke licenses or certificates of individuals who are convicted of *new* disqualifying offenses added by the bill (if these offenses are determined to affect the individual's ability to perform professional duties). Increases in workload are indeterminable.

*Additional Information:*

The bill will require the ISP to charge individuals that request a national criminal history background check an additional \$6 fee that is to be deposited into the Fingerprint Identification Fund. Currently, for every national criminal history background check requested, \$15 is forwarded to the General Fund. For FY 2010, the General Fund received approximately \$900,000 from fees for national criminal history background checks. This equates to approximately 60,000 requests for national criminal history information. This will generate approximately \$360,000 in revenue for the Fingerprint Identification Fund per year.

The PLA reports there are 198,000 individuals who are currently licensed or certified in one of the professions specified in the bill. According to the PLA, approximately 10% of all applications for licensure or certification are new applications. Given this information, the number of requests for licensure and certification (along with requests for national criminal history information) will increase by approximately 19,800 requests annually. These new requests for licensure and certification will increase revenue to the General Fund and the Fingerprint Identification Fund by approximately \$297,000 and \$119,000, respectively.

Currently, individuals applying for licensure or certification in a profession defined in the bill are only required to self-report convictions for a disqualifying offense specified in current law and added by the bill. The bill will allow a board, commission, or committee to conduct a random audit and require applicants for license or certificate renewal to obtain a national criminal history background check. The actual number of individuals that will be audited and required to obtain a national criminal history background check is unknown. However, assuming 5% of all licensed or certified individuals (198,000) are selected for audit and thereby required to obtain a national criminal history background check, 9,900 individuals will request a national criminal history background check annually. This is expected to increase revenue to the General Fund and Fingerprint Identification Fund by approximately \$149,000 and \$60,000 per year, respectively.

**Explanation of Local Expenditures:** This bill will increase the workload of probation officers to also determine if a convicted individual holds a license or certification in a profession regulated by the PLA as a part of their presentence investigation. Increases in workload are indeterminable.

**Explanation of Local Revenues:**

**State Agencies Affected:** ISP, PLA, other state professional licensing regulating bodies.

**Local Agencies Affected:** Local courts.

**Information Sources:** *Indiana Handbook of Taxes, Revenues, and Appropriations*; Marty Allain, Professional Licensing Agency, 317-234-1987.

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