

# LEGISLATIVE FISCAL ESTIMATE TO

[First Reprint]  
**SENATE, No. 1349**

## **STATE OF NEW JERSEY**

DATED: September 29, 1997

Senate Bill No. 1349 (1R) of 1996 establishes a voluntary registration system for in-home child care placement agencies. The bill authorizes an agency registered with the Division of Consumer Affairs in the Department of Law and Public Safety to request criminal background checks on care givers who use the agency to procure an in-home care position in the State and who consent in writing to the background check.

The division would receive the results of background checks and certify care givers who are determined not to have been convicted of a crime. Care givers initially denied certification may be certified if they successfully challenge the accuracy of the background check or affirmatively demonstrate to the director of the division evidence of rehabilitation, as provided for in the bill.

The bill would require the division to develop a public education program that publicizes the availability of certified care givers and informs State citizens of the provisions of the bill. Prospective employers would be encouraged to hire care givers certified by the division. The bill authorizes the director to establish application and registration fees sufficient to fund its expenses.

Information provided informally by the Division of Consumer Affairs places the cost of implementing this bill at \$77,000 in the first year following enactment. This amount includes \$51,000 for the salaries and fringe benefits of a full-time clerk and a part-time (10 percent) supervisor. Also included are \$15,000 to reimburse the Division of Law for reviewing applications and providing reports on applicants, \$5,000 for data processing services and equipment, \$3,000 for telephone and postage and \$3,000 for materials and supplies. After adjusting for inflation and one-time data processing and other costs, the division estimates the bill's second and third year costs at \$76,000 and \$79,000, respectively.

The division estimates that approximately 30 agencies will file an initial application and register for a three-year period under the terms of the bill. In addition, the division estimates that the current universe of care givers, which will be subject to background checks, numbers approximately 2,250. However, the division states it is unable to determine the number of new care givers who will annually become subject to background checks after enactment of the bill. Information also was unavailable on the estimated number of out-of-state agencies

that may participate in the program.

To offset the costs associated with this bill, the division estimates it would be necessary to establish a \$500 agency application fee, a \$3,500 three-year registration fee for agencies and a fee of \$50 for each individual applicant processed. The division estimates that the initial application fee would generate \$15,000 in one-time revenue and the three-year registration fee and individual applicant fee would generate \$105,000 and \$112,500 over three years, respectively. (Agencies or applicants would also be subject to the \$49 fee for State Police and FBI criminal background checks, which is not included in this estimate.) Revenues in the amounts estimated by the division would yield a total of \$232,500 over a three-year period. This amount would cover the division's total estimated operating costs of \$232,000 for the period--\$77,000 in the first year, \$76,000 in the second year and \$79,000 in the third year.

The Office of Legislative Services (OLS) concurs with the division's cost estimate, but notes that its revenue estimate fails to account for fee revenue which will be derived from new care givers who become subject to background checks after enactment of the bill. Although information is not available on which to base an estimate of the annual number of new care givers, it is reasonable to assume some turnover in the universe of care givers. The additional revenue derived from these new care gives may permit a reduction in the \$50 individual application fee after the first year.

OLS further observes that registrations by out-of-state agencies may increase revenues and reduce the required application and registration fees. However, an increase in registration fees may be necessary in the fourth year following the bill's enactment to offset the loss of initial application fees from the agencies.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.