

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 141 - HB 473

April 17, 2019

SUMMARY OF ORIGINAL BILL: Extends the termination date of the Private Probation Services Council to June 30, 2021. Under the *Tennessee Governmental Entity Review Law*, the Council is scheduled to terminate on June 30, 2019.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENTS (006243, 008358): Amendment 006243 adds language to the original bill to require certain applicants for employment with a private probation service to submit to a fingerprint-based criminal history records check conducted by the Tennessee Bureau of Investigation (TBI) and the Federal Bureau of Investigation (FBI), and pay any reasonably costs incurred by the TBI or FBI while conducting an investigation of an applicant.

Amendment 008358 adds language to the original bill to (1) reduce, from 20 to 8, the hours of continuing education private probation officers are required to obtain annually; (2) authorize the Private Probation Services Council to reinstate the license of a private probation entity upon payment of a renewal fee as set by the Council, and (3) require the Council to establish a certain fee to be assessed private probation entities upon the late renewal of a license.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Revenue – Exceeds \$1,800/Tennessee Bureau of Investigation

**Increase State Expenditures –
Exceeds \$1,100/Tennessee Bureau of Investigation**

SB 141 - HB 473

Assumptions for the bill as amended:

- This legislation continues an existing entity at its current funding level.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period.
- According to the Department of Commerce and Insurance, the Council experienced a surplus of \$34,548 in FY16-17, a surplus of \$13,374 in FY17-18, and had a cumulative reserve balance of \$702,894 on June 30, 2018.
- Pursuant to Tenn. Code Ann. § 16-3-909(a)(7), the Council is required to promulgate rules and regulations requiring criminal records checks of all private probation officers; and pursuant to permanent rule 1177-01-.03(d), all entities licensed to provide private probation services in Tennessee are required to submit sworn criminal record reports on each employee of, or volunteer for, the entity.
- The proposed legislation:
 - Establishes that such records checks will be fingerprint-based and be conducted by the TBI and FBI;
 - Requires applicants to pay any reasonable costs incurred by the TBI and FBI; and
 - Applicants are authorized to provide a copy of their initial criminal history records check if applying with multiple private probation service providers in lieu of paying for multiple checks.
- Fingerprint-based criminal history records checks cost \$35.15 each, payable to the TBI. The TBI reports a cost for vendor fingerprinting of \$8.65 and \$13.25 for the FBI per background check.
- As of May 2018, there were 32 actively licensed private probation entities in Tennessee.
- While a precise number of persons who will apply to be a private probation officer is unknown; it is reasonably assumed there will be at least 50 per year.
- The proposed legislation is estimated to result in a recurring increase in state revenue for the TBI exceeding \$1,758 (50 applicants x \$35.15 per applicant); and a recurring increase in state expenditures for the TBI exceeding \$1,095 [50 applicants x (\$8.65 vendor fee + \$13.25 FBI fee)].
- Pursuant to permanent rule 1177-01-.07(3), a private probation entity is currently assessed a late renewal fee of either \$100 or \$200, depending on the timing of the renewal.
- Pursuant to permanent rule 1177-01-.03(3), private probation entities must pay a registration fee of \$100 to be licensed through the Private Probation Services Council.
- Under the proposed language, the late renewal fee assessed will be 25 percent of the registration fee. If calculated based on the current registration fee, such late renewal fee would be \$25.
- While the proposed language may result in a lower rate being assessed for late renewals, the Private Probation Services Council will increase the registration fee currently assessed in order to account for potential losses in revenue; therefore the net impact to state revenue for the Private Probation Services Council is considered not significant.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

/jrh