



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** S. 0322 Introduced on January 31, 2017  
**Author:** Alexander  
**Subject:** Fingerprinting  
**Requestor:** Senate Judiciary  
**RFA Analyst(s):** Gardner  
**Impact Date:** March 30, 2017

**Estimate of Fiscal Impact**

	<b>FY 2017-18</b>	<b>FY 2018-19</b>
<b>State Expenditure</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0	0.00
<b>State Revenue</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
<b>Local Expenditure</b>	\$0	\$0
<b>Local Revenue</b>	\$0	\$0

**Fiscal Impact Summary**

The bill will not have an expenditure impact on the General Fund, Other Funds, or Federal Funds. Additional statutory authorization is needed for state agencies without criminal justice missions to subscribe to the Federal Bureau of Investigation’s Next Generation Identification program and its nationwide notification feature.

**Explanation of Fiscal Impact**

**Introduced on January 31, 2017**

**State Expenditure**

This bill enables state agencies that are authorized to conduct fingerprint background checks for purposes other than criminal justice, such as employment or professional licensing, to conduct a federal fingerprint review. At the request of one of these agencies, the South Carolina Law Enforcement Division (SLED) is authorized to submit the fingerprints collected by the agency to the Next Generation Identification program (NGI) of the Federal Bureau of Investigation (FBI). The bill authorizes SLED and the FBI to retain the fingerprints within their databases and search against them at a later date pursuant to an appropriate inquiry. SLED is authorized to charge a reasonable fee for collecting and retaining the fingerprints.

Ten state agencies are authorized to conduct fingerprint background checks for non-criminal purposes. The ten are the Department of Consumer Affairs; Department of Education; Department of Health and Environmental Control; Department of Health and Human Services; Department of Insurance; Department of Labor, Licensing and Registration; Department of Motor Vehicles; Department of Social Services; State Board of Financial Institutions; and the

Supreme Court. Currently, fingerprint checks performed for these agencies for civil purposes are processed through SLED for a state fingerprint based background check and then sent to the FBI for a nationwide fingerprint based background check.

**State Law Enforcement Division (SLED).** According to SLED, the bill may be intended to allow non-criminal justice state agencies to subscribe to the NGI program, so they may have applicants' civil fingerprints stored in NGI and receive future notifications of nationwide activity associated with those fingerprint records. However, for the agencies to subscribe to NGI, states must enact legislation that satisfies three key requirements. The legislation must authorize the submission of civil fingerprints to NGI, retention of the fingerprints in NGI, and the fingerprints to be searched by future submissions to the NGI system and appropriate responses sent to appropriate authorized entities. These future searches include latent fingerprint searches. SLED indicates this bill satisfies the first two requirements but not the third. Consequently, the bill will not have an expenditure impact for SLED, until the third requirement is included in state legislation.

If the third requirement is included, SLED indicates the bill would have a non-recurring expenditure impact of \$3,000,000 on the General Fund in FY 2017-18. This expenditure would cover technology to address privacy issues. The technology would allow SLED to connect to the notification feature of the NGI program and allow agencies to electronically verify and validate for the FBI that they remain authorized to license applicants and continue to have a legitimate need for notifications associated with those individuals whose fingerprints the agencies enrolled in NGI. SLED indicates the bill would have a \$329,000 recurring General Fund expenditure impact beginning in FY 2017-18 for the salary and fringe benefits of five FTEs: two auditor/trainers to instruct users on the NGI continuous monitoring process, one civil fingerprint card supervisor to oversee implementation of the service, and two computer programmers to install and maintain the notification system. Recurring system maintenance cost would be \$450,000 in General Funds beginning in FY 2018-19. Therefore, if legislation includes all three FBI requirements, the General Fund expenditure impact for SLED would be \$3,329,000 in FY 2017-18 and \$779,000 in FY 2018-19 and each year thereafter.

Currently state agencies authorized to conduct fingerprint based background checks pay \$25.00 for the state check and \$12.00 for the nationwide check performed by the FBI. State agencies already pay a private vendor on state contract to collect fingerprints for them and SLED to process the fingerprint review. The fingerprint collection fee charged by private state contract vendor is \$13.50 for each person printed. Since state agencies or the applicant already incur these three charges, they would not constitute an additional expenditure impact. There would not be an additional charge should agencies choose to enroll the fingerprints in NGI at the time of the fingerprint based check.

#### **State Revenue**

N/A

#### **Local Expenditure and Revenue**

N/A



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