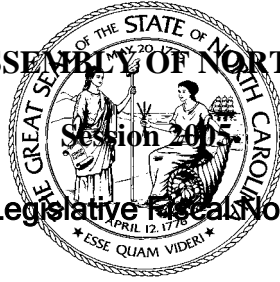


GENERAL ASSEMBLY OF NORTH CAROLINA



Legislative Fiscal Note

BILL NUMBER: House Bill 1515 (Third Edition)

SHORT TITLE: Med Schools/Crim Background Check.

SPONSOR(S): Representatives LaRoque and England

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
GENERAL FUND REVENUES:					
Dept. of Justice			* See Assumptions & Methodology * (p. 4)		
OTHER REVENUES:					
NC Medical Board			\$100-\$21,800		
GENERAL FUND EXPENDITURES:					
UNC-Chapel Hill	\$0	\$0	\$0	\$0	\$0
East Carolina Univ.			\$432 - \$536 annually		
Dept. of Justice			* See Assumptions & Methodology * (p. 4)		
OTHER EXPENDITURES:					
Duke University Medical School			\$5,500-\$15,180		
Wake Forest Univ./ Bowman Gray Medical School			\$5,400-\$14,904		
NC Medical Board			\$100-\$21,800		
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Justice, University of North Carolina – Chapel Hill, East Carolina University, NC Medical Board, Duke University and Wake Forest University Schools of Medicine					
EFFECTIVE DATE: When it becomes law.					

BILL SUMMARY: Requires a criminal background check of all students admitted into a school of medicine at a North Carolina institution of higher education, applicable to 2006-07 academic year and thereafter. Criminal background check must also include determination whether applicant had adjudication as sex offender that would require registration under Article 27A of GS Chapter 14. Department of Justice may provide criminal record check to schools of medicine of UNC constituent institutions. For school of medicine of private institutions, Department of Justice may provide check to NC Medical Board on behalf of institution. If Medical Board determines that

information from check would cause board to either refuse to license student to practice medicine or investigate student before issuing license, then the board must report that fact to private institution. Department of Justice may charge applicant a fee for conducting check, but fee may not exceed cost of doing check. Information from check must be considered by school of medicine in determining whether to complete matriculation process, but criminal conviction does not automatically preclude applicant from matriculating. However, applicant who has been adjudicated as sex offender is barred from admission to any school of medicine in state.

The second edition made the following changes to first edition: Amended proposed new GS 116-265(a)(3) to include in definition of "private institution" any institution that meets all of the requirements and regulations of accrediting agencies whose approval is normally required for establishment and operation of a medical school. Deleted from proposed new GS 116-265(b) the requirement that a criminal background check determine whether the person has any adjudications as a sex offender that would require registration and deleted from proposed new GS 116-267 the requirement that an applicant who has been adjudicated a sex offender be precluded from admission to any school of medicine located in the state.

The third edition clarifies that an institution may either request a background check from the Department of Justice or from a private vendor; background checks conducted through the Department of Justice must be state and national fingerprint checks. All background checks must be nationwide. The school "may use its discretion in evaluating the applicant's fitness for the study of medicine."

Source: Adapted from Bill Digest H.B. 1515 (04/21/0200).

ASSUMPTIONS AND METHODOLOGY: Under this bill, medical schools are required to obtain state and national criminal background checks on admitted students. It is up to the school to decide whether to use a private vendor to conduct a "name check" or to request a state and national fingerprint check through the State Bureau of Investigation (SBI) in the Department of Justice. The "name check" run by private vendors uses information such as name, date of birth, etc. to determine whether an individual has a criminal record. These checks may be run for a single state or multiple states, and costs vary by vendor and number of states checked. Only the SBI can conduct fingerprint background checks for non-criminal justice agencies; the SBI charges \$38 for a state and national fingerprint background check.

University of North Carolina: Chapel Hill and East Carolina

The University of North Carolina has contracted with a private vendor to provide background checks for any schools or programs with such a requirement. These background checks are name checks, not fingerprint checks, and the cost of the multi-state or national check is \$6 to \$8.

UNC-Chapel Hill admits 160 students to its medical school each year. Chapel Hill has just instituted criminal background checks using UNC's private vendor; it is currently performing background checks on a rolling basis and by Fall 2005 will have them in place for all students. Therefore, this legislation is not expected to impact UNC-Chapel Hill.

ECU admits 72 students to its medical school each year. They currently do not perform criminal background checks. ECU has not yet determined whether to begin background checks with the class of 2006 or 2007. Based on the UNC vendor cost, ECU's annual costs would be \$432 - \$576.

NC Medical Board/Duke University and Wake Forest University Schools of Medicine

Section 1 of the bill amends G.S. 116 to add Article 33, which specifies the law in regard to criminal history record checks of medical students. G.S. 116-265 requires a criminal history record check for all students admitted to a medical school in North Carolina beginning with the FY 2006-07 academic school year. In obtaining a criminal record check, the institution may use the services of either the Department of Justice (DOJ) or a private company. If the latter, this will not include a fingerprint check. For an applicant admitted to a constituent institution, i.e. one of the 16 public senior institutions as defined in G.S. 116-2; DOJ may provide a criminal record check to the constituent institution. Additionally, if the applicant accepts admission to one of the State's private institutions, DOJ may conduct a criminal record check, and furnish the results to the NC Medical Board on behalf of the private institution per G.S. 116-266. In North Carolina DOJ would furnish information to the Board in regard to applicants who have accepted admission to Duke University Medical School and Bowman Gray School of Medicine at Wake Forest University. If the institution (public or private) elects to use the services of DOJ, it shall provide with the request the applicant's name, fingerprints, a consent form signed by the applicant, and any additional information required by DOJ.

In complying with G.S. 116-266 the Board would use the same criteria to evaluate this information as is used to evaluate information received for every applicant applying for a license to practice medicine or to perform medical acts, tasks, and functions as a physician assistant in the State under G.S. 90-11(b). Additionally G.S. 116-266 allows the Board to charge the private institution a reasonable fee to review the results of the record check. Although the Board has not conducted a formal analysis of what a reasonable cost would entail, a fee of \$50-\$100 is considered to be in order. The estimate of the Board's annual expense to review students' criminal record checks for the two (2) private institutions would range annually from \$100 for one review to \$21,800 for reviews of all applicants. In terms of the findings, the Board indicates there is no binary operation that takes place upon reviewing the results of the record check. According to the Board, whether someone would be denied a license or investigated further if that person were applying to this Board would be equivocal and crafted on a case-by-case basis. Therefore, each review could be somewhat time consuming for what would appear to be a simple task.

The current practice of Duke and Wake Forest medical schools is to have a private company conduct background/name checks that provide specific information about criminal involvement.

Duke University admits approximately 110 students annually. For the past five years the practice of the medical school has been to conduct a background/name check following the applicant's acceptance of admission. The name check is the expense of the medical school. In compliance with the legislation, Duke University will continue background/name checks, which have an annual cost of \$5,500. If DOJ were asked to conduct the criminal record check, Duke University would assume the expense of \$38 per check and the \$100 fee per review by the Board. Although it is not possible to determine the number of requests each year to DOJ and the Board, the estimated cost per applicant is \$138. At the very least, Duke University will maintain the background/name checks with an annual expense of \$5,500. However, the annual cost will increase if only 1 of the 110 criminal record checks is provided by DOJ. Therefore, the annual cost would range from \$5,500 for all checks provided by the private company to \$15,180 for all checks provided by DOJ.

Wake Forest University/Bowman Gary Medical School currently requires background/name checks for students in the Physician Assistant Program, with the expense included in the school's admission process cost. In complying with this legislation the school would have the same company conduct background/name checks for the 108 students who are admitted annually to the Bowman Gray School of Medicine. The cost would be \$50 per admission or \$5,400 annually. If DOJ were asked to conduct the criminal record check, Wake Forest University would assume the expense of \$38 per check and the \$100 fee per review by the Board. Although it is not possible to determine the number of requests each year to DOJ and the Board, the estimated cost per applicant is \$138. At the very least, Wake Forest University will provide the background/name checks with an annual expense of \$5,400. However, the annual cost will increase if only 1 of the 108 criminal record checks is provided by DOJ. Therefore, the annual cost would range from \$5,400 for all checks provided by the private company to \$14,904 for all checks provided by DOJ.

There is no expense to the General Fund. Duke University Medical School, Wake Forest University/Bowman Gray School of Medicine, and the NC Medical Board would bear the expense related to continued background/name checks, and any additional cost related to adoption of this legislation.

Department of Justice – State Bureau of Investigation

Based on the number of applicants each year, the private universities could request up to 218 background checks each year. However, they may continue to use private vendors rather than the SBI, in which case the Department would not collect any revenue or incur any costs. UNC-Chapel Hill and East Carolina University will use only private vendors and therefore will not impact the SBI. The SBI charges \$38 for a state name check. Of the \$38, \$22 is remitted to the Federal Bureau of Investigation for the national check; the remaining \$16 is retained by the Department of Justice and used to fund receipt-supported positions to conduct the background checks. Internal costs per background check range from \$11.45 to \$17.95, with an average cost of \$16.33. The Department currently has the capacity to conduct the projected background checks per year due to this bill.

SOURCES OF DATA: Department of Justice, Office of State Budget and Management, University of North Carolina, NC Medical Board, Duke and Bowman Gary Schools of Medicine

TECHNICAL CONSIDERATIONS: None

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Signed Copy Located in the NCGA Principal Clerk's Offices