

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2005

Legislative Fiscal Note

BILL NUMBER: House Bill 1515 (Second Edition)

SHORT TITLE: Med Schools/Crim Background Check.

SPONSOR(S):

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	\$8,284	\$8,284	\$8,284	\$8,284	\$8,284
OTHER REVENUES:					
NC Medical Board	\$21,800	\$21,800	\$21,800	\$21,800	\$21,800
GENERAL FUND EXPENDITURES:					
UNC-Chapel Hill	\$0	\$0	\$0	\$0	\$0
East Carolina Univ.			\$432 - \$536 annually		
Dept. of Justice	\$8,356	\$8,356	\$8,356	\$8,356	\$8,356
OTHER EXPENDITURES:					
Duke University Medical School	\$20,680	\$20,680	\$20,680	\$20,680	\$20,680
Wake Forest Univ./ Bowman Gray Medical School	\$20,304	\$20,304	\$20,304	\$20,304	\$20,304
NC Medical Board	\$21,800	\$21,800	\$21,800	\$21,800	\$21,800
POSITIONS					
(cumulative):					
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.

House committee substitute makes the following changes to 1st edition: Amends 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. Deletes 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 deletes 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

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 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 background checks of medical students. G.S. 116-265 requires a criminal background check for all students admitted to a medical school in North Carolina beginning with the FY 2006-07 academic school year. If the applicant is admitted to a constituent institution, i.e. one of the 16 public senior institutions as defined in G.S. 116-2, the NC Department of Justice may provide a criminal record check to the constituent institution. However, if the applicant accepts admission to the medical school of a private institution in the state, the Department can only furnish the results of the criminal background check to a State entity. As a State entity, the NC Medical Board would receive and review this information per G.S. 116-266. In North Carolina the Department of Justice 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.

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 background checks for the two (2) private institutions would range from \$10,900 to \$21,800 annually. 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 checks, essentially 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, but does not include fingerprinting. If this legislation were adopted, Duke University would comply with the law by additionally requesting a criminal background check through the SBI that would include fingerprinting. Duke would absorb this additional expense. Therefore, the estimated annual cost for Duke University would be \$20,680 – \$50 per admission for a name check by the private

company, \$38 to the Department of Justice for the criminal background check, and \$100 per admission for the Board review.

Wake Forest University/Bowman Gray Medical School currently requires background/name checks for students in the Physician Assistant Program, which is included in the school's admission process cost. In complying with this legislation the school would probably have the same company conduct name checks for the 108 students who are admitted annually to the Bowman Gray School of Medicine. Additionally, Wake Forest would have the SBI conduct criminal background checks that would be subject to the Board's review. As a result, the estimated annual cost would be \$20,304 – \$50 per admission for a name check by the private company, \$38 to the Department of Justice for the criminal background check, and \$100 per admission for the Board review. Wake Forest University would absorb any additional expense required for the criminal background check by the SBI.

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

Department of Justice – State Bureau of Investigation

Based on the number of applicants each year, the North Carolina Medical Board anticipates that it will request approximately 218 criminal history checks annually. 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 and national fingerprint background 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