

Alaska Rate-Setting Tool

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NBCP Training Meeting

Alaska Background Check Rates

- Rates include application fee to the Background Check Program (BCP) as well as fingerprint-processing fees to the AK Department of Public Safety:
 - Application fee – \$25.00
 - Fingerprint-processing fee – \$51.50 (effective 3/19/12)
 - State fee – \$35.00
 - FBI fee – \$16.50 (effective 3/19/12)
- Fees paid to the BCP do not include the cost of capturing fingerprints. This fee varies; average \$15 - \$30.
- No difference in processing costs for hard cards or electronically submitted fingerprints.

Alaska Background Check Rates (Continued)

- Are defined in regulation.*
- Fingerprint-processing fees are set by the AK Department of Public Safety.**
- Were originally set in 2007.
- There was no precedent set by other States.
- No application fee is charged for volunteers.

* 7 AAC 10.910 ** AS 47.05.310 and AS 12.62.160

Rate Review

- The BCP utilized the services of the Department of Health and Social Services' rate review team to review fees.
- The rate review team considered the following expenses for the BCP:
 - Personal services (personnel costs)
 - Travel
 - Services (contracts)
 - Commodities (supplies)
 - Building costs
 - Overhead expenses

Rate Review (Continued)

- The team found:
 - There was limited information from other States regarding similar fee structures.
 - The information from other States indicated that both the fingerprint-processing and application fees, if any were charged, varied dramatically.

The Results

- Findings included:
 - The current application fee (\$25.00 to the BCP) does not financially support the program adequately.
 - The application fee would need to be increased to fully cover the cost of running the Alaska BCP.
 - The State of Alaska will be considering this information for a possible rate increase during its regulation revisions.

The Formula

- The rate review team used the following formula:
 - Determine number of applications per year to be used as the denominator.
 - Determine agencies' direct expenses (personnel, travel, commodities, etc.).
 - Determine building expenses.
 - Determine overhead (11.3% of Department of Health and Social Services staff costs were used for the AK BCP).

The Formula (Continued)

1. Direct Expenses \div Annual Number of Applications.
2. Building Expenses \div Annual Number of Applications.
3. Overhead Expenses \div Annual Number of Applications.
4. Total the sums of the above calculations.

Example Formula

- Direct Expenses:
 - $\$1,500,000 \div 30,000 = \50.00
- Building Expenses:
 - $\$250,000 \div 30,000 = \8.33
- Overhead Costs:
 - $\$150,000 \div 30,000 = \5.00
- Total Cost:
 - $\$50.00 + \$8.33 + \$5.00 = \63.33



Questions and Discussion