

# BACKGROUND CHECK FEE ADJUSTMENT OPTIONS

Police Service Board

May 27, 2019



OTTAWA POLICE SERVICE  
SERVICE DE POLICE D'OTTAWA

*A Trusted Partner in Community Safety*  
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# BACKGROUND



- Board approved full cost recovery approach for Background Check fees in 2017
  - Included in 2017 and 2018 budgets to achieve \$2M efficiency targets
  - Average cost \$65
- Significant public consultation occurred in 2018
- PSB approved the current fee structure October 2018
  - Rates went into effect January 1st, 2019
  - Resolved \$2.4M budget deficit
- Board directed OPS to look at revised pricing structure for not-for-profits
  - Board reduced background check revenue budget by \$400K at February 25th meeting.

# BACKGROUND CONT'D



- Staff were also asked to survey other police services in Ontario and report back on the following:
  - Fee structures
  - Costing methodologies
  
- Board passed the following motion in February 2019:
  - “Be it resolved that Staff report back to the Board in the 2<sup>nd</sup> quarter of 2019 with options for adjustments to the fees for background checks, taking into account the need to fairly distribute the cost of the service amongst users.”
  
- FAC received presentation from staff on May 14 2019

# OPS BACKGROUND CHECKS



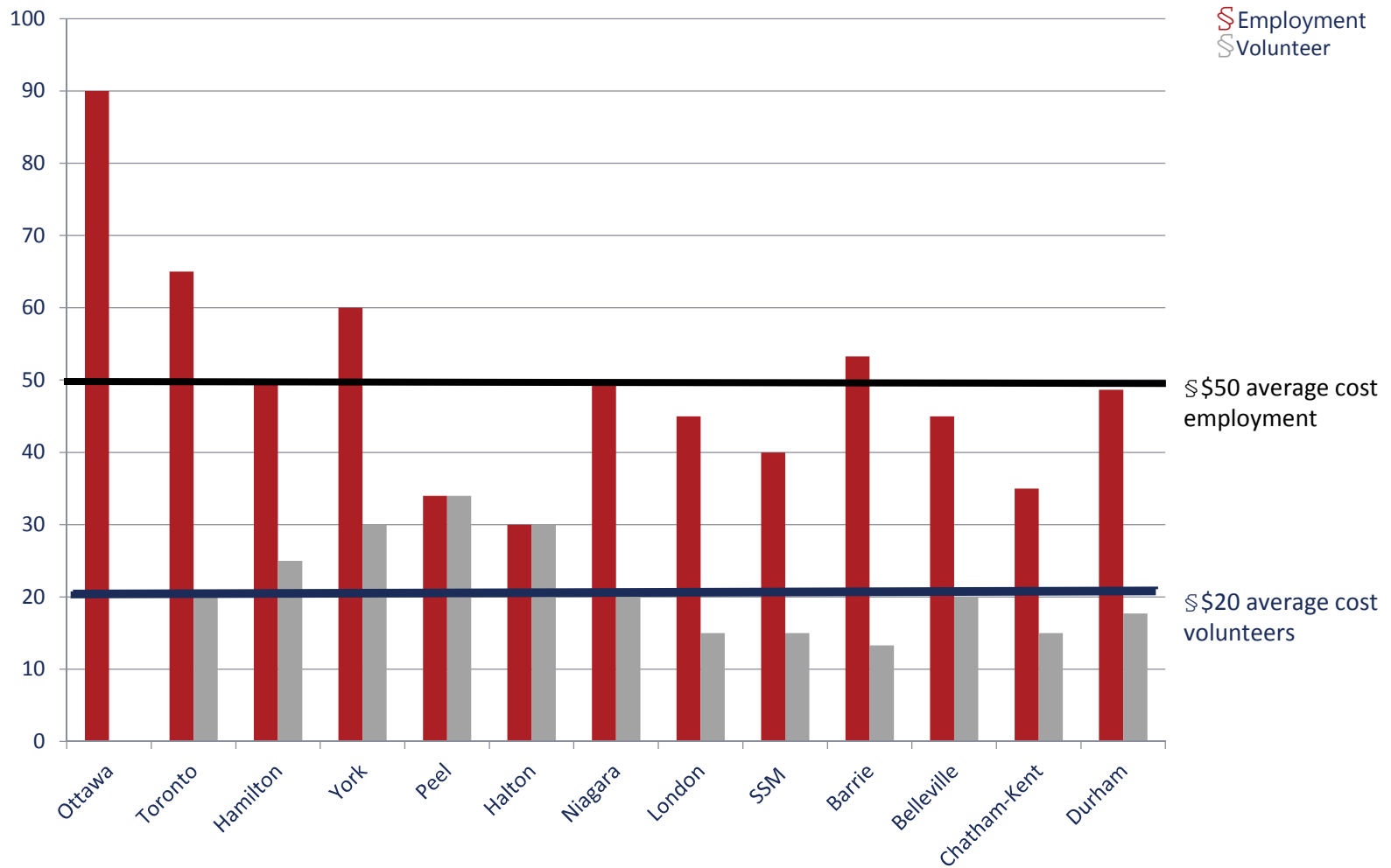
- Significant growth in volume
  - Doubled since 2013 to 90,000 in 2018
- 70% of police records checks at OPS are related to not-for-profits
- Before launch of on-line system
  - Paper based, manual process with multiple touchpoints and duplicate data entry
  - 13 week backlog
- Launch of on-line system
  - Faster processing times (13 weeks to 48 hrs)
  - Reduced staffing pressures (from 17 FTE's to 11 FTE's)
- OPS is the first on-line service in Canada that offers full electronic end-to-end processing within 24-48 hours

# OPS FEE STRUCTURE

LEARN Guidelines Type	Employment - Previous	Employment - Current	Volunteer
	Pre- 2019	As of Jan 1 2019	No change
Criminal Record Check	\$50-\$92	\$90	\$0
Criminal Records and Judicial Matters	\$50-\$92	\$90	\$0
Vulnerable Sector Check	\$15-\$57	\$90	\$0

- Important – Maintain a standard fee no matter the Learn Guidelines Type

# POLICE BACKGROUND CHECK FEES IN ONTARIO



# COST RECOVERY MODEL – OTHER ONTARIO POLICE SERVICES

- Variety of cost recovery models
- Level of detail and methodology varies significantly amongst police services
- Main pricing models in use:
  - Direct cost recovery
  - Direct costs plus a mark-up to cover indirect costs
  - A few set fees based on what other police services are charging

# PRINCIPLES FOR FEE OPTIONS

1. Treat all categories equitably
2. Maintain efficient administrative process
  1. Avoid multi tier pricing models
  2. Avoid manual validation processes
3. Minimize cross segment subsidization



# FEE STRUCTURE OPTIONS

## ■ Option A:

### § Status quo

§ Employment fees at \$90, Volunteer fees at \$0

## ■ Option B:

### § Partial cost recovery – Volunteers pay \$0

§ \$400K revenue provision applied to reduce cost for Employment

§ Employment fees reduced to \$75

## ■ Option C:

### § Partial cost recovery – Volunteers pay \$20

§ Employment fees reduced to \$65 (Avg cost)

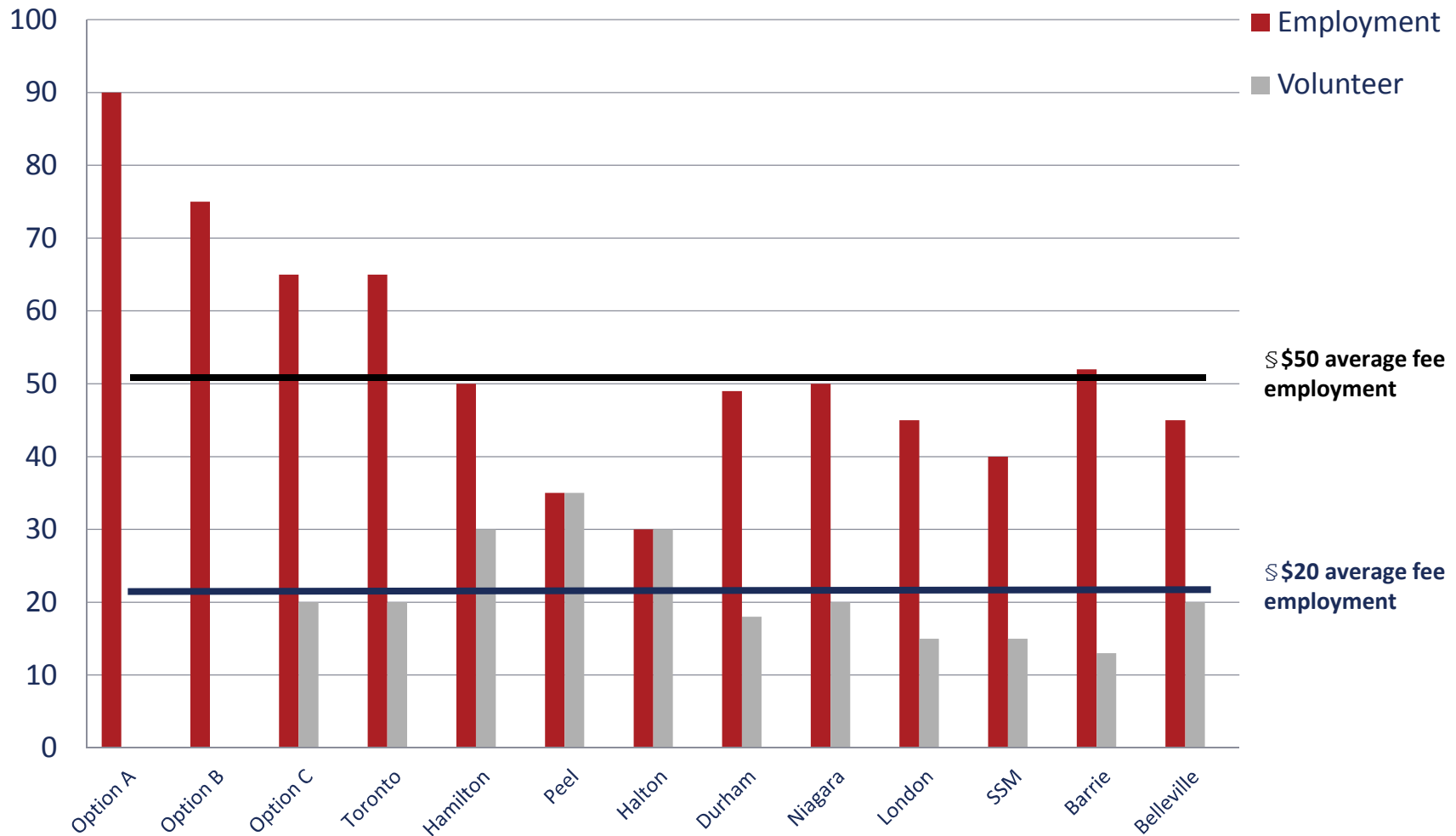
§ Volunteer fees phased in at \$10 for remainder of 2019, increasing to \$20 on January 1 2020

# FEE STRUCTURE OPTIONS

Options	Employment Fee	Volunteer Fee	Annualized Budget Impact
Option A – Status Quo	\$90	\$0	\$0.4M
Option B – Partial Cost Recovery	\$75	\$0	-
Option C* – Partial Cost Recovery	\$65	\$20	-

\* Volunteer fee phased in at \$10 in 2019, increasing to \$20 on January 1 2020

# BACKGROUND CHECK SERVICE FEES OPTIONS



# RECOMMENDATION

## Option C

- Employment fees are reduced to \$65 average cost
- Volunteer fee introduced at \$10 in 2019, increasing to \$20 in 2020, which is the average fee charged by other police services across Ontario

## Analysis

- Achieves \$400K revenue reduction per Board budget motion
- Minimizes customer subsidization (no customer paying more than average cost)
- Phases in Volunteer fee
- Maintains efficiency of administrative processing

## NEXT STEPS

- Public consultation
- Board consideration and approval – June 24, 2019