

Report to / Rapport au:

**OTTAWA POLICE SERVICES BOARD
LA COMMISSION DE SERVICES POLICIERS D'OTTAWA**

27 May 2019 / 27 mai 2019

Submitted by / Soumis par:

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SUBJECT: BACKGROUND CHECK FEE STRUCTURE

OBJET: TARIFICATION DE LA VÉRIFICATION DES ANTÉCÉDENTS

REPORT RECOMMENDATIONS

That the Ottawa Police Services Board:

- 1. Receive and table this report, which includes fee adjustment options for Background Checks.**
- 2. Consider and approve the fee adjustment options, including staff recommendation C at the Board meeting on June 24, 2019.**

RECOMMANDATIONS DU RAPPORT

Que la Commission des services policiers d'Ottawa :

- 1. reçoive et dépose ce rapport qui comprend les options de modification des frais de vérification de dossiers de police.**
- 2. étudie et approuve les options de modification des frais de vérification de dossiers de police, notamment la recommandation C du personnel, lors de la réunion du 24 juin 2019.**

BACKGROUND

The Ottawa Police Service (OPS) processes about 83,000 background checks for members of the public every year. These checks are used by employers and volunteer agencies as a method to screen individuals who are seeking paid or volunteer work with them. The process is an important public service for our community and the OPS has invested to improve the service through full online automation. These investments have reduced the wait time for most background checks to less than 24 hours. At the same time, the OPS has worked to ensure the full costs of the background check process are recovered and do not impact the overall police budget. This discussion has proven more difficult.

Following extensive public consultation, the Board voted in 2018 to maintain no charge for volunteer background checks. By following the cost recovery model, this left employment background checks at \$90, with those seeking employment subsidizing the cost of volunteer checks. The new rate went into effect on Jan 1 2019 and eliminated a \$2.4 million budget deficit incurred in 2017 and 2018. During the 2019 Budget discussions the Board heard from several community employers and individuals that the new \$90 fee created a hardship for many in our community and was too high for community organizations as well as individuals seeking employment with lower pay. These groups asked that the issue be reviewed. As part of those Budget discussions, the Board reduced the annual revenue budget by \$400K and directed staff to identify options for adjustments to background check fees to fairly distribute the cost of the service amongst users. This report presents that revisited discussion and the options for fee adjustments.

DISCUSSION

Over the past 2 years, the OPS has processed an average of 83,000 background checks per year using 9 staff and an on-line system that enables the applicant to process all stages of the transaction electronically. More than 33% of applicants complete their record check on-line and have their results within 24 to 48 hours. About 34% of customers complete most of the steps on-line, but make an in-person visit to complete payment or verify their identification. The remainder (33%) are walk-in customers who wait just under an hour to be served in person, and complete the transaction in roughly 7 minutes.

A review of major police services across Ontario was conducted to look at their Background Check fees. A common theme emerged from this exercise in that Ottawa appeared to be the only major city who waived a background check fee for volunteers. The average fee for volunteers was \$20.

A review of cost recovery models was also performed from major police services across the province. A variety of cost recovery models are in place with the level of detail and methodology varying significantly. Most services had not performed a costing review in several years and none had gone to the level of detail of OPS.

In developing the fee adjustment options, a set of principles were created to guide the exercise. The following three principles were followed:

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

Cost Recovery Options

Three options are presented for consideration and summarized in Table 1 below. All are summarized below:

Option A: Status Quo - Full Cost Recovery

Under this option, volunteer checks continue to remain free and the full cost of the background check service is borne by those seeking employment and who will continue to pay the existing \$90 fee.

Option B: Partial Cost Recovery

Under this option, the \$400,000 set out in the 2019 Budget would be applied to reduce the costs of Background checks for employment. Volunteer checks would continue to remain free and the full cost of the background check service is borne by those seeking employment who would pay \$75.

Option C: Partial Cost Recovery

Under this option, the fee for volunteer checks will change from \$0 to \$20 and the background check service fee for those seeking employment will be reduced from \$90 to \$65. In order to phase in the increase to volunteer checks, the \$400,000 in the 2019 Budget would be applied to maintain volunteer checks at \$10 until January 1, 2020 when they would increase to \$20. This option is recommended by staff.

Table 1: Cost Recovery Options

Options	Employment	Volunteer	Annualized Budget Impact
Option A: Status Quo	\$90	\$0	\$0.4M
Option B: Partial Cost Recovery	\$75	\$0	\$0
Option C: Staff Recommendation	\$65	\$10*	\$0

- For the Staff Recommendation C the Volunteer cost will increase to \$20 on January 1, 2020.

CONSULTATION

The tabling of this report allows for a period of consultation with interested members of the public. A questionnaire will be posted on the ottawapolice.ca website to solicit feedback on the proposals, including the staff recommended option of 3c. The questionnaire will be promoted through OPS communications channels including social media, the website and direct emails to community groups. Those who were consulted during the last consultation will also be advised by email that the issue is being revisited and will be asked to comment on the new proposals. The feedback will be gathered and presented to the Board at its June meeting where the recommendations in this report will be voted on. The consultation report from the previous consultation is attached to this report as document 1.

FINANCIAL IMPLICATIONS

The 2019 budget was built on the assumption that a full-cost recovery fee structure would be adopted by the Board, generating an additional \$2.4 million of revenue to be applied to the budget. In final Budget approval, the Board approved a \$400,000 revenue reduction to Background Checks and directed staff to develop options for fee adjustments that fairly distribute the cost of the service amongst users.

The budget impact of each option has been outlined above. All Options, except for Option A, meet the \$400,000 revenue consideration approved by the Board.

SUPPORTING DOCUMENTATION

Document 1: October 2018- Background Check Fee Structure Consultation Report

Document 2: Presentation: Background Check Fee Proposal Structure

CONCLUSION

The background checks provided by the OPS are an important service for our community. Over the years, OPS has worked to make the necessary investments and ensure appropriate cost recovery models that make this service sustainable. This report seeks to balance the various needs of the clients who access background checks. While staff recommends option C, the tabling of this report allows for a consultation period on the proposed changes to fees. We welcome feedback and alternative approaches that may be developed during this time.