



**Colorado
Legislative
Council
Staff**

HB16-1197

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0085

Date: July 13, 2016

Prime Sponsor(s): Rep. Carver; Melton
Sen. Todd; Crowder

Bill Status: Signed into Law

Fiscal Analyst: Erin Reynolds (303-866-4146)

BILL TOPIC: MILITARY VETERAN OCCUPATIONAL CREDENTIALS

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue	Potential increase.	
State Expenditures	\$85,847	\$81,383
Cash Funds	73,551	68,848
Centrally Appropriated Costs	12,296	12,535
TABOR Impact	Potential increase.	
FTE Position Change		0.9 FTE
Appropriation Required: \$73,551 – Department of Regulatory Agencies (FY 2016-17).		
Future Year Impacts: Ongoing expenditure impact through FY 2022-23.		

Summary of Legislation

The bill requires each state agency that certifies, licenses, or registers an occupation to:

- publish a summary of pathways available to military veterans by evaluating the extent to which military training meets state requirements, identifying reciprocity mechanisms in other states, and determining if occupational examinations are available that authorize a veteran to practice;
- consult with community colleges and other post-secondary education institutions about courses or programs that fill the gap between military and civilian occupational training, and refresher courses for lapsed occupational training; and
- consider adopting a national credentialing examination.

State agencies may consult with any federal or state military official or agency, state agency, or postsecondary educational institution to determine how to best implement the requirements of the bill. The bill also provides state agencies with an implementation schedule. State agencies that authorize more than 10 occupations must implement as follows: 25 percent by 2018, 50 percent by 2020, and in total by 2022. For state agencies that authorize less than 10 occupations: 50 percent by 2018, and in total by 2020. Agencies are required to provide an annual implementation report to the General Assembly and relevant committees of reference by June 2017, and each year thereafter until June 2023. The program repeals on 2023, following a sunset review.

Background

Professions and occupations in Colorado are primarily regulated by the Department of Regulatory Agencies (DORA). Certain professions are also regulated by the Departments of Agriculture, Law, Natural Resources, Public Health and Environment, Revenue, and State.

State Revenue

The Division of Professions and Occupations (DPO) in DORA may be required to nominally raise fees on the individuals it licenses in order to recoup costs under the bill paid out of the DPO Cash Fund.

TABOR Impact

This bill may increase state revenue from fees, which will increase the amount of money required to be refunded under TABOR. TABOR refunds are paid out of the General Fund. No TABOR refund is expected in FY 2016-17.

State Expenditures

The bill will increase workload in the state agencies that regulate occupations beginning in FY 2016-17. These workload increases are generally expected to be accomplished within the existing appropriations of most agencies, with the exception of DORA. Cash fund expenditures in DORA from the DPO Cash Fund will increase by **\$85,847 and 0.9 FTE in FY 2016-17, and by \$81,383 and 0.9 FTE in FY 2017-18**. These expenditures will continue through FY 2022-23.

Department of Regulatory Agencies. The DPO administers 89 license types for 50 professions. Beginning in FY 2016-17, DORA will require 0.9 FTE of a General Professional IV. Additionally, it will require 80 hours of temporary staff per year to provide expertise concerning technical licenses, at a rate of \$75 per hour. The staffing requirement is based on workload experienced during a similar initiative conducted by the division's Board of Nursing. An estimated 30 hours of legal services each year at a rate of \$95.01 are also included. These costs are outlined in Table 1.

Table 1. DORA Expenditures Under HB16-1197		
Cost Components	FY 2016-17	FY 2017-18
Personal Services	\$59,143	\$59,143
FTE	0.9 FTE	0.9 FTE
Operating Expenses and Capital Outlay Costs	5,558	855
Legal Services	2,850	2,850
Temporary Staff	6,000	6,000
Centrally Appropriated Costs*	12,296	12,535
TOTAL	\$85,847	\$81,383

* Centrally appropriated costs are not included in the bill's appropriation.

Department of Agriculture (CDA). The CDA licenses veterinarians. Because it only licenses one occupation, it is expected that the CDA can absorb the workload of the bill within existing appropriations.

Department of Higher Education (DHE). The DHE, including the Division of Private Occupational Schools, does not license professions, but may be involved with the curriculum development required under the bill. Individual institutions of higher education may also be involved in such consultations. Overall, this workload is assumed to be minimal and can be accomplished within existing appropriations.

Department of Law. The Department of Law contains the Peace Officer Standards and Training Board, which certifies peace officers, and the Consumer Credit Unit, which licenses lenders who make high-rate loans. The POST Board has already conducted the requirements under the bill, and it is expected that the Consumer Credit Unit can absorb the workload of the bill within existing appropriations. In addition, the Department of Law advises all departments on licensing requirements. To the extent that a state agency requires a legal review or rulemaking related to the addition of military training as licensing criteria, workload will increase. It is expected that, with the exception of DORA, the Department of Law can also accomplish these impacts within existing appropriations.

Department of Natural Resources (DNR). Three divisions in DNR certify, license, or register at least one occupation: Colorado Parks and Wildlife licenses wildlife exhibitors, commercial fishing, falconry and hawking, and river outfitters; the Coal Mine Board of Examiners in the Division of Mining Reclamation and Safety licenses five mining professions; and the Board of Examiners for Water Well Construction and Pump Installation Contractors in the Division of Water Resources licenses occupations related to water well construction. These divisions will be required to conduct research and outreach under the bill. This workload is expected to be absorbed within existing appropriations.

Department of Public Health and Environment (CDPHE). The CDPHE currently licenses four levels of emergency medical services providers. The fiscal note concludes that the workload required under the bill related to this profession can be accomplished within existing appropriations. See Departmental Difference section.

Department of Revenue. The DOR licenses limited gaming and racing personnel, motor vehicle dealers, and medical marijuana professions. Qualifications for these licenses do not include accreditation, certifications, degrees, or any specific experience; rather, qualifications are based on ensuring an applicant does not have a disqualifying event such as criminal history or failure to pay taxes. In some cases, applicants must pass a brief and basic knowledge test. Therefore, the requirements under the bill are not expected to create a workload impact for DOR.

Department of State. The Secretary of State's office licenses landlords, certain durable medical equipment suppliers, and notaries. The research, outreach, and reporting efforts required by the bill are expected to be minimal as they relate primarily to notaries, and can be accomplished within existing appropriations.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Table 2. Centrally Appropriated Costs for DORA Under HB16-1197		
Cost Components	FY 2016-17	FY 2017-18
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$7,235	\$7,235
Supplemental Employee Retirement Payments	5,061	5,300
TOTAL	\$12,296	\$12,535

Effective Date

The bill was signed into law by the Governor on May 20, 2016, and takes effect August 10, 2016, assuming no referendum petition is filed.

State Appropriations

Pursuant to the fiscal note, the bill includes a FY 2016-17 appropriation of \$73,551 and an allocation of 0.9 FTE from the Division of Professions and Occupations Cash Fund to the Department of Regulatory Agencies. Of this amount, \$2,850 is reappropriated to the Department of Law.

Departmental Difference

CDPHE estimates that the Health Facilities and Emergency Medical Services division will have costs of \$32,096 and 0.5 FTE in FY 2016-17 and \$37,970 and 0.7 FTE in FY 2017-18 under the bill, paid from the General Fund. The fiscal note assumes that the CDPHE can accomplish the workload required by the bill within existing appropriations because it licenses only one profession.

State and Local Government Contacts

All Departments