



Legislative  
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# FINAL FISCAL NOTE

**Drafting Number:** LLS 18-0765  
**Prime Sponsors:** Sen. Kefalas  
Rep. Ginal

**Date:** September 13, 2018  
**Bill Status:** Signed into Law  
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**Bill Topic:** IMPLEMENT EMPLOYMENT FIRST RECOMMENDATIONS

**Summary of Fiscal Impact:**

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill requires that providers of supported employment services complete training. It increases state expenditures until FY 2023-24.

**Appropriation Summary:** For FY 2018-19, the bill requires an appropriation of \$29,806 to multiple agencies.

**Fiscal Note Status:** The revised fiscal note reflects the reengrossed bill.

**Table 1**  
**State Fiscal Impacts Under SB 18-145**

		FY 2018-19	FY 2019-20
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$29,806	\$331,200
	Centrally Appropriated	\$5,016	\$6,165
	<b>Total</b>	<b>\$34,822</b>	<b>\$337,365</b>
	<b>Total FTE</b>	<b>0.4 FTE</b>	<b>0.5 FTE</b>
<b>Transfers</b>		-	-
<b>TABOR Refund</b>		-	-

## **Summary of Legislation**

This bill implements recommendations from the 2017 Employment First Advisory Partnership initial report on its strategic plan. The recommendations in the bill include:

- requiring training or certification of all providers of supported employment services for persons with disabilities;
- establishing a fee for the discovery process alternative assessment tool; and
- increasing data collection efforts.

The Colorado Department of Labor and Employment (CDLE), in conjunction with the Medical Services Board in the Department of Health Care Policy and Financing (HCPF), is required to promulgate rules by July 1, 2019, requiring training or certification for certain supported employment service providers. The training or certification requirement is contingent upon appropriations to HCPF to reimburse vendors of supported employment services for the cost of training and certification and is to be completed over five years. The reimbursement must be \$300 for each certification exam and \$1,200 for each training program certificate, which includes reimbursement for both the cost of training and wages paid to employees during training. The board may increase the fixed reimbursement amount over time based on increases in the cost of the exam and employee wages.

Finally, the bill requires the Department of Regulatory Agencies to conduct a sunset review on the advisory partnership prior to its repeal date of September 1, 2021.

## **Background and Assumptions**

Senate Bill 16-077 created the Employment First Advisory Partnership, composed of the CDLE, HCPF, the Department of Education, the Department of Higher Education, and the Department of Human Services. The duties of the partnership include:

- developing a strategic plan to expand competitive integrated employment outcomes for persons with intellectual and developmental disabilities through Employment First policies and practices;
- making recommendations to ensure that competitive integrated employment is the primary objective and preferred outcome for all working-age persons with disabilities;
- identifying barriers to employment opportunities for persons with intellectual and developmental disabilities, including unnecessary, inefficient, or conflicting agency rules and regulations; and
- identifying training and knowledge gaps among agency staff, vendors, and individuals with disabilities and their families.

There are 328 supported employment provider agencies. The fiscal note assumes those agencies employ 1,373 supported employment providers and that training for providers will begin July 1, 2019. The fiscal note assumes that one-third of providers will take only the certification test at a cost of \$300 each, while the other two-thirds of providers will take the training at a cost of \$1,200 per person, followed by the certification test for a total of \$1,500 per provider.

**State Expenditures**

This bill increases General Fund expenditures by \$34,822 and 0.4 FTE in FY 2018-19 and \$337,365 and 0.5 FTE in FY 2019-20. Costs are shown in Table 2 and explained below.

**Table 2  
Expenditures Under SB 18-145**

<b>Cost Components</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Department of Health Care Policy and Financing</b>		
Personal Services	\$22,972	\$27,567
Operating Expenses and Capital Outlay Costs	\$4,703	\$475
Vendor Reimbursements	\$0	\$303,158
Centrally Appropriated Costs*	\$5,016	\$6,165
FTE – Personal Services	0.4 FTE	0.5 FTE
<b>HCPF (Subtotal)</b>	<b>\$32,691</b>	<b>\$337,365</b>
<b>Department of Labor and Employment</b>		
Legal Services	\$2,131	-
<b>CDLE (Subtotal)</b>	<b>\$2,131</b>	<b>-</b>
<b>Total</b>	<b>\$34,822</b>	<b>\$337,365</b>
<b>Total FTE</b>	<b>0.4 FTE</b>	<b>0.5 FTE</b>

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

**HCPF.** HCPF will hire program staff beginning in January 2019 to support rulemaking, stakeholder involvement, and to manually process and track reimbursements to supported employment agencies after rulemaking is complete. Staff costs are prorated to reflect a January start date and the General Fund paydate shift. HCPF will also have an increase in workload beginning in FY 2018-19 to make changes to its case management, claims processing, and data management systems to collect additional supported employment data. HCPF was appropriated funds under SB16-077 for this purpose, so it does not require additional appropriations.

**Vendor reimbursements.** As noted in the Assumptions section, 1,373 providers will be required to be certified and their employers, supported employment agencies, will be reimbursed under the bill. For all 1,373 providers to take the certification test either after training or in lieu of training, the cost is \$411,900. For 920 providers to take the certification training, the cost is \$1,103,892. Spread over five years, reimbursement costs are \$303,158 per year beginning in FY 2019-20 and continuing through FY 2023-24.

**CDLE.** The CDLE requires 20 hours of legal services at a rate of \$106.56 per hour to support rulemaking in FY 2018-19 to require providers of supported employment services to be trained or certified. The rulemaking will specify the deadlines for completion of the training or certification.

**CDPHE.** The CDPHE will have an increase in workload beginning in FY 2019-20 to verify that providers of supported employment services have completed their required training or certification. This workload increase 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. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$5,016 in FY 2018-19 and \$6,165 in FY 2019-20.

### **Effective Date**

This bill was signed into law by the Governor on May 18, 2018, and took effect August 8, 2018.

### **State Appropriations**

For FY 2018-19, the bill requires a General Fund appropriation of \$27,675 to the Department of Health Care Policy and Financing and an allocation of 0.4 FTE, and \$2,131 to the Department of Labor and Employment, to be reappropriated to the Department of Law.

### **Departmental Difference**

HCPF estimates that this bill requires 1.5 FTE beginning in FY 2019-20. This would include 1.0 FTE of a program administrator position to be the main point of contact for the program, to provide guidance and training to providers, and receive and approve invoices from providers. This would also include 0.5 FTE of an accountant to manually process reimbursements and monitor the availability of the limited reimbursement funds available each fiscal year. Existing staff resources for HCPF are either federally funded or funded with state dollars that cannot be used to administer this program.

Based on the assumptions on page 2 and expected annual reimbursement funding of \$303,258, the fiscal note estimates that 0.5 FTE of a program administrator can process reimbursements, and monitor the availability of reimbursement funds. The difference in expenditures is \$55,957 beginning in FY 2019-20. If the process developed during rulemaking in FY 2018-19 results in a more complex reimbursement system than that contemplated by the fiscal note, it is expected that HCPF will request additional funding during the annual budget process.

### **State and Local Government Contacts**

Counties	Health Care Policy and Financing
Information Technology	Labor
Law	Public Health and Environment