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Fiscal Note

Drafting Number:
Prime Sponsors:

LLS 21-0460
Sen. Buckner; Hisey
Rep. Young; Carver

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Bill Status: Senate HHS
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Bill Topic:

AUDIOLOGY & SPEECH-LANGUAGE INTERSTATE COMPACT

Summary of Fiscal Impact:

- State Revenue *(conditional)*
- State Expenditure *(conditional)*
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill enters Colorado into the Audiology and Speech-Language Pathology Interstate Compact to allow audiologists and speech-language pathologists to practice in multiple states. The bill increases state revenue and expenditures on an ongoing basis.

Appropriation Summary:

For FY 2021-22, the bill requires an appropriation of \$108,432 to the Department of Regulatory Agencies and \$21,503 to the Department of Public Safety.

Fiscal Note Status:

The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under SB 21-021

		Budget Year FY 2021-22	Out Year FY 2022-23
Revenue	Cash Funds	\$179,570	\$406,280
Expenditures	Cash Funds	\$129,935	\$326,179
	Centrally Appropriated	\$18,622	\$50,561
	Total Expenditures	\$148,557	\$376,740
	Total FTE	0.5 FTE	1.6 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

The bill enters Colorado into the Audiology and Speech-Language Pathology Interstate Compact, pending its adoption by ten or more states. The compact requires that member states recognize licenses for audiology or speech-language pathology issued by any other member state, including practicing telehealth services, and establishes minimum criteria for such licenses. One such criterion is a background check for audiologists and speech-language pathologists. Credentialed practitioners in a member state can apply for the privilege to practice in another member state. The compact grants member state the authority to charge a fee for such privilege.

The bill grants the Department of Regulatory Agencies (DORA) the authority to promulgate rules related to the implementation of the compact, to appoint members to the compact's governing commission, and to report data to the commission, as determined by rule.

Assumptions

The fiscal note assumes that the compact will take effect by January 1, 2022. The compact requires adoption by at least ten states to take effect. As of February 2021, six states have adopted it, and 17 states are considering adoption, including Colorado. Some revenue and expenditure impacts could shift fiscal years if the compact is implemented sooner or later than this date.

The fiscal note further assumes that audiologists and speech-language pathologists will be required to complete fingerprint-based background checks at their first credential renewal following the compact's implementation: in the spring of 2022 for audiologists and the fall of 2022 for speech-language pathologists.

The fiscal note assumes that 2,000 practitioners from other member states would apply to use compact privileges in Colorado and that this uptake would occur gradually, with 1,000 applicants in FY 2021-22 and 1,000 in FY 2022-23. Initial fees are estimated based on this assumption, although fees are expected to decrease as more states join the compact, and costs are spread across more practitioners.

State Revenue

The bill increases state cash fund revenue from fees by \$179,570 in FY 2021-22 and \$406,280 in FY 2022-23. This revenue is from fees on audiologists and speech-language pathologists seeking compact privileges in Colorado charged by DORA, and background check fees paid by audiologists and speech-language pathologists licensed in Colorado to the Colorado Bureau of Investigation (CBI) in the Department of Public Safety (DPS). Revenue to state agencies and fee impact to practitioners are described below and summarized in Table 2.

Fee impact on audiologists and speech-language pathologists. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. These fee amounts are estimates only, actual compact privilege fees will be set administratively by DORA based on cash fund balance, estimated program costs, and the estimated number of compact privilege applications subject to the fee. The table below identifies the fee impact of this bill.

Table 2
Fee Impact on Audiologists and Speech-Language Pathologists

Fiscal Year	Type of Fee	Proposed Fee	Number Affected	Total Fee Impact
FY 2021-22	Background Check Fee	\$39.50	700	\$27,650
	Compact Privilege (Initial)	\$151.92	1,000	\$151,920
	FY 2021-22 Total			\$179,570
FY 2022-23	Background Check Fee	\$39.50	4,100	\$161,950
	Compact Privilege (Initial)	\$151.92	1,000	\$151,920
	Compact Privilege (Renewal)	\$92.41	1,000	\$92,410
	FY 2022-23 Total			\$406,280

Department of Regulatory Agencies. Cash fund revenue to DORA is estimated to be \$151,920 in FY 2021-22 and \$244,330 in FY 2022-23. This revenue is deposited into the Division of Professions and Occupations Cash Fund. Revenue is generated from a fee on audiologists and speech-language pathologists in other member state applying to use compact privileges in Colorado.

Fingerprint-based background checks — DPS. This bill increases state cash fund revenue from fingerprint-based criminal history background checks to the CBI Identification Unit Cash Fund in the DPS by \$27,650 in FY 2021-22 and \$161,950 in FY 2022-23. This assumes 700 checks will be conducted in FY 2021-22 and 4,100 in FY 2022-23. The current fee for background checks is \$39.50, which includes \$11.25 for a Federal Bureau of Investigation (FBI) fingerprint-based check, which is passed on to that federal agency. The federal portion of this fee is excluded from the state TABOR limit. The background check is required only upon initial licensure and is not required for renewal.

State Expenditures

The bill increases state cash fund expenditures by \$148,557 and 0.5 FTE in FY 2021-22 and \$376,740 and 1.6 FTE in FY 2022-23. These costs, primarily in DORA’s Division of Professions and Occupations, are summarized in Table 3 and discussed below.

**Table 3
Expenditures Under SB 21-021**

Cost Components	FY 2021-22	FY 2022-23
Department of Regulatory Agencies		
Personal Services	\$14,418	\$28,834
IT System Interfaces	\$60,000	\$43,000
Legal Services	\$17,014	\$110,275
Commission Membership Dues	\$15,000	\$15,000
Travel	\$2,000	\$4,000
Centrally Appropriated Costs ¹	\$14,606	\$25,715
FTE – Personal Services	0.3 FTE	0.4 FTE
FTE – Legal Services	0.1 FTE	0.5 FTE
DORA Subtotal	\$123,038	\$226,824
Department of Public Safety		
Personal Services	\$6,251	\$39,649
Standard Operating Costs	-	\$945
FBI Pass-Through	\$7,875	\$46,125
Background Check Costs	\$7,377	\$38,351
Centrally Appropriated Costs ¹	\$4,016	\$24,846
FTE – Personal Services	0.1 FTE	0.7 FTE
DPS Subtotal	\$25,519	\$149,916
Total	\$148,557	\$376,740
Total FTE	0.5 FTE	1.6 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Regulatory Agencies. The Division of Professions and Occupations will experience an increase in expenditures of \$123,038 and 0.3 FTE in FY 2021-22 and \$226,824 and 0.4 FTE in FY 2022-23. These expenditures, which will be paid from the Division of Professions and Occupations Cash Fund, are described below.

Staffing and administration. DORA will require 0.4 FTE to establish program rules for operation of the compact in Colorado, handle compact privilege to practice requests, respond to inquiries from other states, communicate with compact officials, investigate complaints related to Colorado and out-of-state audiologists and speech-language pathologists practicing under the compact, and other tasks. DORA staff will have expenses of \$2,000 in FY 2021-22 and \$4,000 in FY 2022-23 for compact-related travel. Other costs include dues paid to the compact commission, which are estimated at \$15,000 per year.

Information technology systems. In FY 2021-22 and FY 2022-23, costs of \$40,000 will be incurred for the Office of Information Technology to install data interfaces between the state licensing system and the compact data system. Further costs of \$20,000 will be incurred in FY 2021-22 to install data interfaces between the state licensing system and the CBI. Ongoing maintenance costs are estimated at \$3,000 per year starting in FY 2022-23.

Legal services. In FY 2021-22, the division will require 160 hours of legal services from Department of Law for rulemaking. Beginning in FY 2022-23, about 1,037 hours of legal services will be required to adjudicate cases involving provider misconduct and complaints that could not be resolved within DORA. This is based on 15 additional complaints per year against audiologists and speech-language pathologists practicing under the compact, which will generate 4 formal investigations and 2 cases referred to the Attorney General's Office for further action.

Department of Public Safety. This bill increases overall expenditures from the CBI Identification Unit Cash Fund in DPS by \$25,519 and 0.1 FTE in FY 2021-22 and \$149,916 and 0.7 FTE in FY 2022-23.

Personal services. In FY 2021-22, DPS will require 0.1 FTE Fingerprint Examiner II to process the 700 fingerprint background applications that the fiscal note assumes the bill will generate from audiologists and speech-language pathologists. This grows to 0.5 FTE Fingerprint Examiner II and 0.2 FTE Data Specialist in FY 2022-23. A Fingerprint Examiner II can process 8,250 requests per year, and a Data Specialist 16,500. These employees will undertake a one-time training session that costs \$1,000 per person.

FBI pass-through. The DPS passes \$11.25 of every application on to the federal government. With approximately 5,100 applications, this equates to \$54,000 for the two-year period.

Other costs. There are the following costs associated with each background check application: \$6.10 dedicated to equipment maintenance; \$1.55 for print digitization; \$0.88 to access the Colorado Crime Information Center for information pertinent to the background check; and \$0.58 printing and postage costs.

Office of Administrative Courts and trial courts. Disciplinary actions by DORA under the compact may result in additional cases being heard by administrative law judges in the Office of Administrative Courts in the Department of Personnel and Administration. Some of these cases may be appealed to the trial courts in the Judicial Department for further review. Because the compact is inter-jurisdictional, the fiscal note assumes that most cases will be held in federal courts and that any state workload increase will be minimal 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. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$18,622 in FY 2021-22 and \$50,561 in FY 2022-23.

TABOR refunds. Under the December 2020 LCS Economic and Revenue Forecast, the state is not expected to collect revenue above the TABOR limit in either FY 2021-22 or FY 2022-23, and refund obligations are not anticipated for these years. This bill does not change these expectations concerning refunds to taxpayers.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2021-22, the bill requires a cash funds appropriation of \$108,432 from the Division of Professions and Occupations Cash Fund to the Department of Regulatory Agencies, of which \$60,000 is reappropriated to the Office of Information Technology and \$17,014 is reappropriated to the Department of Law. DORA requires an allocation of 0.3 FTE, and the Department of Law requires 0.1 FTE.

For FY 2021-22, the bill also requires a cash funds appropriation of \$21,503 from the CBI Identification Unit Cash Fund to the Department of Public Safety and 0.1 FTE.

State and Local Government Contacts

Information Technology
Personnel

Judicial
Public Safety

Law
Regulatory Agencies