



**Legislative
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**REVISED
FISCAL NOTE**

(replaces fiscal note dated February 26, 2018)

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

Date: April 9, 2018
Bill Status: Senate Appropriations
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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 on an ongoing basis.

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 introduced bill, as amended by the Senate Business, Labor, and Technology Committee.

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

		FY 2018-19	FY 2019-20
Revenue		-	-
Expenditures	General Fund	\$29,806	\$1,571,877
	Centrally Appropriated	\$5,016	\$12,330
	Total	\$34,822	1,584,207
	Total FTE	0.4 FTE	1.0 FTE
Transfers		-	-
TABOR Refund	General Fund	-	-

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. 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

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.

Assumptions

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. In FY 2019-20, 453 providers will take the certification test at a cost of \$300 each, and 920 providers will take the training at a cost of \$1,200 each, followed by the certification test for a total of \$1,500 per provider. The fiscal note assumes a 25 percent annual turnover rate of supported employment providers or 343 providers who will need to be trained beginning in FY 2020-21.

State Expenditures

This bill increases General Fund expenditures by \$34,822 and 0.4 FTE in FY 2018-19 and \$1,584,207 and 1.0 FTE in FY 2019-20. Costs are shown in Table 2 and explained below.

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

Cost Components	FY 2018-19	FY 2019-20
Department of Health Care Policy and Financing		
Personal Services	\$22,972	\$55,135
Operating Expenses and Capital Outlay Costs	\$4,703	\$950
Vendor Reimbursements	\$0	\$1,515,792
Centrally Appropriated Costs*	\$5,016	\$12,330
FTE – Personal Services	0.4 FTE	1.0 FTE
Dept (Subtotal)	\$32,691	\$1,584,207
Department of Labor and Employment		
Legal Services	\$2,131	
Dept (Subtotal)	\$2,131	\$0
Total	\$34,822	\$1,584,207
Total FTE	0.4 FTE	1.0 FTE

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

HCPF. HCPF will hire an accountant beginning in January 2019 to support rulemaking, stakeholder involvement, and to manually process and track reimbursements to supported employment agencies after rulemaking is complete. Costs for the accountant are prorated to reflect a January start date and the General Fund payday 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.

Beginning in FY 2020-21, reimbursements to address provider turnover are estimated at \$514,875 annually for 343 providers at a rate of \$1,500 each. If the rules are promulgated to extend the timeline for training, annual reimbursement amounts will be reduced.

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 \$12,330 in FY 2019-20.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

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 2.0 FTE beginning in FY 2019-20 to manually process reimbursements. The fiscal note estimates that 1.0 FTE can accomplish the workload due to the limited number of reimbursements each year. The difference in expenditures is \$59,857 beginning in FY 2019-20.

State and Local Government Contacts

Counties
Information Technology
Law

Health Care Policy and Financing
Labor
Public Health and Environment