



Legislative
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FISCAL NOTE

Drafting Number: LLS 19-0701
Prime Sponsors: Sen. Holbert
 Rep. Baisley

Date: February 5, 2019
Bill Status: Senate SVMA
Fiscal Analyst: Anna Gerstle | 303-866-4375
 Anna.Gerstle@state.co.us

Bill Topic: ELIMINATION OF DUPLICATE REGULATION OF SCHOOL BUILDING

- Summary of Fiscal Impact:**
- State Revenue
 - State Expenditure
 - State Transfer
 - TABOR Refund
 - School District
 - Statutory Public Entity

The bill clarifies certain circumstances where state agency regulations conflict, as it relates to public school facilities. The bill increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2019-20, the bill requires an appropriation of \$613,922 to the Colorado Department of Human Services.

Fiscal Note Status: This fiscal note reflects the introduced bill.

**Table 1
State Fiscal Impacts Under SB 19-104**

		FY 2019-20	FY 2020-21
Revenue		-	-
Expenditures	General Fund	\$613,922	\$51,296
	Centrally Appropriated	\$12,389	\$4,556
	Total	\$626,311	\$55,862
	Total FTE	0.8 FTE	0.3 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

The bill specifies that if the laws, rules, codes, or ordinances of the Colorado Department of Public Health and Environment (CDPHE), including the State Board of Health, or the Colorado Department of Human Services (CDHS) conflict with those of the Colorado Department of Education (CDE) or applicable local government, the CDE or applicable local government requirement prevails. This specification applies to plan review, building permits, inspections, or certificates of occupancy for public school buildings or structures, as well as to public health, safety, or welfare, on a property of a school district, charter school, or institute charter school.

State Expenditures

Beginning in FY 2019-20, the bill increases General Fund expenditures for CDHS by \$626,311 in FY 2019-20 and \$55,862 in FY 2020-21. Costs are listed in Table 2 and described below.

**Table 2
Expenditures Under SB 19-104**

	FY 2019-20	FY 2020-21
Department of Human Services		
Personal Services	\$58,364	\$21,011
Operating Expenses and Capital Outlay Costs	\$5,558	\$285
Computer Programming	\$550,000	\$30,000
Centrally Appropriated Costs*	\$12,389	\$4,566
FTE – Personal Services	0.8 FTE	0.3 FTE
Total Cost	\$626,311	\$55,862
Total FTE	0.8 FTE	0.3 FTE

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

CDHS. CDHS licenses child care providers and conducts on-site inspections of facilities. To identify conflicting regulations related to buildings, plan review, certificates of occupancy, public health, welfare, and safety on public school property and accommodate the prevailing regulation, CDHS requires 0.8 FTE in FY 2019-20. The additional staff will research existing CDE, school district and local government regulation, identify and respond to conflicts, and manage and support the vendor making the changes to the application utilized by childcare licensing inspectors. Personal services costs in the first year are prorated for the General Fund pay date shift and reflect an August, 2019 start date. Beginning in FY 2020-21, 0.3 FTE is required to respond to changes in local government regulation and manage ongoing vendor changes.

Child care licensing specialists utilize the MobileCaddy application to conduct inspections of licensed childcare facilities. CDHS requires \$550,000 in FY 2019-20 in order to modify the app to allow inspectors have access to the applicable licensing requirements for childcare facilities in each school district or other local jurisdiction. Costs include modification to back-end Sales Force systems and the front-facing application, as well testing and training costs. Costs are based on vendor estimates and current and past vendor contracts. In future years, it is expected that about \$30,000 is required for ongoing updates to the application to reflect current local government policies.

CDPHE. The bill also increases the workload for CDPHE by a minimal amount. Should the prevailing policies of CDE or a local government entity impact the enforcement of public health and safety regulations, workload will increase to modify licensing or enforcement procedures. No change in appropriations is required; however, should additional resources be required to coordinate state and local government public health and safety regulations and modify enforcement procedures, they will be requested through the annual budget process.

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 \$12,389 in FY 2019-20 and \$4,566 in FY 2020-21.

Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2019-20, the bill requires a General Fund appropriation of \$613,922 to the Colorado Department of Human Services, and an allocation of 0.8 FTE.

Departmental Difference

CDHS estimates that the bill will require 2.0 FTE ongoing beginning in FY 2019-20. The department assumes that 1.0 FTE will be required to research and document rules and regulations of CDE and local governments, identify and respond to conflicts, and stay up to date on changes to local government regulations; and that 1.0 FTE will be required to manage the vendor contract, including initial and ongoing modifications, conduct testing, and work the vendor identify and solve bugs and technical issues. The fiscal note assumes that the required workload can be completed by a prorated 1.0 FTE in FY 2019-20 and that in out years, 0.3 FTE will be required to manage the ongoing vendor contract and stay up to date on any regulation changes.

In addition, the department estimates that \$850,000 in FY 2019-20 and \$50,000 ongoing beginning in FY 2020-21 is required to modify and maintain the MobileCaddy application with local government regulations. The fiscal note assumes that the work can be accomplished with \$550,000 in FY 2019-20, with support from the 1.0 FTE, and that \$30,000 will be required for ongoing updates in subsequent years.

State and Local Government Contacts

Counties	Education	Human Services
Information Technology	Municipalities	Public Health and Environment