



**Colorado
Legislative
Council
Staff**

SB16-038

**REVISED
FISCAL NOTE**

(replaces fiscal note dated April 1, 2016)

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

Drafting Number: LLS 16-0446

Date: May 3, 2016

Prime Sponsor(s): Sen. Aguilar
Rep. Young; Sias

Bill Status: House Second Reading

Fiscal Analyst: Chris Creighton (303-866-5834)

BILL TOPIC: TRANSPARENCY OF COMMUNITY-CENTERED BOARDS

Fiscal Impact Summary	FY 2016-2017	FY 2017-18
State Revenue		
State Expenditures	Workload increase	
Appropriation Required: None.		
Future Year Impacts: Ongoing state workload increase.		

Summary of Legislation

This bill, *as amended by the House Health, Insurance, and Environment Committee*, requires a community centered board (CCB) that receives more than 75 percent of its annual funding from federal, state, or local governments, or any combination thereof, to be subject to the Colorado Local Government Audit Act. The Office of the State Auditor must conduct a performance audit of any CCB that exceeds the 75 percent government threshold to determine if the CCB is effectively and efficiently fulfilling its statutory obligations. Audits of CCBs are to occur in the five year period following the effective date of the bill and as requested by the Office of the State Auditor thereafter. This bill also requires each CCB to post information on their websites related to the board of directors and their meetings, financial statements, annual budgets and other CCB business related information.

Background

CCBs provide case management services to individuals with intellectual and developmental disabilities. CCBs are private, for-profit or non-profit entities that support access to long-term services through Medicaid waivers for home and community based services to persons with intellectual and developmental disabilities. These waivers require CCBs to coordinate services to clients in the least restrictive setting possible with the goal of keeping them in their homes and communities as an alternative to institutional care. Currently there are 20 CCBs and it is expected that most will exceed the 75 percent governmental funding threshold established in the bill.

State Expenditures

This bill impacts workload in the Office of the State Auditor and the Department of Health Care Policy and Financing as discussed below. No additional appropriations are required.

Office of the State Auditor. This bill is expected to increase workload in the Office of the State Auditor. Under this bill, CCBs are required to have a certified public accountant conduct an annual audit and submit the results to the State Auditor. Minimal staff time is needed to receive and review these audits.

For CCBs that exceed the 75 percent governmental funding threshold, additional staff time will be needed to examine the department's annual audit workload and schedule a performance audit within five years. A performance audit of the CCBs will be conducted by existing staff as part of the department's annual audit workload and will not require additional appropriations.

Health Care Policy and Financing. This bill increases workload in the Department of Health Care Policy and Financing. To implement this bill, additional staff time will be spent modifying contract language with the CCBs to include audit requirements and monitoring CCB compliance. Department staff may also need to respond to CCB related Colorado Open Records Act (CORA) requests and assist the Office of the State Auditor with audit documentation. No appropriation is required as this increase in workload is expected to be accomplished within appropriations.

Effective Date

The bill takes effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum is filed.

Departmental Difference

Under current law, HCPF is required to review each designated CCB to ensure compliance with statutory requirements and established rules. This bill expands CCB statutory requirements and HCPF estimates that \$66,665 General Fund and 1.0 FTE is needed as a result. According to HCPF, this position is necessary to draft and implement new CCB rules, change the CCB designation application, provide monthly and annual reviews of the CCB websites to ensure compliance, and respond to CCB related CORA requests. The fiscal note does not include this staff because HCPF currently has 1.0 FTE that monitors CCB compliance. While this bill initially increases workload to implement new rules and change the designation application, the monitoring of the CCBs is already being performed by existing staff and it is assumed that the additional monitoring required by this bill can be accomplished within existing appropriations.

State and Local Government Contacts

Health Care Policy and Financing
Information Technology

Human Services
State Auditor