

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE REGULATION OF INDIVIDUAL RESIDENTIAL SERVICES AND SUPPORTS PROVIDERS FOR PERSONS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES.

Prime Sponsors: Representative Pabon
Senator Aguilar

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Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/16/18.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The House Public Health Care and Human Services Committee Report (04/17/18) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment
L.006/J.002	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision appropriating a total of \$158,042 General Fund for FY 2018-19, including \$120,468 to the Department of Local Affairs (DOLA) and \$37,574 to the Department of Health Care Policy and Financing (HCPF). This provision also states that the appropriation is based on the assumption that each department will require an additional 0.8 FTE, and HCPF will receive \$37,573 federal funds to implement the act. Finally, this provision reappropriates \$1,066 to the Department of Law.

L.006 and J.002

Bill Sponsor amendment **L.006** (attached) would:

- require the State Housing Board to establish a fee to be charged to a host home provider or an individual residential services and supports provider to cover the direct and indirect costs incurred by DOLA's Division of Housing in performing inspections as required by the bill;
- create the Individual Residential Services and Supports Providers Inspections Cash Fund, which would consist of inspection fee revenue and any other money that the General Assembly may appropriate or transfer to the Fund;
- continuously appropriate money in the new cash fund to the Division of Housing, and authorized the Division to expend money from the Fund for the direct and indirect costs associated with residential inspections performed as required by the bill; and
- add carbon monoxide detectors to the list of minimum housing quality standards that HCPF is required to establish for individual residential services and supports providers and residences.

The following table details the fiscal impact of the bill if L.006 is adopted. Legislative Council Staff agrees with this assessment.

State Fiscal Impacts Under HB 18-1376 WITH L.006

		FY 2018-19	FY 2019-20
Revenue			
Expenditures			
	General Fund	\$37,574	\$37,875
	New Cash Fund	120,468	122,334
	Federal Funds	37,573	37,875
	Centrally Appropriated	38,212	43,695
	Total	\$233,827	\$241,779
	Total FTE	1.6 FTE	2.0 FTE

Staff-prepared amendment **J.002** (attached) would add a provision that appropriates \$37,574 General Fund to HCPF, and states that the appropriation is based on the assumption that HCPF will require an additional 0.8 FTE and it will receive \$37,573 federal funds to implement the act. This provision also authorizes the Department of Law to spend \$1,066 received from DOLA. This provision does not appropriate any funding to DOLA (or identify the associated FTE) because the newly created cash fund is continuously appropriated.

The Committee should adopt J.001 OR L.006 and J.002.

Points to Consider*General Fund Impact*

1. The Joint Budget Committee has proposed a budget package for FY 2018-19 based on the March 2018 Office of State Planning and Budgeting revenue forecast. The budget package leaves approximately \$40.8 million General Fund unallocated. Thus, the General Assembly could appropriate up to \$38.3 million General Fund to fund 2018 legislation and maintain a 6.5 percent General Fund reserve. This bill requires General Fund appropriations totaling \$158,042 for FY 2018-19, reducing the excess General Fund reserve by \$168,315. [If Sponsor Amendment L.006 is adopted, the bill would reduce the excess General Fund reserve by only \$40,016.]

Legislative Authority - Relevant to L.006

2. Is it necessary to "continuously appropriate" money in the newly created Individual Residential Services and Supports Providers Inspections Cash Fund? This method of funding the Division of Housing's inspection activities essentially moves related expenditures off-budget, and thus expenditures (and associated FTE) are not reported or accounted for through the budget process.

Technical Issues - Relevant to L.006

3. The newly created cash fund would consist of inspection fee revenue "and any other money that the general assembly may appropriate or transfer to the fund". Given that the State Housing Board is required to establish inspection fees that will generate revenue sufficient to cover the Division of Housing's direct and indirect costs of performing inspections, why would there be a need for the General Assembly to appropriate or transfer General Fund or other state funds into the new cash fund?