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Final Fiscal Note

Drafting Number: LLS 22-0909 Date: July 20, 2022
Prime Sponsors: Sen. Winter; Rankin Bill Status: Signed into Law
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Bill Topic: COLORADO RURAL HEALTH-CARE WORKFORCE INITIATIVE

- Summary of Fiscal Impact:
State Revenue (checkbox)
State Expenditure (checked)
State Transfer (checkbox)
TABOR Refund (checkbox)
Local Government (checkbox)
Statutory Public Entity (checkbox)

The bill establishes the Colorado Rural Health Care Workforce Initiative to expand the number of health-care professionals practicing in rural or frontier counties. The bill increases state expenditures beginning FY 2022-23

Appropriation Summary: For FY 2022-23, the bill includes appropriations totaling \$1,200,000 to the Department of Higher Education.

Fiscal Note Status: The fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under SB 22-172

Table with 4 columns: Category, Sub-category, Budget Year FY 2022-23, Out Year FY 2023-24. Rows include Revenue, Expenditures (General Fund), Transfers, and Other Budget Impacts (General Fund Reserve).

Summary of Legislation

The bill establishes the Colorado Rural Health Care Workforce Initiative to expand the number of health-care professionals practicing in rural or frontier counties. The Department of Higher Education (DHE) is required to enter into limited purpose fee-for-service contracts with public institutions of higher education to establish a health-care professional rural track, or expand an existing rural track, within specified health care degree programs at the schools. The bill specifies required components of a rural track program, including outreach campaigns, scholarships, curriculum, and clinical experience.

Institutions may use funding for faculty compensation, housing costs for participating students, training preceptors who practice in rural counties, and student scholarships. Students receiving a scholarship must commit to working as a health-care provider in rural areas for two years after completing their credential.

Rural program office. Schools receiving funding must report how the school intends to use the funding to establish or expand a rural track to the Rural Program Office (the office) at the University of Colorado Health Sciences Center. The office must provide assistance to the institutions with recruitment, admissions, housing support, clinical instruction, and other technical or administrative needs of operating a rural track. The office must establish metrics to evaluate the effectiveness of the initiative and the rural tracks, and may collaborate with area health education centers, hospitals, and the Colorado Department of Public Health and Environment to assess unmet rural community healthcare needs. The office must prepare and submit an annual progress report to the General Assembly.

Funding. For FY 2022-23, the bill appropriates \$1,200,000 General Fund to the DHE, which includes \$1,135,000 for limited purpose fee-for-service contracts with the governing boards of each of the following institutions for allocation to medical programs at the schools. It also includes \$65,000 General Fund for Colorado Mountain College.

- Adams state university, in its nursing program;
- Colorado Mesa university, in its nursing program;
- the Colorado school of public health, in its master of public health program;
- Colorado state university - Pueblo, in its school of nursing;
- Metropolitan state university of Denver, in its nursing program;
- the University of Colorado, in the following programs or schools:
 - (A) the health sciences center campus, in its school of dental medicine and in its doctor of medicine program in the school of medicine;
 - (B) the Colorado Springs campus, in its nursing program; and
 - (C) the health sciences center campus, in its physician assistants program in the school of medicine;
- the University of Northern Colorado, in its school of nursing;
- Western Colorado University, in its master of behavioral science in rural community health program;
- Colorado Mountain College, in its nursing program;
- Fort Lewis college, in its nursing program operated in agreement with the University of Colorado nursing program; and

- the following institutions governed by the Community College System:
 - (A) Morgan community college, in its nursing program; and
 - (B) Trinidad state college, in its nursing program.

State Expenditures

The bill increases state expenditures by \$1.2 million annually beginning in FY 2022-23 from the General Fund. Each named institution is provided one-time funding in FY 2022-23 to establish and operate a rural track program, with assistance from the Rural Program Office. Each appropriation will be spent by schools in different ways to implement the initiative. Schools that operate a rural track must use 40 percent of funding received for student scholarships. Other expenses include housing assistance and faculty and preceptor compensation.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve beginning in FY 2022-23. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, which will decrease the amount of General Fund available for other purposes.

Effective Date

The bill was signed into law by the Governor and took effect June 1, 2022.

State Appropriations

For FY 2022-23, the bill includes the following appropriations from the General Fund:

- \$1,135,000 to the Department of Higher Education; and
- \$65,000 to the Department of Higher Education.

State and Local Government Contacts

Higher Education