



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated April 25, 2022)

Drafting Number:	LLS 22-1013	Date:	May 5, 2022
Prime Sponsors:	Sen. Zenzinger; Cooke Rep. Lontine	Bill Status:	House Finance
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Bill Topic: LICENSE SUPPLEMENTAL HEALTH-CARE STAFFING AGENCIES

Summary of Fiscal Impact:	<input checked="" type="checkbox"/> State Revenue	<input checked="" 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 establishes a regulatory and reporting structure for supplemental health care staffing agencies. The bill increases state expenditures and may increase state revenue beginning in FY 2022-23.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$465,207 to multiple state departments.

Fiscal Note Status: The revised fiscal note reflects the reengrossed bill.

**Table 1
State Fiscal Impacts Under SB 22-210**

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-
Expenditures	General Fund	\$465,207	\$221,683
	Centrally Appropriated	\$40,509	\$47,907
	Total Expenditures	\$505,716	\$269,590
	Total FTE	2.3 FTE	2.7 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$69,781	\$33,252

Summary of Legislation

This bill establishes a regulatory and reporting structure for supplemental health care staffing agencies (staffing agencies). The bill requires staffing agencies to be certified as employee leasing companies with the Department of Labor and Employment (CDLE). Failure to do so is a civil infraction, and the CDLE may impose fines, as specified in the bill.

By September 1, 2022, and annually thereafter, the Department of Public Health and Environment (CDPHE) and the Department of Health Care Policy and Financing (HCPF) are required to provide the CDLE with a list of names and contact information for staffing agencies operating in the state. By April 30, 2023, each staffing agency is required to provide the CDLE with a quarterly report for the first quarter of 2023, and continue to file quarterly reports no later than the last day of the month immediately following the end of the quarter. The CDLE must establish the form and manner of reporting, and collect at least the information required by the bill. These include ownership and financial information, and certifications that the staff they provide have current licenses in good standing and have completed background checks, and that the staffing agencies carries professional liability insurance.

The CDLE is required to provide copies of the quarterly reports to the CDPHE and HCPF to analyze the information to make recommendations to the General Assembly and the Governor concerning the regulation of staffing agency service rates and rates charged to health care facilities.

By November 30, 2023, the CDPHE in consultation with HCPF, is required to conduct a stakeholder process and submit a report to certain parties, as specified in the bill. The report must include:

- synthesized findings from information reported by staffing agencies to the CDLE;
- information regarding the impact of staffing agencies on health care facilities and recommendations specific to health care facilities;
- an overview of staffing agencies and their use by health care facilities;
- information regarding any federal government initiatives that seek to address issues relating to staffing agencies and health care facilities;
- recommendations for the continuation or repeal of required statutory reporting by staffing agencies pursuant to section; and
- recommendations for determining caps and other limitations on service rates and the amount that staffing agencies may charge for each category of health care worker providing services to health care facilities.

State Revenue

To the extent that staffing agencies are assessed fines or penalties, funds in the Wage Theft Enforcement Cash Fund will increase. Fine revenue is subject to TABOR.

State Expenditures

The bill increases state expenditures in multiple state departments by \$505,716 in FY 2022-23 and \$269,590 in FY 2023-24 from the General Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2
Expenditures Under SB 22-210**

Cost Components	FY 2022-23	FY 2023-24
Department of Labor and Employment		
Personal Services	\$151,202	\$181,629
Operating Expenses	\$2,700	\$3,105
Capital Outlay Costs	\$18,600	-
Technology Contractor	\$250,000	-
Technology Licensing	\$4,089	\$3,634
Mailing	\$1,000	\$1,000
Centrally Appropriated Costs ¹	\$33,601	\$39,337
FTE – Personal Services	2.0 FTE	2.3 FTE
CDLE Subtotal	\$461,192	\$228,705
Department of Public Health and Environment		
Personal Services	\$22,071	\$29,428
Technology Costs	\$15,545	\$2,887
Centrally Appropriated Costs ¹	\$6,908	\$8,570
FTE – Personal Services	0.3 FTE	0.4 FTE
CDPHE Subtotal	\$44,524	\$40,885
Total	\$505,716	\$269,590
Total FTE	2.3 FTE	2.7 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Labor and Employment. Beginning in FY 2022-23, the CDLE requires funding for staff, contractor and technology costs to facilitate the reporting required under the bill.

- *Staff.* In FY 2022-23, 2.5 FTE is required to provide program management and technology development oversight, complete administrative work, communicate with staffing agencies, administer fines, and coordinate with state departments and stakeholders. In FY 2023-24 and ongoing, 2.3 FTE will be required. Personal services costs are adjusted for the General Fund paydate shift and assume a September 1, 2022, start date. Standard operating and capital outlay costs are included.

- *Contractor and technology costs.* In FY 2022-23, contractor services are required to develop the data collection system for reporting, estimated to be \$250,000. Technology licensing and mailing costs are estimated to be \$5,089 in FY 2022-23 and \$4,634 in FY 2023-24 and ongoing.

Department of Public Health and Environment. Beginning in FY 2022-23, CDPHE requires funding for staff and technology development to facilitate the collection of staffing agency information.

- *Staff.* In FY 2022-23, 0.3 FTE will be required to receive data from the CDLE, review the data reports, conduct the required analysis and hold stakeholder meetings. Staffing will increase to 0.4 FTE in FY 2023-24.
- *Technology costs.* In FY 2022-23, updates to the Colorado Health Facilities Interactive System are required to add a question to the health facilities licensing application to list contracts with and contact information for staffing agencies. This work will be conducted by the Office of Information Technology. These costs are estimated at \$15,544. In FY 2023-24 and ongoing, \$2,887 is required for system updates and maintenance.

Department of Health Care Policy and Financing. Beginning in FY 2022-23, HCPF is required to participate in certain reporting and stakeholder processes specified in the bill. The fiscal note assumes that this workload is absorbable and that no new appropriation is required.

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 shown in Table 2.

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 amount shown in Table 1, which will decrease the amount of General Fund available for other purposes.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

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

- \$427,591 to the Department of Labor and Employment, and 2.0 FTE; and

- \$37,616 to the Department of Public Health and Environment, and 0.3 FTE; of this amount, \$15,545 is reappropriated to the Office of Information Technology.

State and Local Government Contacts

Health Care Policy and Financing
Labor and Employment

Information Technology
Public Health and Environment