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Revised Fiscal Note

(replaces fiscal note dated April 10, 2023)

Drafting Number:	LLS 23-0787	Date:	April 26, 2023
Prime Sponsors:	Sen. Danielson; Exum Rep. Duran; Willford	Bill Status:	House State Affairs
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Bill Topic: **DIRECT CARE WORKFORCE STABILIZATION BOARD**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input 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

The bill creates the Direct Care Workforce Stabilization Board in the Department of Labor and Employment. The bill increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2023-24, the bill requires an appropriation of \$202,629 to multiple state agencies.

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

Table 1
State Fiscal Impacts Under SB 23-261

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	General Fund	\$142,271	\$155,325
	Federal Funds	\$60,358	\$71,494
	Centrally Appropriated	\$34,108	\$43,643
	Total Expenditures	\$236,737	\$270,462
	Total FTE	2.0 FTE	2.5 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$21,341	\$23,299

Summary of Legislation

The bill creates the Direct Care Workforce Stabilization Board in the Department of Labor and Employment (CDLE). Board members include representatives from state agencies, direct care suppliers, and direct care consumers. They will serve without compensation, but may be reimbursed for actual and necessary expenses. The board must meet by November 15, 2023, and at least quarterly thereafter. The bill requires the Department of Health Care Policy and Financing (HCPF) to provide data and analysis to the board. By September 1, 2024, and every two years thereafter, the board will make recommendations for direct care working standards. The board is subject to a sunset review effective September 1, 2029.

Additionally, the bill places disclosure requirements on direct care employers and prohibits certain retaliatory actions.

Background

The Department of Health Care Policy and Financing (HCPF) currently collects data on direct care workers through two American Rescue Plan Act (ARPA) initiatives: the Increase Payments to Providers and Workers Initiative and the Direct Care Workforce Data Infrastructure Initiative. Funding for these initiatives expires at the end of FY 2022-23.

Assumptions

The fiscal note assumes that the board will not be responsible for investigating and adjudicating complaints of retaliation.

State Expenditures

The bill increases state expenditures in CDLE by \$89,000 in FY 2023-24 and \$92,303 in FY 2024-25 and ongoing, paid from the General Fund. The bill increases state expenditures in HCPF by \$148,195 in FY 2023-24 and \$178,159 in FY 2024-25 and ongoing, split evenly between the General Fund and federal funds. Expenditures are shown in Table 2 and detailed below.

**Table 2
 Expenditures Under SB 23-261**

	FY 2023-24	FY 2024-25
Department of Labor and Employment		
Personal Services	\$23,747	\$31,661
Operating Expenses	\$2,903	\$3,578
Capital Outlay Costs	\$6,670	-
Meeting Facilitation Costs	\$42,592	\$42,592
Outreach Costs	\$6,000	\$6,000
Centrally Appropriated Costs ¹	\$6,630	\$8,472
FTE – Personal Services	0.4 FTE	0.5 FTE
Dept. Subtotal	\$88,542	\$92,303
Department of Health Care Policy and Financing		
Personal Services	\$105,217	\$140,288
Operating Expenses	\$2,160	\$2,700
Capital Outlay Costs	\$13,340	-
Centrally Appropriated Costs ¹	\$27,478	\$35,171
FTE – Personal Services	1.6 FTE	2.0 FTE
Dept. Subtotal	\$148,195	\$178,159
Total Cost	\$236,737	\$270,462
Total FTE	2.0 FTE	2.5 FTE

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

Department of Labor and Employment. CDLE requires funds to facilitate the board meetings, including reimbursing members for necessary costs, and transmit information to direct care workers. These costs are detailed below.

- **Staff.** CDLE requires 0.5 FTE to staff the board. These responsibilities include coordinating all meetings, conducting any necessary research, and producing final documents. First-year staffing costs are prorated for a September 2023 start date and the General Fund pay date shift. Standard operating and capital outlay expenses, including software expenses incurred by CDLE staff, are included for these new staff.
- **Meeting facilitation.** The fiscal note assumes that the board will meet four times annually. CDLE will cover meeting costs, including reimbursing task force members who incur actual and necessary expenses. Other meeting costs include hiring a meeting facilitator to organize discussions, a translator, a venue, and catering for a total of about \$10,600 per meeting.
- **Outreach.** CDLE will conduct outreach to direct care workers. These costs consist primary of translating documents produced by the board.

Department of Health Care Policy and Financing. The bill specifies that the board will rely on data and analysis provided by HCPF. The fiscal note assumes that this will require HCPF to continue analyzing the direct care workforce at the department’s current level. Given the amount of funding currently dedicated to this work that is set to expire (see Background section), this requires 2.0 FTE. First-year staffing costs are prorated for a September 2023 start date and the General Fund pay date shift. Standard operating and capital outlay costs are included.

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 for HCPF and CDPHE, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

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 2023-24, the bill requires an appropriation of \$202,629 to the following agencies:

- \$81,912 and 0.4 FTE to the Department of Labor and Employment, paid from the General Fund; and
- \$120,717 and 1.6 FTE to the Department of Health Care Policy and Financing, split evenly between the General Fund and federal funds.

Departmental Differences

CDLE estimates that it will have costs of \$146,222 and 1.1 FTE in FY 2023-24 and \$138,516 and 1.0 FTE annually thereafter, paid from the General Fund. Relative to the fiscal note, the CDLE assumes that serving on the board will not be absorbable for certain staff and that supporting the board will require additional FTE. The fiscal note assumes that the CDLE board member will not be eligible for reimbursement and that 0.5 FTE, plus a meeting facilitator, is sufficient to support the board.

State and Local Government Contacts

Governor’s Office of Boards and Commissions
Information Technology
Law
Public Health and Environment

Health Care Policy and Financing
Labor and Employment
Regulatory Agencies