



**Colorado
Legislative
Council
Staff**

SB16-033

**FINAL
FISCAL NOTE**

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

Drafting Number: LLS 16-0565
Prime Sponsor(s): Sen. Ulibarri
Rep. Salazar

Date: August 3, 2016
Bill Status: Postponed Indefinitely
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BILL TOPIC: PUBLIC HEALTH NOTICE SICK LEAVE

Fiscal Impact Summary	FY 2015-2016 <i>(current year)</i>	FY 2016-2017	FY 2017-2018
State Revenue		<u>up to \$16,000</u>	<u>up to \$115,300</u>
Cash Funds		up to 16,000	up to 115,300
State Expenditures		<u>\$21,166</u>	<u>\$22,385</u>
Cash Funds	Increased workload.	14,212	13,917
Centrally Appropriated Costs		6,954	8,468
TABOR Impact			up to \$115,600
FTE Position Change		0.2 FTE	0.3 FTE
Appropriation Required: \$14,212 - Department of Public Health and Environment (2016-17)			
Future Year Impacts: Ongoing state revenue and expenditure increase.			

NOTE: This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

This bill requires licensed retail food establishments that do not provide a minimum of five days paid sick leave per year for their employees to post a notice to that effect in full public view. The penalty for failing to post the notice ranges from a written warning for the first violation to a fine between \$250 and \$1,000 for a fifth or subsequent violation within a 24 month period.

Assumptions

The revenue and expenditures in this fiscal note are based on the following assumptions.

- The Colorado Department of Public Health and Environment (CDPHE) currently inspects 576 retail food establishments for the counties of Clear Creek, Grand, Gunnison, Jackson, Moffat and Rio Blanco.

- Based on United States Labor Department statistics, 24 percent of small businesses in private industry offer paid sick leave to their employees so CDPHE will check for posting of the required notice in 438 retail food establishments.
- The CDPHE will begin issuing written warnings in FY 2015-16 and begin issuing fines in FY 2016-17.
- The compliance rate will be low.

State Revenue

This bill will increase revenue from fines by up to **\$16,000 in FY 2016-17 and up to \$115,300 in FY 2017-18**. The revenue will be deposited into the Food Protection Cash Fund in the CDPHE.

The CDPHE inspects retail food establishments according to a risk-based formula. As a result, some retail food establishments are inspected twice per year, some once per year, and others every two years. On that schedule, the most a retail food establishment will be inspected is 4 times in 24 months, so it is unlikely that a fine greater than \$250 will be levied. Table 1 shows the estimated fine revenue with the retail food establishments with the more frequent inspections paying higher fines.

Fiscal Year	Written Warning	\$50 Fine	\$100 Fine	\$250 Fine	Total Fines
FY 2016-17	438	320	-	-	\$16,000
FY 2017-18	52	66	320	320	115,300

TABOR Impact

This bill increases state revenue from fines, which will increase the amount of money required to be refunded under TABOR. TABOR refunds are paid out of the General Fund.

State Expenditures

This bill will increase expenditures by **\$21,166 and 0.2 FTE in FY 2016-17 and \$22,385 and 0.3 FTE in FY 2017-18 and thereafter** for the CDPHE.

The CDPHE will have staffing costs for processing additional invoices for inspection violation payments and computer programming and maintenance costs for modifying the health inspection database. These costs are shown in Table 2 below. The additional time required to create and post the public health notice and for inspections can be addressed within existing appropriations.

Table 2. Expenditures Under SB16-033		
Cost Components	FY 2016-17	FY 2017-18
Personal Services	\$9,212	\$13,817
FTE	0.2 FTE	0.3 FTE
Computer Programming and Maintenance	5,000	100
Centrally Appropriated Costs*	6,954	8,468
TOTAL	\$21,166	\$22,385

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

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. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 3.

Table 3. Centrally Appropriated Costs Under SB16-033		
Cost Components	FY 2016-17	FY 2017-18
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$1,601	\$2,402
Supplemental Employee Retirement Payments	788	1,238
Indirect Costs	4,566	4,828
TOTAL	\$6,954	\$8,468

Local Government Impact

This bill will increase revenue and expenditures for local public health agencies that conduct health inspections. Currently, local public health agencies inspect over 20,000 retail food establishments which under the bill must now include compliance with the notice requirements. For businesses that do not comply, agency staff will provide written warnings and levy fines for continued noncompliance. Large public health agencies may need additional staff to process fine payments. The revenue collected from fines will stay at the local level and the amount will depend on the frequency of inspections and the rate of noncompliance.

Effective Date

The bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on February 3, 2016.

State Appropriations

For FY 2016-17, the Department of Public Health and Environment requires an appropriation of \$14,212 and an allocation of 0.2 FTE.

State and Local Government Contacts

Colorado Counties

Information Technology

Public Health & Environment