



**Colorado
Legislative
Council
Staff**

SB16-038

FISCAL NOTE

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

Drafting Number: LLS 16-0446
Prime Sponsor(s): Sen. Aguilar
 Rep. Young

Date: January 27, 2016
Bill Status: Senate SVMA
Fiscal Analyst: Chris Creighton (303-866-5834)

BILL TOPIC: TRANSPARENCY OF COMMUNITY-CENTERED BOARDS

Fiscal Impact Summary	FY 2016-2017	FY 2017-18 to FY 2021-22 (5 fiscal years)
State Revenue General Fund		Up to \$250,000
State Expenditures General Fund	Workload increase	
TABOR Impact		Up to \$250,000
Appropriation Required: None.		
Future Year Impacts: Ongoing state workload increase and periodic revenue impact.		

Summary of Legislation

This bill requires a community centered board (CCB) that receives more than 75 percent of its annual funding from the federal, state, or local governments or any combination thereof to be subject to the Colorado Open Records Act (CORA) and the Colorado Local Government Audit Act.

The Office of the State Auditor must conduct a performance audit of any CCB that exceeds the 75 percent government threshold to determine if the CCB is effectively and efficiently fulfilling its statutory obligations. Audits of CCBs are to occur at least once every five years and must be paid from the operating funds of the CCB that is subject to the audit.

Background

CCBs provide case management services to individuals with intellectual and developmental disabilities. CCBs are private, for-profit or non-profit entities that support access to long-term services through Medicaid waivers for home and community based services to persons with intellectual and developmental disabilities. These waivers require CCBs to coordinate services to clients in the least restrictive setting possible with the goal of keeping them in their homes and communities as an alternative to institutional care. Currently there are 20 CCBs and it is expected that most will exceed the 75 percent governmental funding threshold established in the bill.

State Revenue

The Office of the State Auditor will have increased revenue of up to \$250,000 in the year that the audit of the CCBs is conducted. All CCBs will be audited in the same year and will be invoiced for the cost of the audit, which is expected to total \$250,000. Revenues received from auditing the CCBs will be credited to the General Fund and used to offset the costs of the audit. It is anticipated that first performance audit of the CCBs will be conducted during the five year period between FY 2017-18 and FY2021-22.

TABOR Impact

This bill increases state revenue from CCB audit reimbursements in the year that the audit occurs, which will increase the amount of money required to be refunded under TABOR if the state collects a TABOR surplus in that year. Since the bill increases both revenue to the General Fund and the refund obligation by equal amounts, there is no net impact on the amount of money available in the General Fund for the budget. TABOR refunds are paid out of the General Fund.

State Expenditures

This bill impacts workload in the Office of the State Auditor and the Department of Health Care Policy and Financing as discussed below. No additional appropriations are required.

Office of the State Auditor. This bill is expected to increase workload in the Office of the State Auditor. Under this bill, CCBs are required to have a certified public accountant conduct an annual audit and submit the results to the State Auditor. Minimal staff time is needed to receive and review these audits.

For CCBs that exceed the 75 percent governmental funding threshold, additional staff time will be needed to examine the department's annual audit workload and schedule a performance audit of the CCBs once every five years. A performance audit of the CCBs will be conducted by existing staff as part of the department's annual audit workload and will not require additional appropriations.

Health Care Policy and Financing. This bill increases workload in the Department of Health Care Policy and Financing. To implement this bill, additional staff time will be spent modifying contract language with the CCBs to include CORA and audit requirements. Department staff may also need to assist with an increased number of CORA requests and assist the Office of the State Auditor with audit documentation. No appropriation is required as this increase in workload is expected to be minimal and can be absorbed by existing department staff.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Health Care Policy Financing
Office of Information Technology

Human Services
State Auditor