



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number:	LLS 18-0327	Date:	February 6, 2018
Prime Sponsors:	Rep. Michaelson Jenet Sen. Gardner; Fenberg	Bill Status:	House Health, Insurance, and Environment
		Fiscal Analyst:	Bill Zepernick 303-866-4777 Bill.Zepernick@state.co.us

Bill Topic: PSYCHOLOGY INTERJURISDICTIONAL COMPACT

Summary of Fiscal Impact:	<input checked="" 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 enters Colorado into the Psychology Interjurisdictional Compact to allow licensed psychologists to practice in multiple states. The bill increases state revenue and expenditures on an ongoing basis.

Appropriation Summary: The bill requires appropriations of \$156,332 to the Department of Regulatory Agencies and \$6,880 to the Department of Public Safety.

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

**Table 1
State Fiscal Impacts Under HB 18-1017**

		FY 2018-19	FY 2019-20
Revenue	Cash Funds	\$29,520	\$307,975
	Total	\$29,520	\$307,975
Expenditures	Cash Funds	\$163,212	\$157,096
	Centrally Appropriated	\$7,983	\$6,759
	Total	\$171,195	\$163,855
	Total FTE	0.5 FTE	0.5 FTE
Transfers		-	-

Summary of Legislation

This bill enters Colorado into the Psychology Interjurisdictional Compact (compact) to allow psychologists to practice in other compact states (member states) via telepsychology or short-term, in-person practice. To participate in the compact, a psychologist must have a full and unrestricted psychologist license in a member state and possess appropriate certifications from the Association of State and Provincial Psychology Boards (ASPPB). Specifically, to practice via telepsychology, a psychologist must have an E.Passport certificate, and to practice in-person psychology temporarily, a psychologist must have an interjurisdictional practice certificate. In addition, the bill outlines educational and other requirements to practice under the compact, including that a psychologist have no adverse actions against his or her license and no criminal history.

The compact outlines the authority of home and remote state licensing authorities to investigate complaints regarding psychologists practicing under the compact. The compact creates the Psychology Interjurisdictional Compact Commission (commission) as the governing body for the compact and requires each member state to appoint one voting commissioner to the commission. The compact specifies other provisions relating to operation of the commission, including member state dues, data sharing, and dispute resolution. The compact takes effect once it is enacted by seven member states.

Background

Currently, to practice psychology in more than one state, a psychologist must be licensed in each state separately, unless their state has an agreement of reciprocity with another state to recognize the license of another state. The Psychology Interjurisdictional Compact has been ratified by three states and is pending in several other states as of January 2018. There are approximately 3,600 licensed psychologists in Colorado and psychologist licenses are renewed every two years, with the next renewal period occurring in August 2019.

Assumptions

The fiscal note assumes that the compact will take effect by July 1, 2018, following its enactment by several state legislatures during the 2018 session. It is assumed that the costs of the compact in Colorado will be paid through additional fees levied on all licensed psychologists in the state, which will be paid by about 180 new licensees in FY 2018-19 and 3,600 renewing licensees in FY 2019-20. Approximately 360 psychologists are expected to seek to practice under the compact in the first year and an additional 50 in the second year. Lastly, the fiscal note assumes that a finger-print based criminal history background check is required for a psychologist to document that they have no criminal history prior to participating in the compact.

State Revenue

This bill increases state cash fund revenue from fees by \$29,520 in FY 2018-19 and \$307,975 in FY 2019-20. This revenue is from increased licensing fees on psychologists charged by the Department of Regulatory Agencies (DORA) and background check fees paid to the Colorado Bureau of Investigation (CBI) in the Department of Public Safety. Revenue to state agencies and the fee impact to psychologists are described below and summarized in Table 2.

**Table 2
Fee Impact on Psychologists**

Fiscal Year	Type of Fee	Estimated Fee	Number Affected	Total Fee Impact
FY 2018-19	Psychologist License Fee Increase (DORA)	\$85.00	180	\$15,300
	Background Check Fee (DPS)	\$39.50	360	\$14,220
FY 2018-19 Total				\$29,520
FY 2019-20	Psychologist License Fee Increase (DORA)	\$85.00	3,600	\$306,000
	Background Check Fee (DPS)	\$39.50	50	1,975
FY 2019-20 Total				\$307,975

Department of Regulatory Agencies. Cash fund revenue to DORA is estimated to be \$15,300 in FY 2018-19 and \$306,000 in FY 2019-20. This revenue is deposited into the Division of Professions and Occupations Cash Fund. Revenue is generated from a fee increase on all new and renewing psychologist licenses.

Department of Public Safety. Cash fund revenue to Department of Public Safety is estimated to be \$14,220 in FY 2018-19 and \$1,975 in FY 2019-20 from background check fees. Of these amounts, \$10,620 in the first year and \$1,475 in the second year is retained by the Department of Public Safety in the CBI Identification Unit Cash Fund, and \$3,600 in the first year and \$500 in the second year are passed through to the FBI.

Fee impact on psychologists. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. Licensing fee amounts are estimates only, actual fees will be set administratively by DORA based on cash fund balance, estimated program costs, and the estimated number of psychologists subject to the fee. The fiscal note estimates that this fee will be \$85 in FY 2018-19 and FY 2019-20. The CBI currently charges a \$39.50 fee for a fingerprint-based background check, of which \$10 is passed through to the Federal Bureau of Investigation (FBI). The table above identifies the fee impact of this bill.

TABOR Refund

This bill increases state revenue subject to TABOR by \$25,920 in FY 2018-19 and \$307,475 in FY 2019-20. State revenue is not currently expected to exceed the TABOR limit in either year and no refund is required. Therefore, the bill is not expected to impact TABOR refunds in these years. However, refunds in future years when the state next collects a TABOR surplus will be increased.

State Expenditures

This bill is estimated to increase state cash fund expenditures by \$171,195 and 0.6 FTE in FY 2018-19 and \$163,855 and 0.8 FTE in FY 2019-20 and future years. These costs, which are primarily in the Division of Professions and Occupations in DORA, are summarized in Table 3 and discussed below.

**Table 3
Expenditures Under HB 18-1017**

Cost Components	FY 2018-19	FY 2019-20
Department of Regulatory Agencies		
Personal Services	\$35,120	\$29,105
Operating Expenses and Capital Outlay Costs	\$5,178	\$475
Data System and Maintenance Costs	\$80,000	\$3,000
Legal Services	\$15,984	\$106,560
Psychologist Board Meeting Expenses	\$1,050	-
Compact Dues	\$15,000	\$15,000
Travel	\$4,000	\$2,000
Centrally Appropriated Costs*	7,199	6,650
FTE – Personal Services	0.5 FTE	0.5 FTE
FTE – Legal Services	0.1 FTE	0.3 FTE
DORA (Subtotal)	\$163,531	\$162,790
Department of Public Safety		
Background Check Costs	\$3,280	\$456
FBI Background Check Pass Through	\$3,600	\$500
Centrally Appropriated Costs*	\$784	\$109
Dept (Subtotal)	\$7,664	\$1,065
Total	\$171,195	\$163,855
Total FTE	0.6 FTE	0.8 FTE

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

Division of Professions and Occupations, DORA. As shown in Table 3, the division will have an increase in expenditures of \$163,531 and 0.5 FTE in FY 2018-19, and \$162,790 and 0.5 FTE in FY 2019-20 and future years. These expenditures, which will be paid from the Division of Professions and Occupations Cash Fund, are described below.

Staffing and administration. DORA will require additional staff to establish program rules for operation of the compact in Colorado, handle compact license requests, respond to inquiries from other states, communicate with compact officials, investigate Colorado and out-of-state psychologists practicing under the compact, and other tasks. DORA staff will have expenses of \$4,000 in FY 2018-19 and \$2,000 in FY 2019-20 for compact-related travel. Other costs include dues paid to the compact commission, estimated at \$15,000 per year.

Information technology systems. In FY 2018-19, costs of \$80,000 will be incurred for the Office of Information Technology to install data interfaces between the state licensing system and the compact data system. Ongoing maintenance costs are estimated at \$3,000 per year starting in FY 2019-20.

Legal services. In FY 2018-19, the division will require 150 hours of legal services from Department of Law for rulemaking. Costs will also be incurred for an extra meeting of the State Board of Psychologist Examiners to adopt rules for the interstate compact. In FY 2019-20, about 1,000 hours of legal services will be required to adjudicate cases involving provider misconduct and complaints that could not be resolved within DORA. This is based on 30 complaints per year against psychologists practicing under the compact, which will generate 8 formal investigations and 3 cases referred to the Attorney General's Office for further action.

Colorado Bureau of Investigation. The CBI in the Department of Public Safety will have an increase in expenditures of \$7,664 in FY 2018-19 and \$1,065 in FY 2019-20 and future years. These expenditures will come from the CBI Identification Unit Cash Fund. The costs associated with the bill for CBI include operating expenses for additional background checks and FBI pass through funds. Given the small number of checks, no additional staff is required.

Office of Administrative Courts and trial courts. Disciplinary actions by DORA under the compact may result in additional cases being heard by administrative law judges in the Office of Administrative Courts in the Department of Personnel and Administration. Some of these cases may be appealed to the trial courts in the Judicial Department for further review. It is assumed that this workload increase will be minimal and can be handled within existing appropriations.

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, supplemental employee retirement payments, and indirect cost recoveries are estimated to be \$7,983 in FY 2018-19 and \$6,759 in FY 2019-20.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2018-19, the bill requires the following appropriations:

- \$156,332 to the Department of Regulatory Agencies from the Division of Professions and Occupations Cash Fund, of which \$15,984 is reappropriated to the Department of Law for legal services and \$80,000 is reappropriated to the Office of Information Technology. DORA requires an allocation of 0.5 FTE, and the Department of Law requires an allocation of 0.1 FTE.
- \$6,880 to the Department of Public Safety from the CBI Identification Unit Cash Fund, of which \$3,600 is for pass through to the FBI.

State and Local Government Contacts

Governor
Law

Information Technology
Public Safety

Judicial
Regulatory Agencies