



Legislative Council Staff
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Final Fiscal Note

Drafting Number: LLS 22-1013 Date: August 29, 2022
Prime Sponsors: Sen. Zenzinger; Cooke Bill Status: Signed into Law
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Bill Topic: LICENSE SUPPLEMENTAL HEALTH-CARE STAFFING AGENCIES

- Summary of Fiscal Impact:
[X] State Revenue [X] TABOR Refund
[X] State Expenditure [] Local Government
[] State Transfer [] 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 and includes an appropriation of \$465,207 to multiple state departments.

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

Table 1
State Fiscal Impacts Under SB 22-210

Table with 4 columns: Category, Sub-category, Budget Year FY 2022-23, and Out Year FY 2023-24. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

Summary of Legislation

This bill establishes a regulatory and reporting structure for supplemental health care staffing agencies (staffing agencies). The bill requires any person operating a staffing agency to complete the staffing agency's initial certification and be certified with the Department of Labor and Employment (CDLE). Failure to do so is a civil infraction, and the CDLE may determine and impose fines.

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, and biannually thereafter, each staffing agency is required to report to the CDLE. The CDLE must establish the form and manner of reporting, and collect at least the information required by the bill, including ownership and financial information, certifications that the staff have current licenses in good standing and have completed background checks, and proof that the staffing agencies carries professional liability insurance.

With certain exceptions, the CDLE is required to notify staffing agencies and impose a fine in the amount of \$500 for noncompliant reporting practices, and impose subsequent fines for failure to remedy, as well as for continued noncompliance, as specified in the bill. Fine revenue must be transmitted to the State Treasurer and credited to the Wage Theft Enforcement Fund.

The CDLE must provide copies of the quarterly reports to the CDPHE and HCPF to analyze the information and determine the need for regulation of staffing agencies.

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 pay date shift and assume a September 1, 2022, start date. Standard operating and capital outlay costs are included.
- **Technology and mailing 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, the CDPHE requires funding for staff and technology development to facilitate the collection and analysis 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 report and data analysis. 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 data analysis 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 decreases the amount of General Fund available for other purposes.

Effective Date

The bill was signed into law by the Governor on June 3, 2022, and it took effect on August 9, 2022.

State Appropriations

For FY 2022-23, the bill requires and includes 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