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Revised Fiscal Note

(replaces fiscal note dated January 24, 2024)

Drafting Number: LLS 24-0004 Date: February 28, 2024
Prime Sponsors: Sen. Kolker Bill Status: Senate Appropriations
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Bill Topic: LICENSED PROFESSIONAL COUNSELORS IN COMMUNITIES

Summary of Fiscal Impact: [X] State Revenue [X] State Transfer [ ] Local Government
[X] State Expenditure [X] TABOR Refund [ ] Statutory Public Entity

The bill creates a reimbursement program for school counselors pursuing a professional counselor license and for licensees who provide clinical supervision. It transfers funds and increases state revenue and expenditures starting in FY 2024-25.

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$4.0 million from the General Fund to the Colorado Health Service Corps Cash Fund.

Fiscal Note Status: This revised fiscal note reflects the introduced bill, as amended in Senate Health and Human Services Committee.

Table 1
State Fiscal Impacts Under SB 24-015

Table with 4 columns: Category, Sub-category, Budget Year FY 2024-25, and Out Year FY 2025-26. Rows include Revenue (Cash Funds, Total Revenue), Expenditures (Cash Funds, Centrally Appropriated, Total Expenditures, Total FTE), Transfers (General Fund, Cash Funds, Net Transfer), and Other Budget Impacts (TABOR Refund, General Fund Reserve).

1 This transfer must be made via an appropriation from the General Fund.

## **Summary of Legislation**

The bill creates the Dual Licensure Stipend Program in the Primary Care Office in the Department of Public Health and Environment (CDPHE) to encourage school counselors to become dual licensed as licensed professional counselors (LPCs). The bill authorizes the reimbursement of exam and application costs for dual licensure candidates and supervisory costs for LPC supervisors who fulfill a candidate's clinical supervision hours.

CDPHE must administer the program, establish the application process, set supervisory rates, disperse stipends, and determine the repayment process for violation of the contract.

**Program requirements.** The bill establishes requirements for dual licensure candidates to be eligible for the program, including licensure by a special services provider and a completed master's or doctoral degree in professional counseling from an accredited program. Participating candidates must complete dual licensure in a timely manner and remain employed by a public school for at least three years after licensure, or else repay the reimbursed supervision hours and fees. The department is authorized to file civil action to seek repayment, but may waive repayment under certain circumstances.

**Reporting.** By December 1, 2025 and every two years thereafter, the CDPHE must submit a report to the General Assembly and Governor that details data on the participating candidates and supervisors in the stipend program.

## **Background**

The Primary Care Office in CDPHE administers the Colorado Health Service Corps (CHSC), which provides loan repayment to certain health care providers who agree to work in federally designated Health Professional Shortage Areas throughout the state.

The Colorado State Board of Professional Counselor Examiners in the Department of Regulatory Agencies (DORA) regulates LPCs in the state. Board activities include reviewing licensure applications, receiving and evaluating complaints, and taking disciplinary actions against violators of the Mental Health Practice Act or Board Rule. In order to hold a LPC license in Colorado, candidates must first apply for a candidate license and practice under supervision while actively working towards the full LPC license. Candidates must complete the National Counselor Examination and 100 supervised post-degree hours before obtaining a full license.

School counselors are regulated by the Colorado Department of Education (CDE). The CDE set forth the education and accreditation requirements for school counselors, which can be [viewed here](#). School counselors are not required to be LPCs.

## **Assumptions**

As of 2023, there are 2,561 licensed school counselors in the state. The fiscal note assumes that 30 percent, or 768 licensees, will participate in the stipend program and pay fees to DORA, spread over multiple years. The fiscal note assumes that 5 percent of current school counselors (128) will apply for dual licensure in FY 2024-25, 10 percent will apply in FY 2025-26 (256), and 10 percent will apply in future years until 30% of school counselors have applied. Some revenue and expenditure impacts could shift between fiscal years if the program is implemented sooner or later, or if participation differs from these assumptions.

## **State Transfer**

The bill requires the General Assembly to appropriate \$4.0 million from the General Fund to the Colorado Health Service Corps Cash Fund each year beginning in FY 2024-25.

## **State Revenue**

The bill will increase state cash fund revenue to DORA by about \$34,000 in FY 2024-25, \$68,000 in FY 2025-26, and \$81,000 in FY 2026-27, paid to the Division of Professions and Occupations Cash Fund from additional school counselors applying for LPC licensure. On an ongoing basis, fees from initial licensure will increase until interested school counselors have applied for dual licensure and then every two years starting in FY 2026-27 from biennial LPC renewal fees.

**Fee impact on licensed professional counselors.** Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. Generally, the bill is expected to increase the number persons applying for licensure who are required to pay a fee, rather than change the fee amount charged by DORA. Thus, the revenue impact is estimated using current fees amounts. The estimated impacts of license and renewal fees paid by licensed professional counselors under the bill is shown in Table 2 below. Assuming LPC applicants qualify for the stipend program, they will be reimbursed for application fees.

Beginning in FY 2024-25, DORA will collect about \$34,000 in LPC candidate and license fees from an assumed 5 percent of school counselors applying to the dual licensure program. In FY 2025-26 and FY 2026-27, DORA will collect about \$69,000 from 10 percent of school counselors applying for the dual licensure program in each year. Beginning in FY 2026-27 and every two years thereafter, DORA will collect renewal fees from dual licensed LPCs. As shown in Table 2, the fiscal note assumes a \$100 renewal fee every two years.

**Table 2  
Fee Impact on Dual Licensure Applicants**

<b>Fiscal Year</b>	<b>Type of Fee</b>	<b>Current Fee</b>	<b>Number Affected</b>	<b>Total Fee Impact</b>
<b>FY 2024-25</b>	LPC Candidate Fee	\$72	128	\$9,216
	LPC License Fee	\$196	128	\$25,088
<b>FY 2024-25 Total Fee Revenue</b>				<b>\$34,404</b>
<b>FY 2025-26</b>	LPC Candidate Fee	\$72	256	\$18,432
	LPC License Fee	\$196	256	\$50,176
<b>FY 2025-26 Total Fee Revenue</b>				<b>\$68,608</b>
<b>FY 2026-27</b>	LPC Candidate Fee	\$72	256	\$18,432
	LPC License Fee	\$196	256	\$50,176
	LPC Renewal Fee	\$100	128	\$12,800
<b>FY 2026-27 Total Fee Revenue</b>				<b>\$81,408</b>

**State Expenditures**

The bill increases state expenditures in CDPHE and DORA by about \$1.6 million in FY 2024-25 and about \$3.1 million in FY 2025-26, paid from the Colorado Health Service Corps Cash Fund and the Division of Professions and Occupations Cash Fund. Expenditures are shown in Table 3 and detailed below.

**Table 3  
Expenditures Under SB 24-015**

	<b>FY 2024-25</b>	<b>FY 2025-26</b>
<b>Department of Public Health and Environment</b>		
Personal Services	\$82,324	\$82,324
Operating Expenses	\$1,280	\$1,280
Capital Outlay Costs	\$6,670	-
LPC Candidate Fee Reimbursement	\$9,220	\$18,432
LPC License Fee Reimbursement	\$25,098	\$50,176
National Counselor Exam Fee Reimbursement	\$35,214	\$70,400
LPC Supervisory Hours Reimbursement	\$1,408,549	\$2,816,000
Information Technology Services	\$45,000	\$45,000
Centrally Appropriated Costs <sup>1</sup>	\$19,258	\$19,258
FTE – Personal Services	1.0 FTE	1.0 FTE
<b>CDPHE Subtotal</b>	<b>\$1,632,613</b>	<b>\$3,102,870</b>

**Table 3  
Expenditures Under SB 24-015 (Cont.)**

	FY 2024-25	FY 2025-26
<b>Department of Regulatory Agencies</b>		
Personal Services	-	\$5,470
Centrally Appropriated Costs <sup>1</sup>	-	\$1,712
FTE – Personal Services	-	0.1 FTE
<b>DORA Subtotal</b>	-	<b>\$7,182</b>
<b>Total Cost</b>	<b>\$1,632,613</b>	<b>\$3,110,052</b>
<b>Total FTE</b>	<b>1.0 FTE</b>	<b>1.1 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Department of Public Health and Environment.** Expenditures in CDPHE will increase by about \$1.6 million in FY 2024-25 and about \$3.1 million in FY 2025-26. Costs will be paid from the continuously appropriated Colorado Health Service Corps Cash Fund.

- **Staff.** Beginning in FY 2024-25, CDPHE requires 1.0 FTE Public Health and Community Outreach II to maintain a list of candidates and supervisors, review reimbursement requests, track candidate progress and completion, and monitor program participants for compliance.
- **Stipend reimbursements.** CDPHE will require about \$1.5 million in FY 2024-25 and about \$2.9 million in FY 2026-27 to reimburse LPC candidates and license applicants for fees and costs, as well as LPC supervisors for supervisory time. Reimbursements are based on the following amounts:
  - LPC candidate fees - \$72 per applicant;
  - LPC license fees - \$196 per applicant;
  - National Counselor Exam fees - \$275 per applicant;
  - LPC supervisory hours - estimated at \$110 per hour for 100 hours of clinical supervision per applicant.
- **Information technology services.** In FY 2024-25 and FY 2025-26, CDPHE requires \$45,000 to update the Health Systems Directory to track program participants and supervisors, reimbursements, and compliance metrics.
- **Legal services.** CDPHE requires up to 100 hours of legal services, provided by the Department of Law, which can be accomplished within existing legal services appropriations. Legal counsel is related to rulemaking, implementation, and ongoing administration of the program, as well as a rise in complaints.

**Department of Regulatory Agencies.** Expenditures in DORA will increase by about \$7,000 in FY 2025-26 and FY 2026-27 for 0.1 FTE Technician III to review applications and oversee new LPC candidates. The fiscal note assumes that each application requires 0.25 hours of work for a total of 384 hours over two years. Costs will be paid from the Division of Professions and Occupations Cash Fund.

**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 3.

## Other Budget Impacts

**TABOR refund.** The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the December 2023 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2025-26. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

**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. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

## Technical Note

Starting in FY 2024-25 and each year thereafter, the bill requires an appropriation of \$4.0 million to the Colorado Health Service Corps Cash Fund to administer the stipend program. However, the fiscal note estimates that program expenditures are about \$1.6 million in FY 2024-25 and \$3.1 million in FY 2025-26.

## Effective Date

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

## State Appropriations

For FY 2024-25, the bill requires an appropriation of \$4,000,000 from the General Fund to the Colorado Health Service Corps Cash Fund and 1.0 FTE to the Department of Public Health and Environment.

The Colorado Health Service Corps Cash Fund is continuously appropriated to the CDPHE and no additional appropriation for program expenditures is required.

**State and Local Government Contacts**

Education	Information Technology	Law
Public Health and Environment	Regulatory Agencies	

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).