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# Fiscal Note

**Drafting Number:** LLS 24-0316 **Date:** February 6, 2024  
**Prime Sponsors:** Sen. Priola **Bill Status:** Senate Business, Labor & Tech.  
 Rep. deGruy Kennedy; Lynch **Fiscal Analyst:** Shukria Maktabi | 303-866-4720  
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**Bill Topic:** **SUBSTANCE USE DISORDERS RECOVERY**

**Summary of Fiscal Impact:**

<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> Local Government
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill implements substance use disorder recovery measures, including creating a voluntary recovery-ready workplace program for employers. The bill increases state expenditures and may impact local governments on an ongoing basis beginning in FY 2024-25.

**Appropriation Summary:** For FY 2024-25, the bill requires an appropriation of \$450,805 to multiple state agencies.

**Fiscal Note Status:** The fiscal note reflects the introduced bill, which was recommended by the Opioid and Other Substance Use Disorders Study Committee.

**Table 1**  
**State Fiscal Impacts Under SB 24-048**

		<b>Budget Year FY 2024-25</b>	<b>Out Year FY 2025-26</b>
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$450,805	\$412,266
	Centrally Appropriated Costs	\$37,329	\$46,662
	<b>Total Expenditures</b>	<b>\$488,134</b>	<b>\$458,928</b>
	<b>Total FTE</b>	<b>2.2 FTE</b>	<b>2.7 FTE</b>
<b>Transfers</b>		-	-
<b>Other Budget Impacts</b>	General Fund Reserve	\$67,621	\$61,840

## **Summary of Legislation**

The bill establishes a voluntary program for employers to become recovery-ready workplaces within the Department of Labor and Employment (CDLE). The CDLE must develop program rules, create training materials and resources for employers, provide documentation that verifies an employer's status as a recovery-ready workplace, and create a program website. Dependent on funding, the CDLE must contract or hire at least one recovery-ready workplace advisor for every one hundred certified employers in the program. The advisor will help employers participate in the program and set goals and develop internal policies that better assist employees with substance use disorders. The CDLE may conduct or hire a contractor to conduct an evaluation of the effectiveness of the program and identify ways to improve the program. The CDLE must report annually on the program to members of the General Assembly.

The bill also allows a school district to include pupils who attend recovery high schools in their pupil enrollment count; specifies that grant money received through the Recovery Support Services Grant Program may be used to provide guidance on the many pathways for recovery; declares that recovery residences, sober living facilities, and sober homes are residential uses of property for zoning purposes; and places restrictions on where liquor-licensed drugstores and fermented malt beverage and wine retailers may display alcohol beverages within their premises.

## **Assumptions**

The fiscal note assumes 25 employers will participate in the program initially, based on data from the Center for Health, Work, and Environment at the University of Colorado School of Public Health, which works with employers on substance use disorders. As of writing, 24 employers have signed their pledge to create a workplace that supports employees with addiction issues.

## **State Expenditures**

The bill increases state expenditures in the CDLE by about \$432,000 in FY 2024-25 and \$459,000 in FY 2025-26 and ongoing years, paid from the General Fund. The bill also increases expenditures in the Department of Education (CDE) by \$56,300 in FY 2024-25 only, paid from the General Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2  
Expenditures Under SB 24-048**

	FY 2024-25	FY 2025-26
<b>Department of Labor and Employment</b>		
Personal Services	\$148,529	\$185,660
Operating Expenses	\$2,560	\$3,200
Capital Outlay Costs	\$20,010	-
Workplace Advisor Contractor	\$100,000	\$100,000
Outreach / Web Development	\$85,000	\$85,000
Legal Services	\$38,406	\$38,406
Centrally Appropriated Costs	\$37,329	\$46,662
FTE – Personal Services	2.0 FTE	2.5 FTE
FTE – Legal Services	0.2 FTE	0.2 FTE
<b>CDLE Subtotal</b>	<b>\$431,834</b>	<b>\$458,928</b>
<b>Department of Education</b>		
Data Collection Modification	\$56,300	-
<b>CDE Subtotal</b>	<b>\$56,300</b>	<b>-</b>
<b>Total</b>	<b>\$488,134</b>	<b>\$458,928</b>
<b>Total FTE</b>	<b>2.2 FTE</b>	<b>2.7 FTE</b>

**Department of Labor and Employment.** Beginning in FY 2024-25, the CDLE requires staff and legal services, and has costs for contracted services and outreach.

- **Staff.** THE CDLE requires 2.5 FTE annually to develop program rules, create training materials, provide oversight of the program and contracted workplace advisors, verify and provide documentation of program status to employers, and evaluate and report annually on the program. Staff activities include soliciting and managing contracts with third parties contracted as advisors or to provide outreach and website development, as discussed below. Standard operating and capital outlay costs are included for staff, and first-year costs are prorated for the bill’s effective date.
- **Workplace advisor contractor.** The CDLE requires \$100,000 to contract for a recovery-ready workplace advisor. The contractor will support employers involved in the recovery-ready program from enrollment to renewal. The fiscal note assumes this contractor will manage up to 100 employers that enroll in the program. Additional advisors may be required as a greater number of employers enroll, and will be requested through the budget process depending on actual program participation.

- **Outreach and website development.** The CDLE requires \$85,000 to contract to conduct outreach to employers that are not engaged in the program, labor unions, and recovery support service organizations, as well as to apply towards updating the website to include program information.
- **Legal services.** The CDLE requires 300 hours of legal services annually, or 0.2 FTE, from the Department of Law at the rate of \$128.02 for general counsel on rulemaking and program implementation, as well as to provide ongoing general counsel.

**Department of Education.** The CDE requires a one-time cost of \$56,300 in FY 2024-25 to modify its existing data collections to allow districts to submit the pupil enrollment counts required in the bill. The timing of when the data is first collected will depend on the timing of when the bill passes, as the modifications must be approved by the Education Data Advisory Committee by April preceding the school year in which the changes will occur.

**School finance.** The bill allows school districts to include in their pupil count a student who has transferred to a recovery high school before the pupil count date. The fiscal note assumes that any increase in total program and the state share of school finance will be minimal. No change in appropriations is required. The state share of school finance is paid from the General Fund, State Education Fund, and State Public School Fund.

**Department of Revenue.** Workload will minimally increase to enforce the display requirements for alcohol beverages. It is assumed that retailers will generally comply with the law and any workload impacts can be accommodated within existing appropriations.

**Other state agencies.** To the extent that state departments opt to become recovery-ready workplaces, workload will increase to meet program requirements. Participation is at the discretion of the department leadership and workload may vary depending on the department.

## **Local Government**

Similar to state departments, to the extent that local departments opt to become recovery-ready workplaces, workload will increase to meet program requirements. Participation is at the discretion of the county and impacts may vary depending on the county. Costs may also increase if the bill requires a city to update zoning codes.

## **Effective Date**

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## **State Appropriations**

For FY 2024-25, the bill requires General Fund appropriation totaling \$450,805 to multiple departments as follows:

- \$394,505 to the Department of Labor and Employment, and 2.0 FTE, of which \$38,406 is reappropriated to the Department of Law, with an additional 0.2 FTE; and
- \$56,300 to the Department of Education.

## **Departmental Difference**

The CDLE estimates the certification program to require \$470,000 and 5.0 FTE, including additional contractor costs, to implement the program. However, based on the assumed uptake amount, other state program models, and the availability of existing state and federal resources for recovery ready workplace programs, the fiscal note assumes a smaller program is required for the department to implement the program.

## **State and Local Government Contacts**

Counties	Education	Labor
Law	Municipalities	Revenue

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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: [leg.colorado.gov/fiscalnotes](http://leg.colorado.gov/fiscalnotes).