

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
REVISED FISCAL IMPACT**

(replaces fiscal note dated April 2, 2008)

Drafting Number: LLS 08-0089

Date: April 21, 2008

Prime Sponsor(s): Sen. Hagedorn
Rep. McGihon

Bill Status: House Health and Human Services
Fiscal Analyst: Elizabeth Burger (303-866-6272)

TITLE: CONCERNING PUBLIC HEALTH, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

Fiscal Impact Summary	FY 2008-2009	FY 2009-2010
State Revenue		
Cash Funds		
Comprehensive Public Health Plan Cash Fund		Gifts, Grants, and Donations
State Expenditures		
General Fund	\$30,000	\$30,000
Cash Funds		
Comprehensive Public Health Plan Cash Fund	\$149,761	\$139,396
FTE Position Change	3.0 FTE	3.0 FTE
Effective Date: July 1, 2008		
Appropriation Summary for FY 2008-2009: See State Appropriations section of the fiscal note.		
Local Government Impact: See Local Government section of the fiscal note.		

Summary of Legislation

This reengrossed bill repeals current statutes pertaining to county and district public health agencies, local boards of health, and regional health departments, and reenact statutes pertaining to county and district public health agencies, with amendments. The bill creates new requirements for the state Department of Public Health and Environment (department), State Board of Health, and county and district health boards and agencies as follows:

- on or before December 31, 2009, and on or before December 31 every five years thereafter, requires the department to develop a comprehensive, statewide public health improvement plan;
- after the approval of each statewide plan, requires each county and district public health agency to prepare a local public health plan;
- subject to available appropriations, requires the department to provide technical assistance to county and district public health agencies in the development of the local plans;

- allows the State Board of Health to establish, by rule, the core public health services that each county and district public health agency must provide and the minimum quality standards for public health services. The board is authorized to review all county and district public health plans and to establish, by rule, a formula for allocating moneys to county or district public health agencies;
- authorizes the department to accept gifts, grants, or donations to pay for the development of the statewide public health plan and to cover the costs associated with the new powers and duties of the State Board of Health;
- specifies that the development of the statewide public health plan and the implementation of the new powers and duties of the State Board of Health are not required if adequate gifts, grants, or donations are not received;
- credits the gifts, grants, and donations to the newly created Comprehensive Public Health Plan Cash Fund; and
- requires county and district boards of health to select a public health director and to contract with a physician if the director is not a physician.

State Revenue

The bill authorizes the department to solicit and accept gifts, grants, or donations to pay for the development of the state plan. To the extent that gifts, grants, and donations are received, revenue to the Comprehensive Public Health Plan Cash Fund will increase.

State Expenditures

The bill will increase state expenditures in the department by \$179,761 and 3.0 FTE in FY 2008-09 and \$169,396 and 3.0 FTE in FY 2009-10. As amended by the Senate, the bill's costs in FY 2008-09 will be shared between cash funds and the General Fund. The fiscal note assumes that the bill's costs will be similarly shared between cash funds and the General Fund in FY 2009-10. Costs are shown in Table I.

Table I. Expenditures Under SB 08-194		
Cost Components	FY 2008-09	FY 2009-10
Personal Services	\$149,776	\$149,776
FTE	3.0	3.0
Operating Expenses/Capital Outlay	19,215	8,850
Travel	10,770	10,770
TOTAL	<u>\$179,761</u>	<u>\$169,396</u>
Cash Funds (2.5 FTE)	149,761	139,396
General Fund (0.5 FTE)	30,000	30,000

Review of County and District Public Health Plans and Technical Assistance. The department will require 1.0 FTE at the General Professional III level to review county and district public health plans and to provide technical assistance to counties and districts. Specifically, the staff will be responsible for examining data about health status and risk factors in local communities; assessing the capacity and performance of local public health systems; identifying goals for local systems; assisting county and district health agencies in coordinating the local plans with the state plan; and identifying financial resources available to meet identified public health needs in local communities. Personal services and operating costs will total \$56,330 in FY 2008-09 and \$52,875 in FY 2009-10. In addition, an estimated \$3,590 in travel costs will be incurred annually. As amended by the Senate, of the total costs, \$29,920 and 0.5 FTE will be funded through the Comprehensive Public Health Plan Cash Fund and \$30,000 and 0.5 FTE will be funded through the General Fund.

Additional Responsibilities of the State Board of Health. The department will require 1.0 FTE at the General Professional III level to complete the additional duties required of the State Board of Health pursuant to the bill. Specifically, the new staff will identify the core public health services that each county and district public health agency must provide; meet with stakeholders at the local level to help identify such services; research and recommend the minimum quality standards for public health services; identify a standard of measurement to ensure that quality standards are being met; research and recommend the minimum qualifications for county and district public health directors and medical officers; coordinate with other department staff to ensure the development and implementation of a statewide public health plan; and coordinate the review of county and district public health plans. Personal services and operating costs will total \$56,330 in FY 2008-09 and \$52,875 in FY 2009-10. In addition, an estimated \$3,590 in travel costs will be incurred annually. The fiscal note assumes that costs will be paid through gifts, grants, and donations credited to the Comprehensive Public Health Plan Cash Fund. Completion of the additional duties of the State Board of Health is conditional upon the department receiving sufficient gifts, grants, and donations to cover the costs.

Development of Statewide Public Health Improvement Plan. The department will require 1.0 FTE at the General Professional III level to assist in the development of the statewide public health improvement plan. The staff will be responsible for assessing priorities for the public health system; identifying any problems with the current public health system to be addressed through the plan; identifying programs and activities to address existing public health problems; estimating the costs of implementing the plan; developing a timeline for implementing the plan; annually revising the plan; providing the plan to the Governor, the General Assembly, the State Board of Health, and county and district public health agencies; and soliciting gifts, grants, and donations to pay for the development of the plan. Personal services and operating costs will total \$56,330 in FY 2008-09 and \$52,875 in FY 2009-10. In addition, an estimated \$3,590 in travel costs will be incurred annually. Costs will be paid through gifts, grants, and donations credited to the Comprehensive Public Health Plan Cash Fund. Creation and implementation of the plan is conditional upon the department receiving sufficient gifts, grants, and donations to cover the costs of the plan's development.

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, funding for the items noted below will not be included in fiscal note expenditure estimates. However, indirect costs are calculated for the purpose of identifying the "per applicant" cost of a new or revised fee to reflect the total direct and indirect costs required to support a particular program.

- group health, life and dental insurance
- inflation indices
- amortization equalization disbursements
- supplemental amortization equalization disbursements
- short-term disability
- leased space
- indirect costs

Local Government Impact

The bill requires county and district public health agencies to develop a local public health plan every five years. Counties and districts must submit the plans for review by the State Board of Health. County and district public health agencies will likely incur costs to develop the plans.

In addition, the bill requires county and district boards of health to select a public health director. If the public health director is not a physician, the county or district board of health must employ or contract with a medical officer to advise the public health director on medical decisions. This requirement may increase costs for county or district boards of health who do not currently employ a physician.

Finally, the bill requires the State Board of Health to establish a formula for allocating moneys to county or district public health agencies based on input from the department and from county and district public agencies. The funding formula is to be in place for FY 2009-10. Until the formula is developed, it is unknown how the funding formula developed by the board may affect funding allocations for county or district public health agencies.

State Appropriations

The bill contains an appropriation to the Department of Public Health and Environment of \$179,761 and 3.0 FTE. Of that amount, \$30,000 and 0.5 FTE are from the General Fund and \$149,761 and 2.5 FTE are from the Comprehensive Public Health Plan Cash Fund.

Departments Contacted

Public Health and Environment

Treasury