


Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 11-0119
Prime Sponsor(s): Sen. Boyd
 Rep. Summers

Date: February 17, 2011
Bill Status: Senate Health and Human Services
Fiscal Analyst: Jonathan Senft (303-866-3523)

TITLE: CONCERNING THE REGULATION OF PEOPLE WORKING WITHIN A PHYSICAL THERAPIST'S SCOPE OF PRACTICE.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
Cash Funds		
Division of Registrations Cash Fund	\$170,100	\$284,165
State Expenditures		
Cash Funds		
Division of Registrations Cash Fund	\$140,245	\$274,115
FTE Position Change	1.5 FTE	2.2 FTE
Effective Date: July 1, 2011.		
Appropriation Summary for FY 2011-2012: See State Appropriations section.		
Local Government Impact: None.		

* *State revenue exceeds state expenditures to pay for expenses as noted in the Expenditures Not Included section.*

Summary of Legislation

This bill implements the recommendations of the Department of Regulatory Agencies (DORA) in its sunset review of the regulation of physical therapists, and continues the regulatory program until 2018. In particular, the bill (i) removes the authority to regulate physical therapists from the director of the Division of Registrations and instead places that authority with the newly created State Physical Therapy Board; (ii) creates a new certification programs for assistants to physical therapists; and (iii) establishes requirements for physical therapists to demonstrate continued competency.

Fiscal Impact of Programs Set to Expire. This bill continues a program in the DORA that is set to repeal, effective July 1, 2011. Under current law state agencies may be appropriated funds to wind up the affairs of an expiring program for 12 months following the repeal date. To account for the wind-up period, the impact of extending the program beyond the current repeal date is shown as beginning in FY 2012-13, one year after the repeal date. The expenditures shown above reflect the additional amount needed to run the program for the remainder of FY 2011-12, since the program's authorization is not yet expired. The expenditures shown above for FY 2012-13 indicate funds needed for that year to meet the costs of the program, plus the changes proposed by this bill.

State Revenue

This bill will increase state revenue by \$170,100 in FY 2011-12 from fees from the physical therapist assistants entering the certification program. Beginning in **FY 2012-13**, it will increase fee revenue by **\$284,165**, including the new certification program and continuation of the licensing program for physical therapists. It is estimated that 700 new assistants will apply and pay fees for certification, and renew each year thereafter. The continuance of this program also allows for license renewals of existing physical therapists. An estimated 6,000 physical therapists in Colorado renew their licenses each year.

Currently, the fee for the physical therapist renewal is \$40. The fee for physical therapy assistants will be set administratively by the DORA based on the existing fund balance, the estimated number of regulated professionals and the total cost of the program. An estimate of the fee revenue as a result of SB11-169 is displayed in Table 1.

Table 1. Fee Impact of SB 11-169						
	FY 2011-12			FY 2012-13		
	Fee	Number	Total	Fee	Number	Total
Physical Therapist Assistant Initial Certification	\$63	700	\$44,100	\$63	55	3465
Physical Therapist License Renewal	42	3,000	126,000	42	6,000	\$252,000
Physical Therapist Assistant Renewal				41	700	28,700
Total			\$170,100			\$284,165

State Expenditures

This bill increases expenditures in FY 2011-12 by \$140,245 and 1.5 FTE and 88,369 and 1.5 FTE in FY 2012-13. This bill creates a certification program for physical therapist assistants and adds a continuing competency requirement for existing physical therapists. New costs are in the DORA and the Department of Law as displayed in Table 2 and discussed below.

Table 2. Expenditures Under SB 11-169		
Cost Components	FY 2011-12	FY 2012-13
Personal Services (DORA)	\$59,894	\$59,894
FTE	1.5	1.5
Legal Services (Law)	42,630	17,640
Operating Costs	9241	1235
Board Meeting Costs	4,800	9,600
IT Costs	23,680	0
TOTAL	\$140,245	\$88,369

Department of Regulatory Agencies (DORA). The agency requires 1.5 FTE in each year conduct policy enforcement, develop the proposed continued competency program, conduct audits, oversee cash management, website maintenance and record keeping. In addition to the personal services and standard operating expenses the cost for board meetings, is estimated at \$4,800 in FY 2011-12 and \$9,600 in FY 2012-13.

The department requires information technology services to develop software to document and report on competency requirements at a cost of \$23,680 in FY 2011-12. This will be performed through the Governor's Office of Information Technology (OIT).

Department of Law (DOL). The DOL will provide legal services totaling \$42,630 for rule making and general counsel in FY 2011-12. In FY 2012-13 and beyond, legal services estimated at \$17,640 will be required for appeals and other legal issues related to defending board decisions against regulated individuals.

Expenditures Not Included

Certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills. The centrally appropriated costs subject to this policy are summarized in Table 3.

Table 3. Expenditures Not Included Under SB 11-169*		
Cost Components	FY 2011-12	FY 2012-13
Short Term Disability at .15%	\$65	\$65
AED and Supplemental AED @ .022% and 0.15%	11,445	11,445
Supplemental Employee Retire	536	536
Indirect @ 6798/fte	10,197	10,197
TOTAL	\$22,243	\$22,243

*More information is available at: <http://colorado.gov/fiscalnotes>

State Appropriations

For FY 2011-12, the Department of Regulatory Agencies requires an appropriation of \$140,245 and 1.5 FTE from the Division of Registrations Cash Fund. Of this amount, \$42,630 should be reappropriated to the Department of Law, and \$23,680 should be reappropriated to the Governor's Office of Information Technology.

Departments Contacted

Personnel and Administration Public Health Regulatory Agencies Law