


Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 12-0280
Prime Sponsor(s): Rep. Fields
 Sen. Tochtrop

Date: February 20, 2012
Bill Status: House Local Government
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TITLE: CONCERNING THE REGULATION OF PERSONS WHO ENGAGE IN BUSINESS RELATED TO PERSONS WITH HEARING IMPAIRMENTS, AND, IN CONNECTION THEREWITH, IMPLEMENTIN THE DEPARTMENT OF REGULATORY AGENCIES' SUNSET REVIEW RECOMMENDATIONS FOR AUDIOLOGISTS AND HEARING AID PROVIDERS.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
Cash Funds		
Division of Registrations Cash Fund	\$1,320	\$140,118
State Expenditures		
Cash Funds		
Division of Registrations Cash Fund	15,571	70,267
FTE Position Change		0.6 FTE
Effective Date: July 1, 2012.		
Appropriation Summary for FY 2012-2013: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

This bill implements the recommendations of the Department of Regulatory Agencies (DORA) in its sunset review of the state Audiology and Hearing Aid Provider Licensure Program, and continues the licensure of audiologists and hearing aid providers until September 1, 2019. Generally, this bill reduces statutory redundancy by consolidating identical program laws under a "general provisions" heading. Among its many provisions, this bill:

- permits the director of the Division of Registrations to identify by rule an appropriate entry-level examination for audiologist and hearing aid license applicants;
- requires audiologists to report payments related to malpractice settlements or judgments;
- establishes additional grounds for discipline;
- exempts from regulation any federally employed dispenser of hearing aids who does not provide services to the general public;
- provides audiologists with title protection; and
- allows for the licensing of audiologists by endorsement.

Fiscal impact of programs set to expire. This bill continues a program in the DORA that is set to repeal, effective July 1, 2012. 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 2013-14, one year after the repeal date. Ongoing funding for the program is included in the department's base budget request for FY 2012-13.

The state revenue and state expenditures impact for FY 2013-14 reflect the program's anticipated fee revenue and base budget request beginning that year, plus increases to cover the implementation of this bill. The DORA's request for the Audiologists and Hearing Aid Providers Program in FY 2012-13 is \$50,550 and 0.6 FTE. The anticipated revenue is \$121,536 for two years of base expenditures. New state revenue and state expenditures as a result of this bill are detailed below.

State Revenue

In FY 2012-13, this bill will increase revenue from fees by an estimated \$1,320. In FY 2013-14, increased fee revenue is estimated at \$18,582. The total two-year revenue increase is \$19,902.

Fee Impact on audiologists and hearing aid providers. Section 2-2-322, C.R.S., requires legislative service agency review of measures that create or increase any fee collected by a state agency. Fee calculations are based on the existing fund balance, and the estimated costs of the program distributed across the estimated number of licensees. Current license fees for audiologists and hearing aid providers and the anticipated increase are displayed in Table 1.

Table 1. Fee Impact on Audiologists and Hearing Aid Providers					
Type of Fee	Current Fee	Proposed Fee	Fee Change	Number Affected	Total Fee Impact
FY 2012-13 Original Registration Audiologists and Hearing Aid Providers	\$50	\$83	\$33	40	\$1,320
FY 2013-14 Renewal License Audiologist	\$224	\$262	\$38	389	\$14,782
FY 2013-14 Renewal License Hearing Aid Providers	\$324	\$362	\$38	100	\$3,800
TWO-YEAR TOTAL					\$19,902

State Expenditures

In FY 2012-13, this bill has total new costs of \$15,571 in the Division of Registrations in the DORA. In FY 2013-14, total costs are \$4,146. Major cost components are summarized in Table 2 and discussed below.

Cost Components	FY 2012-13	FY 2013-14
Temporary Paralegal Services	\$2,000	
Department of Law Legal Services	\$7,571	3,786
Licensing Exam Evaluation and Proctors	6,000	360
TOTAL	\$15,571	\$4,146

Under the bill, previously distinct grounds for discipline are combined to apply to both audiologists and hearing aid providers. This relocation of statutory sections requires that the division adopt rules to correspond with the newly combined sections. The DORA requires temporary paralegal assistance for the director of the division in order to help redraft rules under a single heading. The Department of Law (DOL) will also provide 100 hours of legal services in FY 2012-13, and 50 hours in FY 2013-14, at a blended rate of \$75.71. The DOL will assist the division in adopting rules and enforcing disciplinary actions.

The division will contract to perform a psychometric evaluation of the qualifying examination in order to verify the validity and reliability of the test. Once certified, applicants will pay the exam fee directly to the assessment provider. The contract to evaluate the assessment is estimated to cost \$6,000. In addition, the DORA must provide staff time to proctor licensing examinations.

State Appropriations

For FY 2012-13, the DORA requires a cash fund appropriation of \$15,571 from the Division of Registrations Cash Fund. Of this amount, the Department of Law requires \$7,571 in reappropriated funds.

Departments Contacted

Corrections Law Regulatory Agencies