

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 13-0298
Prime Sponsor(s): Sen. Aguilar
 Rep. McCann

Date: February 5, 2013
Bill Status: Senate Health & Human Services
Fiscal Analyst: Josh Abram (303-866-3561)

TITLE: CONCERNING THE REGULATION OF AUDIOLOGISTS.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
General Fund	<\$5,000	<\$5,000
Cash Funds		
Fines Collection Cash Fund	<\$5,000	<\$5,000
Division of Professions and Occupations Cash Fund	\$126,903	\$4,350
State Expenditures		
Cash Funds		
Division of Professions and Occupations Cash Fund	\$58,966	\$55,875
FTE Position Change	0.6 FTE	0.6 FTE
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2013-2014: None required. See State Appropriations section.		
Local Government Impact: See Local Government Impact section.		

* *State revenue from fees exceeds state expenditures in order to pay for costs noted in the Expenditures Not Included section of this fiscal note. License fees for audiologists will be collected beginning in FY 2013-14 to cover costs of the bill in both FY 2013-14 and FY 2014-15.*

Summary of Legislation

An audiologist is a medical practitioner who treats individuals with hearing loss, balance issues, and related disorders. This bill requires that audiologists be licensed by the Division of Professions and Occupations (division) in the Department of Regulatory Agencies (DORA). Only individuals properly licensed may use the title "audiologist" or otherwise represent themselves as such. In addition, the bill:

- defines the practice of audiology and the scope of audiologists' work;
- specifies educational background and examination requirements;
- requires the division to adopt necessary rules;
- provides the DORA with the ability to set fees and schedule license renewals;
- establishes the grounds for disciplinary proceedings;
- authorizes the director of the division to take disciplinary actions; and
- defines deceptive trade practices for audiologists.

The licensing program is repealed September 1, 2020, following a sunset review.

Background

Audiology practice has been regulated by Colorado law since 1996. Under current law, regulation and licensing of audiologists will end on July 1, 2013. Senate Bill 13-039 reauthorizes the DORA to license audiologists, and implements recommendations from the DORA 2011 sunset review of the audiology licensure program.

In FY 2012-13, DORA's estimated total cost to administer the program is \$67,482 and 0.6 FTE, which includes both direct and indirect expenses. The program is funded with cash funds from fees paid by audiologists. Fees are set by the DORA to cover the direct and indirect cost of the program.

State Revenue

In FY 2013-14, this bill will increase revenue from fees by an estimated \$126,903. Increased fee revenue in FY 2014-15 is estimated to be \$4,350. Fees are credited to the Division of Professions and Occupations Cash Fund and are calculated to cover direct and indirect costs in both FY 2013-14 and FY 2014-15.

Fee impact on audiologists. 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. The following fee amounts are estimates only; actual fee calculations are set administratively by the DORA based on the cash fund balance, estimated program costs, and the estimated number of licenses. This fiscal analysis is based on biennial licensure; however, the actual renewal schedule is left to the discretion of the division. Table 1 displays the estimated fee impact of this bill.

Table 1. Fee Impact on Audiologists			
Type of Fee	Proposed Fee	Number Affected	Total Fee Impact
Initial License FY 2013-14	\$145	30	\$4,350
Renewal License FY 2013-14	\$267	459	\$122,553
Initial License FY 2014-15	\$145	30	\$4,350
FY 2013-14			\$126,903
FY 2014-15			\$4,350
2-YEAR TOTAL			\$131,253

Fines. The bill may increase state revenue from fines beginning in FY 2013-14, although less than \$10,000 in new state revenue is expected per year. The bill allows the DORA to impose administrative fines, and criminal penalties imposed by the courts may also increase revenue. According to Section 18-1.3-501, C.R.S., the penalty for a class 1 misdemeanor is 6 to 18 months imprisonment in a county jail, a fine of \$500 to \$5,000, or both. An audiologist convicted of a deceptive trade practice is guilty of a class 1 misdemeanor, and upon second or subsequent offenses, is guilty of a class 6 felony, although felony convictions are assumed to be rare or nonexistent. Administrative fine revenue is deposited in the General Fund. Fine revenue not otherwise appropriated is deposited in the Fines Collection Cash Fund.

State Expenditures

In FY 2013-14, this bill will result in total costs of \$58,966 and 0.6 FTE from the Division of Professions and Occupations Cash Fund in the DORA. In FY 2014-15, total costs are \$55,875 and 0.6 FTE. Major cost components are summarized in Table 2.

Table 2. Total Expenditures Under SB 13-039		
Cost Components	FY 2013-14	FY 2014-15
Personal Services	\$33,342	\$33,342
FTE	0.6	0.6
Operating Expenses and Capital Outlay	1,863	1,863
Information Technology	10,993	10,993
Legal Services	11,294	8,203
Disciplinary Actions	1,474	1,474
TOTAL	\$58,966	\$55,875

In addition to base resources currently devoted to the regulation of audiology practice, the DORA will have computer programming costs to gather and track malpractice information from audiologists. The Office of Information and Technology (OIT) provides computer services to the DORA at a rate of \$74 per hour. The DORA also requires increased legal services to update existing rules, assist in investigation of complaints, and facilitate disciplinary actions. The Department of Law provides legal services at a blended rate of \$77.25 per hour.

Expenditures Not Included

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. The centrally appropriated costs subject to this policy are summarized in Table 3.

Table 3. Expenditures Not Included Under SB 13-039*		
Cost Components	FY 2013-14	FY 2014-15
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$4,037	\$4,037
Supplemental Employee Retirement Payments	2,284	2,584
Indirect Costs	5,909	5,909
Leased Space	2,206	2,206
TOTAL	\$14,436	\$14,736

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

Local Government Impact

The penalty for misdemeanors includes fines, imprisonment in a county jail, or both. Because the courts have the discretion of ordering incarceration or imposing a fine, the impact at the local level cannot be determined. The cost to house an offender in county jails varies from \$45 to \$50 per day in smaller rural jails to \$62 to \$65 per day for larger Denver metro-area jails. For the current fiscal year, the state reimburses county jails a daily rate of \$50.44 to house state inmates. It is assumed that the impact of this new misdemeanor will be minimal and will not create the need for additional county jail space.

State Appropriations

The funding necessary to continue the audiologist licensure program is included in the DORA base budget request for the 2013 Long Bill. No appropriations clause is necessary to implement this bill, unless that request is not approved.

Departments Contacted

Corrections
Law

Education
Regulatory Agencies

Judicial