

Colorado Legislative Council Staff Fiscal Note

STATE
REVISED FISCAL IMPACT

(replaces fiscal note dated February 17, 2014)

Drafting Number: LLS 14-0261 **Date:** March 7, 2014
Prime Sponsor(s): Rep. Ginal **Bill Status:** House Appropriations
 Sen. Nicholson **Fiscal Analyst:** Dave DeNovellis (303-866-3140)

SHORT TITLE: SUNSET CONTINUE DENTAL EXAMINERS BOARD

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue	\$129,066	\$1,933,278
Cash Funds - Base Funding		1,822,650
Cash Funds - New Funding	129,066	110,628
State Expenditures	\$122,698	\$1,129,677
Cash Funds - Base Expenditures		1,019,230
Cash Funds - New Expenditures	109,008	95,486
Centrally Appropriated Costs**	13,690	14,961
FTE Position Change	1.3 FTE	4.5 FTE
Appropriation Required: \$109,008 - Department of Regulatory Agencies (FY 2014-15)		

* This summary shows changes from current law under the bill for each fiscal year. Base funding and expenditures reflect the continuation of existing operations; new funding and expenditures reflect additional program modifications included in this sunset bill.

** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Summary of Legislation

The bill, **as amended by the House Health, Insurance, and Environment Committee**, continues the State Board of Dental Examiners (board) until September 1, 2025, renames the board as the Colorado Dental Board, and implements the recommendations of the board's sunset review and report. The bill:

- clarifies the terms of office for board members;
- removes limitations on who must administer clinical competency examinations to dentists and dental hygienists and authorizes the board to accept alternative methods of evaluation clinical competency;
- repeals the requirement that the board adopt rules to limit the number of times a dentist may take a clinical examination for licensure;
- modifies the requirements for dentist and dental hygienist license applicants and the educational requirements for dental hygienists;
- modifies and defines grounds for discipline for licensees;
- allows dentists and dental hygienists to practice collaboratively as a provider network;
- permits retired dental hygienists to provide uncompensated care to low-income patients; and
- renames the "Dental Practice Law of Colorado" as the "Dental Practice Act" (act).

In addition to incorporating the recommendations in the sunset report, this bill also makes other modifications to the board and the act, including:

- authorizing the board to adopt rules regarding the use of lasers;
- specifying that licensed dentists may prescribe orders electronically;
- providing limited prescribing authority, including fluoride treatments and antimicrobial mouth rinses, to dental hygienists practicing unsupervised dental hygiene;
- specifying the duties and responsibilities of licensed dentists and unlicensed technicians regarding the construction of dental devices;
- requiring dentists and dental hygienists to obtain at least 30 hours of continuing education every 2 years; and
- creating a new section regarding anesthesia and sedation permits.

Fiscal Impact of Programs Set to Expire

This bill continues a program in the Division of Professions and Occupations in the Department of Regulatory Agencies (DORA) that is set to repeal, effective July 1, 2014. 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 2015-16, one year after the repeal date. There is no need for an appropriation of the division's base funding in FY 2014-15, since the program's authorization has not yet expired, and ongoing funding for the program is included in the department's base budget request for FY 2014-15.

The state revenue and state expenditures impact for FY 2015-16 reflects the program's anticipated fee revenue and base budget request beginning that year, plus increases to cover the implementation of this bill. Based on DORA's budget request for FY 2014-15 for the regulation of dental health care providers by the board, costs are expected to be \$1,019,230 and 3.2 FTE in FY 2015-16. The anticipated base revenue is \$1,822,650 for two years of base expenditures.

State Revenue

This bill is expected to increase cash fund revenue to the Division of Professions and Occupations Cash Fund in the DORA by **\$129,066 in FY 2014-15** and **\$110,628 in FY 2015-16**. This revenue is required to cover the additional costs of the bill beyond the continuance of base expenditures.

Fee Impact on Individuals, Families or Business. Section 2-2-322, C.R.S., requires legislative service agency review of measures which create or increase any fee collected by a state agency. Fee calculations are based on the estimated costs of the bill, including centrally appropriated costs, and the estimated number of licenses provided. The actual fee amounts will be set by the division based on the actual costs of the program. Tables 1 and 2 identify the fee impact of this bill in FY 2014-15 and FY 2015-16, respectively.

Table 1. Fee Impact on Individuals, Families or Business (FY 2014-15)					
Type of Fee	Current Fee	Proposed Fee FY 2014-15	Fee Change	Number Affected	Total Fee Impact
Original License - Dentist	\$325	\$339	\$14	189	\$2,646
Original License - Hygienist	\$150	\$164	\$14	220	\$3,080
Renewal - Dentist	\$304	\$318	\$14	4,623	\$64,722
Renewal - Hygienist	\$75	\$89	\$14	4,147	\$58,058
Renewal - Dentist Inactive	\$304	\$318	\$14	29	\$406
Renewal - Academic Dentist	\$272	\$286	\$14	11	\$154
TOTAL FY 2014-15					\$129,066

Table 2. Fee Impact on Individuals, Families or Business (FY 2015-16)					
Type of Fee	Current Fee	Proposed Fee FY 2015-16	Fee Change	Number Affected	Total Fee Impact
Original License - Dentist	\$325	\$337	\$12	189	\$2,268
Original License - Hygienist	\$150	\$162	\$12	220	\$2,640
Renewal - Dentist	\$304	\$316	\$12	4,623	\$55,476
Renewal - Hygienist	\$75	\$87	\$12	4,147	\$49,764
Renewal - Dentist Inactive	\$304	\$316	\$12	29	\$348
Renewal - Academic Dentist	\$272	\$284	\$12	11	\$132
TOTAL FY 2015-16					\$110,628

State Expenditures

Because this bill makes several changes to the board and to the act, this bill is expected to increase expenditures in the Division of Professions and Occupations in the DORA by **\$109,008 and 1.3 FTE in FY 2014-15** and by **\$95,486 and 1.3 FTE in FY 2015-16**. These costs are in addition to the continuation of base expenditures of the program in FY 2015-16. The base expenditures for the program are \$1,019,230 and 3.2 FTE in FY 2015-16.

To implement the recommendations and additional modifications in the bill, the director will adopt new rules requiring both staff time and legal services. The grounds for discipline, expansion of scope of practice, and the rules for the use of lasers, continuing education, and anesthesia and sedation permits will increase both the number and complexity of enforcement actions and require an increase in legal and expert consultant services, as well as in-house investigation, case management, and settlement work. Table 3 shows the expected costs of the bill.

Table 3. Expenditures Under HB14-1227		
Cost Components	FY 2014-15	FY 2015-16
Personal Services	\$42,530	\$46,395
FTE	1.3	4.5
Operating Expenses and Capital Outlay Costs	\$5,653	\$1,274
Legal Services	\$56,925	\$47,817
Board Costs	\$3,900	\$0
Base Expenditures	\$0	\$1,019,230
Centrally Appropriated Costs*	\$13,690	\$14,961
TOTAL	\$122,698	\$1,129,677

* Centrally appropriated costs are not included in the bill's appropriation.

Personal Services. In addition to the base expenditures for the continuation of the program, the implementation of this bill requires authorization for 1.0 FTE and personal services costs of \$42,530 in FY 2014-15 and 1.0 FTE and \$46,395 in FY 2015-16 in the DORA.

Operating Expenses and Capital Outlay Costs. This fiscal note includes standard costs for telephone and supplies (\$950 per year), and capital outlay costs of \$4,703 in FY 2014-15 for the additional staff. Other operating costs include correspondence associated with continuing education audits (\$324 in FY 2015-16).

Legal Services. The implementation of this bill is expected to require 625 hours for legal services in FY 2014-15 and 525 hours in FY 2015-16. This includes 375 hours for rulemaking, 450 hours for complaint resolution, 225 hours for enforcement, and 100 hours for continuing education requirements. The Department of Law requires an additional 0.3 FTE each year for this work.

Board Costs. This bill is expected to have board costs associated with rulemaking, which includes member per diem and travel expenses for two additional board meetings, in FY 2014-15. This fiscal note assumes per diem and travel costs of \$150 per meeting for 13 board members.

Base Expenditures. Base expenditures for the continuation of the program, beginning in FY 2015-16, are \$1,019,230 and 3.2 FTE.

Centrally appropriated costs. 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 estimated in the fiscal note for informational purposes and summarized in Table 4.

Table 4. Centrally Appropriated Costs Under HB14-1227*		
Cost Components	FY 2014-15	FY 2015-16
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$4,130	\$4,512
Supplemental Employee Retirement Payments	\$2,707	\$3,596
Indirect Costs	\$6,853	\$6,853
TOTAL	\$13,690	\$14,961

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

Effective Date

The bill takes effect July 1, 2014.

State Appropriations

For FY 2014-15, the DORA requires an appropriation of \$109,008 from the Division of Professions and Occupations Cash Fund and authorization for 1.0 FTE. Of this, the Department of Law will require \$56,925 in reappropriated funds and authorization for 0.3 FTE.

State and Local Government Contacts

Regulatory Agencies Law