HB15-1333

Colorado Legislative Council Staff Fiscal Note

STATE FISCAL IMPACT

Drafting Number: LLS 15-1052
Prime Sponsor(s): Rep. Vigil
Sen. Baumgardner

Date: April 20, 2015
Bill Status: House Finance
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BILL TOPIC: REGIONAL CENTER DEPRECIATION ACCOUNT IN CAP CONSTRUCTION FUND

Fiscal Impact Summary*	**FY 2014-15** ***current year***	**FY 2015-16**	**FY 2016-17**
State Revenue	**$0**	**$0**	
State Transfers			
General Fund	(514,020)	(516,539)	
Federal Funds	(530,524)	(537,837)	
Cash Funds	1,044,544	1,054,376	Transfer.
State Expenditures		**$1,325,260**	
General Fund			
Cash Funds		1,325,260	Potential Increase.
FTE Position Change			
Appropriation Required: $1,325,260 - Department of Human Services (FY 2015-16)			

* *This summary shows changes from current law under the bill for each fiscal year. Transfers and diversions result in no net change to state revenue.*

Summary of Legislation

Beginning in FY 2014-15, the bill, ***which is recommended by the Capital Development Committee (CDC)***, creates the Regional Center Depreciation Account (account) within the Capital Construction Fund. The account consists of all moneys received by the Department of Health Care Policy and Financing (HCPF) for the annual calculated depreciation of the state's regional centers, which are operated by the Department of Human Services (DHS). Spending from the account is subject to appropriation and approval by the CDC. Funds in the account may be spent for regional center controlled maintenance, capital renewal, or capital construction. The bill also requires DHS to annually report the total calculated depreciation amount credited to the account to the Joint Budget Committee no later than 45 days after the close of a fiscal year.

Background

DHS calculates annual depreciation as part of its federal cost reporting and these calculated depreciation amounts are included in the daily provider rates paid by HCPF. The full amount paid by HCPF through the daily provider rates is spent by DHS. The Long Bill, Senate Bill 15-234, identifies the amount of the daily provider rate attributable to calculated depreciation as a separate line item for each regional center.

State Revenue

The bill does not increase state revenues. After HCPF reappropriates funds to DHS for the operation of the state's regional centers, DHS will be required to transfer the portion of the daily provider rate attributable to calculated depreciation to the newly created account.

State transfers. For FY 2014-15, the bill would have transferred $1,044,544 from HCPF to the Regional Center Depreciation and Controlled Maintenance Account within the Capital Construction Fund, including $514,020 General Fund and $530,524 in federal funds. For FY 2015-16, the bill would have transferred $1,054,376 from HCPF to the account, including $516,539 General Fund and $537,837 in federal funds. The funding split represents the 49.21 percent and 48.99 percent General Fund match, for FY 2014-15 and FY 2015-16, respectively, required to be paid in order to receive federal Medicaid funds. The transfer amounts were identified by DHS through its federal cost reporting. Although the total amount of calculated depreciation may decline over time, the transfer is anticipated to continue in FY 2016-17.

State Expenditures

The CDC approved two requests from DHS for regional center projects that can be funded from the newly created account. The first request for $594,750 installs a heat detection fire alarm system in regional center group homes statewide in order to comply with state regulations. The project replaces the fire suppression systems in 28 group homes and modifies the systems in 12 homes, bringing 40 group homes affiliated with the three regional center campuses into code compliance. The second request for $730,510 replaces a deteriorating wooden fence surrounding the Kipling Village at the Wheat Ridge Regional Center with an ornamental concrete fence in order to better secure the perimeter and prevent resident elopement. A FY 2015-16 appropriation of $1,325,260 from the Capital Construction Fund is required to pay the project costs.

This fiscal note assumes that DHS will submit a spending request to use moneys in the account for a FY 2016-17 project.

In addition to meeting the reporting requirements in the bill, there may be an increase in workload associated with tracking and reporting the amount transferred to the account. This fiscal note assumes that any increase in workload will be absorbed within existing appropriations.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2015-16, DHS requires an appropriation of $1,325,260 from the Capital Construction Fund.

State and Local Government Contacts

Health Care Policy and Financing
Personnel and Administration
Human Services
Joint Budget Committee