

**FINAL  
FISCAL NOTE**

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

**Date:** July 1, 2013  
**Bill Status:** Signed into Law  
**Fiscal Analyst:** Josh Abram (303-866-3561)

**TITLE:** CONCERNING THE REGULATION OF AUDIOLOGISTS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

<b>Fiscal Impact Summary</b>	<b>FY 2013-2014</b>	<b>FY 2014-2015</b>
<b>State Revenue</b>		
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
<b>State Expenditures</b>		
Cash Funds		
Division of Professions and Occupations Cash Fund	\$58,966	\$55,875
<b>FTE Position Change</b>	0.6 FTE	0.6 FTE
<b>Effective Date:</b> The bill was signed into law by the Governor and took effect on May 24, 2013.		
<b>Appropriation Summary for FY 2013-2014:</b> None required. See State Appropriations section.		
<b>Local Government Impact:</b> 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The licensing program is repealed September 1, 2020, following a sunset review.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.

<b>Type of Fee</b>	<b>Proposed Fee</b>	<b>Number Affected</b>	<b>Total Fee Impact</b>
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
<b>FY 2013-14</b>			<b>\$126,903</b>
<b>FY 2014-15</b>			<b>\$4,350</b>
<b>2-YEAR TOTAL</b>			<b>\$131,253</b>

*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.

<b>Table 2. Total Expenditures Under SB 13-039</b>		
<b>Cost Components</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
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
<b>TOTAL</b>	<b>\$58,966</b>	<b>\$55,875</b>

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.

<b>Table 3. Expenditures Not Included Under SB 13-039*</b>		
<b>Cost Components</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
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
<b>TOTAL</b>	<b>\$14,436</b>	<b>\$14,736</b>

\*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**

Consistent with this final fiscal note, for FY 2013-14, the bill includes an appropriation of \$58,966 and 0.6 FTE from the Division of Professions and Occupations Cash Fund to the Department of Regulatory Agencies. Of this amount, the Department of Law receives \$11,294, and the Office of Information Technology receives \$10,993 in reappropriated funds.

**Departments Contacted**

Corrections  
Law

Education  
Regulatory Agencies

Judicial