

**FINAL  
FISCAL NOTE**

**Drafting Number:** LLS 12-0280

**Date:** May 30, 2012

**Prime Sponsor(s):** Rep. Fields  
Sen. Tochtrop

**Bill Status:** Postponed Indefinitely

**Fiscal Analyst:** Josh Abram (303-866-3561)

**TITLE:** CONCERNING THE REGULATION OF PERSONS WHO ENGAGE IN BUSINESS RELATED TO PERSONS WITH HEARING IMPAIRMENTS, AND, IN CONNECTION THEREWITH, IMPLEMENTING THE DEPARTMENT OF REGULATORY AGENCIES' SUNSET REVIEW RECOMMENDATIONS FOR AUDIOLOGISTS AND HEARING AID PROVIDERS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

<b>Fiscal Impact Summary</b>	<b>FY 2012-2013</b>	<b>FY 2013-2014</b>
<b>State Revenue</b>		
Cash Funds		
Division of Registrations Cash Fund - Base Revenue*		\$120,216
Division of Registrations Cash Fund - New Revenue	\$1,320	\$18,582
<b>State Expenditures</b>		
Cash Funds		
Division of Registrations Cash Fund - Base Expenditures*		\$50,550
Division of Registrations Cash Fund - New Expenditures	\$15,571	\$4,146
<b>FTE Position Change</b>		0.6 FTE
<b>Effective Date:</b> The bill was postponed indefinitely by the Senate Finance Committee on April 26, 2012.		
<b>Appropriation Summary for FY 2012-2013:</b> See State Appropriations section.		
<b>Local Government Impact:</b> None.		

\* Base revenue and expenditures reflect continuation of the program as it currently exists.

**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. There is no need for an appropriation of the program's base funding in FY 2012-13, 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 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. Fees are set administratively by the DORA 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; however, actual fee amounts and renewal cycles are established by the DORA.

<b>Table 1. Fee Impact on Audiologists and Hearing Aid Providers</b>					
<b>Type of Fee</b>	<b>Current Fee</b>	<b>Proposed Fee</b>	<b>Fee Change</b>	<b>Number Affected</b>	<b>Total Fee Impact</b>
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
<b>TWO-YEAR TOTAL</b>					<b>\$19,902</b>

**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.

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

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**

Consistent with this fiscal note the bill appropriates \$15,571 from the Division of Registrations Cash Fund to the DORA for FY 2012-13, and reappropriates \$7,571 of that total to the Department of Law for the purchase of legal services.

**Departments Contacted**

Corrections                      Law                      Regulatory Agencies