SB 24-048

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated April 17, 2024)

Drafting Number:	LLS 24-0316	**Date:**	April 22, 2024
Prime Sponsors:	Sen. Priola Rep. deGruy Kennedy; Lynch	**Bill Status:**	Senate Second Reading
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Bill Topic: **SUBSTANCE USE DISORDERS RECOVERY**

Summary of Fiscal Impact:

☐ State Revenue ☐ State Transfer ☒ Local Government
☒ State Expenditure ☐ TABOR Refund ☐ Statutory Public Entity

The bill implements substance use disorder recovery measures, including creating a voluntary recovery-friendly workplace program for employers and a grant program for recovery schools. The bill increases state expenditures and may impact local governments on an ongoing basis beginning in FY 2024-25.

Appropriation Summary: For FY 2024-25, the bill includes an appropriation of $486,053 to multiple state agencies.

Fiscal Note Status: The revised fiscal note reflects the introduced bill, as amended by the Senate Business, Labor, and Technology and Senate Appropriations Committees. The bill was recommended by the Opioid and Other Substance Use Disorders Study Committee.

Table 1
State Fiscal Impacts Under SB 24-048

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-
Expenditures	General Fund	$448,073	$441,092
	Cash Funds	$37,980	-
	Centrally Appropriated	$38,977	$33,095
	Total Expenditures	**$525,030**	**$474,188**
	Total FTE	**2.1 FTE**	**1.8 FTE**
Transfers		-	-
Other Budget Impacts	General Fund Reserve	$67,211	$66,164

Summary of Legislation

The bill creates the Recovery-Friendly Workplace Program, the Recovery School Grant Program, and other substance use disorder recovery measures.

Recovery-Friendly Workplace Program. The bill establishes a voluntary program for employers to become recovery-friendly workplaces within the Center for Health, Work, and Environment at the University of Colorado School of Public Health. The center must develop program rules, create training materials and resources for employers, provide documentation that verifies an employer's status as a recovery-friendly workplace, and create a program website. Dependent on funding, the center must contract or hire at least one recovery-friendly workplace advisor for every one hundred certified employers in the program. The advisor will help employers participate in the program and set goals and develop internal policies that better assist employees with substance use disorders. The center may conduct or hire a contractor to conduct an evaluation of the effectiveness of the program and identify ways to improve the program. The center must report annually on the program to members of the General Assembly.

Recovery School Grant Program. The bill creates the Recovery School Grant Program in the Department of Education (CDE). The program awards recovery schools with grants to cover expenses related to assisting students with their sobriety. The CDE must develop program rules and award grants by January 1, 2025. The bill appropriates $50,000 to the department to implement the program in FY 2024-25. The program repeals September 1, 2026.

Other substance use disorder recovery measures. The bill allows a school district to include pupils who attend recovery high schools in their pupil enrollment count; specifies that grant money received through the Recovery Support Services Grant Program may be used to provide guidance on the many pathways for recovery; declares that recovery residences are residential uses of property for zoning purposes; and requires that the Liquor Enforcement Division in the Department of Revenue (DOR) convene a stakeholder group to develop rules related to the location of alcohol beverage displays by July 1, 2025.

State Expenditures

The bill increases state expenditures in the Department of Higher Education by $327,000 in FY 2024-25 and $440,000 in FY 2025-26 and ongoing years, paid from the General Fund; in the Department of Education by $152,000 in FY 2024-25 and $34,000 in FY 2025-26, paid from the General Fund; and in the Department of Revenue by $46,000 in FY 2024-25 only, paid from the Liquor Enforcement Division and State Licensing Authority Cash Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under SB 24-048

	FY 2024-25	FY 2025-26
Center for Health, Work, and Environment		
Personal Services	$127,747	$147,401
Operating Expenses	$1,664	$1,920
Capital Outlay Costs	$10,005	-
Workplace Advisor Contractor	$64,460	$193,380
Website Development	$44,876	$14,876
Outreach	$55,000	$55,000
Centrally Appropriated Costs	$23,559	$27,183
FTE – Personal Services	1.3 FTE	1.5 FTE
CU Subtotal	**$327,311**	**$439,760**
Department of Education		
Personal Services	$37,509	$28,132
Operating Expenses	$512	$384
Grant Awards	$50,000	-
Data Collection Modification	$56,300	-
Centrally Appropriated Costs	$7,883	$5,912
FTE – Personal Services	0.4 FTE	0.3 FTE
CDE Subtotal	**$152,204**	**$34,428**
Department of Revenue		
Personal Services	$30,798	-
Operating Expenses	$512	-
Capital Outlay Costs	$6,670	-
Centrally Appropriated Costs	$7,535	-
FTE – Personal Services	0.4 FTE	-
DOR Subtotal	**$45,515**	**-**
Total Costs	**$525,030**	**$474,188**
Total FTE	**2.1 FTE**	**1.8 FTE**

Center for Health, Work, and Environment—University of Colorado School of Public Health. Beginning in FY 2024-25, the center requires staff, contracted services, and outreach costs.

- **Staff.** The center requires 1.5 FTE annually to develop program rules, create training materials, provide oversight of the program and contracted workplace advisors, verify and provide documentation of program status to employers, and evaluate and report annually on the program. Staff activities include soliciting and managing contracts with third parties contracted as advisors or to provide outreach and website development, as discussed below. Standard operating and capital outlay costs are included for staff, and first-year costs are prorated for the bill's effective date.
- **Workplace advisor contractor**. The center requires about $65,000 in FY 2024-25 and $194,000 in FY 2025-26 and ongoing to contract for a recovery-friendly workplace advisor. The contractor will support employers involved in the recovery-friendly workplace program from enrollment to renewal. The fiscal note assumes 100 employers will participate in the recovery-friendly workplace program initially, and 225 employers will participate in FY 2025-26 and FY 2026-27, based on data from the center. As of writing, 40 employers have signed their pledge to create a workplace that supports employees with addiction issues. The fiscal note assumes a contractor will manage up to 100 employers that enroll in the program initially, and that two additional advisors will be required beginning in FY 2025-26 to manage up to 225 employers.
- **Website development.** The center requires about $45,000 initially, and $15,000 annually for maintenance and updates, to develop program management software and a program website.
- **Outreach.** An estimated $55,000 is required annually to conduct outreach to employers that are not engaged in the program, labor unions, and recovery support service organizations, as well as to apply towards developing and updating marketing materials and campaigns.

Department of Education. The CDE requires staff and grant funding for the program and will have costs to modify data collections.

- **Staff.** The CDE requires 0.4 FTE initially, and 0.3 FTE in FY 2025-26, to develop program rules, distribute grant awards, and provide technical support to applicants as needed. Staff costs continue until the program's repeal on September 1, 2026.
- **Grant awards.** The CDE will distribute $50,000 in grant awards to selected program applicants in FY 2024-25, as provided in the bill.
- **Data collection modification.** The CDE requires a one-time cost of $56,300 in FY 2024-25 to modify its existing data collections to allow districts to submit the pupil enrollment counts required in the bill. The timing of when the data is first collected will depend on the timing of when the bill passes, as the modifications must be approved by the Education Data Advisory Committee by April preceding the school year in which the changes will occur.

Department of Revenue. The DOR requires 0.4 FTE in FY 2024-25 only to provide administrative support for the rulemaking process and stakeholder group. Staff costs are prorated for a September 1, 2024 start date.

School finance. The bill allows school districts to include in their pupil count a student who has transferred to a recovery high school before the pupil count date. The fiscal note assumes that any increase in total program and the state share of school finance will be minimal. No change in appropriations is required. The state share of school finance is paid from the General Fund, State Education Fund, and State Public School Fund.

Other state agencies. To the extent that state departments opt to become recovery-friendly workplaces, workload will increase to meet program requirements. Participation is at the discretion of the department leadership and workload may vary depending on the department.

Local Government

Similar to state departments, to the extent that local departments opt to become recovery-friendly workplaces, workload will increase to meet program requirements. Participation is at the discretion of the county and impacts may vary depending on the county. Costs may also increase if the bill requires a city to update zoning codes.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2024-25, the bill requires and includes a General Fund appropriation totaling $486,053, of which:

- $303,752 is to the Department of Higher Education, and 1.3 FTE, for use by the Center for Health, Work, and Environment at the University of Colorado School of Public Health; and
- $144,321 is to the Department of Education, and 0.4 FTE.

For FY 2024-25, the bill requires an appropriation of $37,980 to the Department of Revenue from the Liquor Enforcement Division and State Licensing Authority Cash Fund.

State and Local Government Contacts

Counties	Education	Higher Education
Labor	Law	Municipalities
Revenue		

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit: leg.colorado.gov/fiscalnotes