

**Legislative Council Staff***Nonpartisan Services for Colorado's Legislature***Fiscal Note**

Drafting Number:	LLS 24-0004	Date:	January 24, 2024
Prime Sponsors:	Sen. Kolker Rep. Young	Bill Status:	Senate Health & Human Services
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Bill Topic:	LICENSED PROFESSIONAL COUNSELORS IN COMMUNITIES		
Summary of Fiscal Impact:	<input checked="" type="checkbox"/> State Revenue <input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> State Transfer <input checked="" type="checkbox"/> TABOR Refund	<input type="checkbox"/> Local Government <input type="checkbox"/> Statutory Public Entity
The bill creates a reimbursement program for school counselors pursuing a professional counselor license and for licensees who provide clinical supervision. It increases state expenditures and state revenue starting in FY 2024-25.			
Appropriation Summary:	For FY 2024-25, the bill requires an appropriation of \$1,739,988 to the Department of Regulatory Agencies.		
Fiscal Note Status:	The fiscal note reflects the introduced bill.		

Table 1
State Fiscal Impacts Under SB 24-015

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue	Cash Funds	\$34,304	\$68,608
	Total Revenue	\$34,304	\$68,608
Expenditures	General Fund	\$1,739,988	\$3,261,704
	Centrally Appropriated	\$30,817	\$3,424
	Total Expenditures	\$1,770,805	\$3,265,128
	Total FTE	1.8 FTE	0.2 FTE
Transfers		-	-
Other Budget Impacts	TABOR Refund	\$34,304	\$68,608
	General Fund Reserve	\$260,998	\$489,256

Summary of Legislation

The bill creates the Dual Licensure Stipend Program in the Division of Professions and Occupations in the Department of Regulatory Agencies (DORA) for school counselors who participate in the dual licensure program to become licensed professional counselors (LPCs). The bill authorizes the reimbursement of exam and application costs for dual licensure candidates and supervisory costs for LPC supervisors who fulfill a candidate's clinical supervision hours.

The program must be contracted and administered through a Colorado nonprofit organization, with that organization responsible for establishing the application process, setting supervisory rates, dispersing stipends, and determining the repayment process for violation of the contract.

Program requirements. The bill establishes requirements for dual licensure candidates to be eligible for the program, including licensure by a special services provider and a completed master's or doctoral degree in professional counseling from an accredited program. Participating dual licensure candidates must remain employed by a public school for at least five years after licensure or repay the nonprofit organization for the supervision hours, examination fees, and application fees.

Reporting. The nonprofit organization must draft a report for the Division of Professions and Occupations by January 15 of each year that includes data on the participating candidates and supervisors in the stipend program. The division is required to submit the report to the General Assembly by February 26 of each year.

Background

The Colorado State Board of Professional Counselor Examiners regulates LPCs in the state. Board activities include reviewing licensure applications, receiving and evaluating complaints, and taking disciplinary actions against violators of the Mental Health Practice Act or Board Rule. In order to hold a LPC license in Colorado, candidates must first apply for a candidate license and practice under supervision while actively working towards the full LPC license. Candidates must complete the National Counselor Examination and 100 supervised post-degree hours before obtaining a full license.

School counselors are regulated by the Colorado Department of Education (CDE). The CDE set forth the education and accreditation requirements for school counselors, which can be [viewed here](#). School counselors are not required to be LPCs.

Assumptions

As of 2023, there are 2,561 licensed school counselors in the state. The fiscal note assumes that 30 percent, or 768 licensees, will participate in the stipend program, spread over multiple years. The fiscal note assumes that 5 percent of current school counselors (128) will apply for dual licensure in FY 2024-25, 10 percent will apply in FY 2025-26 (256), and 10 percent will apply in future years until 30% of school counselors have applied. Some revenue and expenditure

impacts could shift between fiscal years if the program is implemented sooner or later, or if participation differs from these assumptions.

State Revenue

The bill will increase state cash fund revenue to DORA by about \$34,000 in FY 2024-25, \$68,000 in FY 2025-26, and \$81,000 in FY 2026-27, paid to the Division of Professions and Occupations Cash Fund from additional school counselors applying for LPC licensure. On an ongoing basis, fees from initial licensure will increase until interested school counselors have applied for dual licensure and then every two years starting in FY 2026-27 from biennial LPC renewal fees.

Fee impact on licensed professional counselors. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. Generally, the bill is expected to increase the number persons applying for licensure who are required to pay a fee, rather than change the fee amount charged by DORA. Thus, the revenue impact is estimated using current fees amounts. The estimated impacts of license and renewal fees paid by licensed professional counselors under the bill is shown in Table 2 below.

Beginning in FY 2024-25, DORA will collect about \$34,000 in LPC candidate and license fees from 5 percent of school counselors applying to the dual licensure program. In FY 2025-26 and FY 2026-27, DORA will collect about \$69,000 from 10 percent of school counselors applying for the dual licensure program in each year. Beginning in FY 2026-27 and every two years thereafter, DORA will collect renewal fees from dual licensed LPCs. As shown in Table 2, the fiscal note estimates a \$100 fee every two years.

Table 2
Fee Impact on Dual Licensure Applicants

Fiscal Year	Type of Fee	Current Fee	Number Affected	Total Fee Impact
FY 2024-25	LPC Candidate Fee	\$72	128	\$9,216
	LPC License Fee	\$196	128	\$25,088
FY 2024-25 Total Fee Revenue				\$34,404
FY 2025-26	LPC Candidate Fee	\$72	256	\$18,432
	LPC License Fee	\$196	256	\$50,176
FY 2025-26 Total Fee Revenue				\$68,608
FY 2026-27	LPC Candidate Fee	\$72	256	\$18,432
	LPC License Fee	\$196	256	\$50,176
	LPC Renewal Fee	\$100	128	\$12,800
FY 2026-27 Total Fee Revenue				\$81,408

State Expenditures

The bill increases state expenditures in DORA by about \$1.8 million in FY 2024-25 and about \$3.3 million in FY 2025-26, paid from the General Fund. Expenditures are shown in Table 3 and detailed below.

Table 3
Expenditures Under SB 24-015

	FY 2024-25	FY 2025-26
Department of Regulatory Agencies		
Personal Services	\$98,455	\$10,939
Operating Expenses	\$2,304	\$256
Capital Outlay Costs	\$13,340	-
LPC Candidate Fee Reimbursement	\$9,220	\$18,432
LPC License Fee Reimbursement	\$25,098	\$50,176
National Counselor Exam Fee Reimbursement	\$35,214	\$70,400
LPC Supervisory Hours Reimbursement	\$1,408,549	\$2,816,000
Contractor Administration Fee	\$147,808	\$295,501
Centrally Appropriated Costs ¹	\$30,817	\$3,424
Total Cost	\$1,770,805	\$3,265,128
Total FTE	1.8 FTE	0.2 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Regulatory Agencies. Starting in FY 2024-25, expenditures in DORA will increase to oversee additional LPC candidates, review licensees for supervisory qualification, and administer stipend reimbursements through a contracted nonprofit organization. It is assumed that license fee revenue cannot be used for the stipend program

- **Staff.** In FY 2024-25 only, DORA will require 1.8 FTE for a Technician III to review supervisory qualification of all current LPCs and manage additional LPC applications. In FY 2025-26 and ongoing, DORA will require 0.2 FTE for a Technician III to review new LPC applications and supervisor qualifications. Increased workload to establish the administrative contract and manage the procurement process is expected to be accomplished within existing resources and not require additional appropriations.
- **Stipend reimbursements.** Starting in FY 2024-25, DORA will require about \$1.5 million to reimburse LPC candidates and license applicants for fees and costs, as well as LPC supervisors for supervisory time. Reimbursements are based on the following amounts:
 - LPC candidate fees - \$72 per applicant;
 - LPC license fees - \$196 per applicant;
 - National Counselor Exam fees - \$275 per applicant;

- LPC supervisory hours - estimated at \$110 per hour for 100 hours of clinical supervision per applicant.
- **Contractor administration fee.** Starting in FY 2024-25, DORA will require about \$148,000 to retain the administrative services of a contracted Colorado nonprofit organization that will administer the program. In future years, this amount is 10% of the program costs.
- **Legal services.** DORA will require up to 100 hours of legal services, provided by the Department of Law, which can be accomplished within existing legal services appropriations. Legal counsel is related to rulemaking, implementation, and ongoing administration of the program, as well as a rise in complaints.
- **Licensing system updates.** Enhancements to the DPO licensing system are needed to track LPC licensees who are eligible to supervise. This is expected to be accomplished within existing resources and does not require additional appropriations.

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. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 3.

Other Budget Impacts

TABOR refund. The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the December 2023 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2025-26. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Effective Date

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

State Appropriations

For FY 2024-25, the bill requires a General Fund appropriation of \$1,739,988 to the Department of Regulatory Agencies, and 1.8 FTE.

State and Local Government Contacts

Education
Law

Information
Regulatory Agencies

Technology

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 the [General Assembly website](#).