

Memorandum

To: Members of the Strategic Action Planning Group on Aging

From: Rich Mauro, Senior Legislative and Policy Analyst, DRCOG

Subject: Summary of Provisions of House Bill 15-1033

Date: August 17, 2015

This memorandum is provided to members as a quick reference to the key provisions of House Bill 15-1033. The bill, which creates a new statute (Part 34 to Article 32 of Title 24, C.R.S.) designated as the "Colorado Comprehensive Strategic Action Plan on Aging Act", also establishes the Strategic Action Planning Group on Aging.

Legislative Intent [Section 24-32-3402]

- The **legislative declaration** acknowledges the historic demographic shift that has already begun and will continue over the next fifty years as the percentage of Colorado's population fifty years of age and older increases rapidly and significantly. (Section 3403 defines "older adult population" as fifty years of age and older.)
- The General Assembly recognizes this shift will have wide-ranging economic, financial, and social effects on all sectors of society, placing significant pressures on families (especially middle- and lower-income families), workers, businesses, service providers, and public agencies. It states concerns about the impacts on the economy and future state and local tax revenues and budgets, as well as the demand for housing, transportation, health care and long-term care, services, and supports. While this shift creates concerns as most are insufficiently prepared to meet these challenges, it also creates opportunities to take advantage of the older population's potential for positive contributions.
- The General Assembly declares that Colorado families, communities, businesses, and public agencies would all benefit from more comprehensive research into the issues related to the broad challenges of aging and from the development of a long-term strategic action plan and set of recommendations for addressing those challenges. **The General Assembly therefore states its intent:**
 - To establish a multi-disciplinary private and public sector stakeholders' group to develop a comprehensive strategic action plan on aging through the year 2030.
 - The group shall provide to the governor and General Assembly comprehensive data on and specific recommendations regarding private and public options for addressing this demographic shift for the state to consider.
 - The recommendations of the group will lead to the implementation of programs, services, projects, policies, and procedures starting by November 1, 2016, in both the public and private sectors.

Strategic Action Planning Group on Aging [24-32-3404]

This section formally establishes the Strategic Action Planning Group on Aging, its purpose and membership.

Purpose of the Planning Group [Subsection (1)]

- Study and produce a comprehensive strategic action plan on aging in Colorado through the year 2030.
- Examine the impacts, both positive and negative, of the aging demographic shift through the year 2030 on:
 - the economy, workforce, and businesses and market-based products and services;
 - state and local revenue budgets and fiscal policies;
 - Medicaid and other safety-net programs and the collateral impact on other nonrelated state programs;
 - family caregiving and private and public options for long-term care, services, and supports;
 - the effects of potential federal entitlement reforms on Colorado; and
 - transportation services and infrastructure.

Membership of the Planning Group [Subsection (2)]

- The planning group consists of twenty-three voting members appointed by the governor.
 - six members who represent consumers
 - five members who represent private, public, and community-based health care and long-term care, service, or support providers for older adults
 - one member who has extensive knowledge and expertise in long-term care, services, and supports who is not a provider of such services;
 - one member who is a county commissioner;
 - one member who represents the business community in Colorado;
 - three members who have extensive knowledge of or experience with state and local budgets and fiscal policy or who are representatives from nonprofit organizations that have experience with fiscal and statewide policy issues;
 - one member who is a representative of institutions of higher education in a field related to older adult populations; and
 - five members from the executive branch.
- The bill also contains provisions to ensure diversity of representation. This includes rural presentation, representation from at least five different congressional districts, major political party representation, and consideration for members of diverse racial, cultural, income, gender, and ability groups.

Planning Group Operations [Sections 3404 and 3405]

- The planning group shall elect a **chair and vice-chair** from the members of the planning group to coordinate the work of the planning group. 3404 (2)(d)
- Members of the planning group serve without compensation but may receive **reimbursement** for actual and necessary expenses. 3404 (2)(e)
- Some members are appointed for an initial term of four years, some for three years and some for two years. The governor may reappoint a member for one additional four-year term and shall fill any vacancy. A member may be removed for cause, if approved by a two-thirds majority of all members. 3404 (2)(f)
- The planning group shall exercise its powers and perform its duties and functions independently from the **Department of Local Affairs**. The department acts solely as the **fiscal agent** for the planning group. 24-32-3405 (1)
- The planning group may establish **bylaws** as appropriate. (2)
- The chair of the planning group shall establish a **schedule** for planning group meetings. The commission must meet at least **twelve times** each calendar year. (3)
- Members of the planning group, staff, and consultants are **not liable** for an act or omission in their official capacity performed in good faith. (4)
- The planning group is exempt from the state "**procurement code**." (5)(a)
- The planning group is subject to the **Colorado Open Meetings Law** and the **Colorado Open Records Act**, with the exception that members of the planning group may convene in groups of no more than five without complying with the open meetings law to gather and understand data or organize and plan for the business of the planning group, as long as no formal action is taken at the meeting. (5)(b)

Data Analysis [Section 3404 (3)]

Subject to available appropriations, the planning group may identify and contract with any third-party organization for the purpose of data analysis and projection reporting.

Staffing Services [Section 3404 (3)]

The planning group shall contract with a third party for staffing services including:

- A **project administrator** whose duties include:
 - meeting organization and coordination;
 - public relations and external distribution of information;
 - coordination between third-party contractors and the planning group;

- coordination between state departments and other organizations and the planning group;
 - management of report production;
 - management of the planning group web site; and
 - any other function to be assigned by the planning group;
- A **project assistant** who is responsible for tasks assigned by the project administrator.

Subcommittees [Section 3404 (2)]

The bill requires the planning group to establish special purpose subcommittees and a technical advisory committee.

Special Purpose Subcommittees [Section 3404 (2)(h)]

- The planning group shall establish subcommittees to consider and evaluate issues as it deems necessary, which may include but are not limited to:
 - transportation;
 - housing;
 - workforce development;
 - access to health care;
 - long-term care and other human services; and
 - retirement security.
- The special purpose subcommittees may include persons who are not members of the planning group. In appointing members of a special purpose subcommittee, the planning group shall pay special attention to appointing representatives from subject areas not otherwise represented on the planning group. Members of a special purpose subcommittee serve without compensation or reimbursement of expenses.

Technical Advisory Committee [Section 3404 (2)(h)(III)]

The planning group shall establish a technical advisory committee to advise and assist the planning group. The committee consists of the state demographer and subject matter experts from local governments and nongovernmental organizations. The planning group may also request the governor appoint subject matter experts from state departments or agencies as members of the technical advisory committee.

Duties of Strategic Action Planning Group [24-32-3406]

Comprehensive Strategic Action Plan on Aging

- The planning group shall develop a comprehensive strategic action plan on aging in Colorado through the year 2030 to be completed by November 1, 2016. (1)(a)

- In developing the strategic action plan, the planning group shall review and incorporate past and current studies, recommendations, findings, and best practices the planning group considers relevant and necessary to its duties. Previous recommendations must be reviewed in conjunction with the latest demographic and economic projections specified in the data analysis in order to assess their long-term fiscal viability. [Sections 3404 (1)(b) and 3406 (1)(a)]
- The strategic action plan must address at least the following three areas: (1)(b)
 - demographic, economic, fiscal, and budget data analysis through the year 2030;
 - actionable recommendations; and
 - plans for updates to the strategic action plan.

Data Analysis [Section 3406 (1)(c)]

The strategic action plan must include the following areas of data analysis:

- statewide and regional demographic analysis of Colorado's older adult population;
- analysis of the impacts, both positive and negative, of the demographic shift on the state economy and workforce participation;
- analysis of the impacts, both positive and negative, of the demographic shift on state and local revenues including income, sales, and property tax;
- projected effects of the demographic shift on state and local revenues and identification of possible revenue shortfalls;
- projected state budget impact of the demographic shift on Colorado's Medicaid program;
- projected state budget impact of the demographic shift on other state departments and programs;
- analysis of the financial security of Colorado's older adult population that are in or approaching retirement in order to determine projected future demand on Medicaid and other state-funded safety net programs;
- analysis of the retirement savings gap and retirement security for the state's older adult population;
- analysis of projected cost trends of private long-term care, services, and supports;
- analysis of the number of persons in the older adult population who would benefit from receiving additional community-based services and the types of services and supports required for members of this population to remain in their own residences and communities for as long as possible;
- analysis of any federal spending actions relative to Medicaid, Social Security, Medicare, and other federal programs the planning group considers relevant and their effect on General Fund expenditures and reserves as well as nonrelated state expenditures;
- analysis of existing and proposed private sector initiatives to address retirement preparedness and long-term care, services, and supports for the older adult population; and
- economic impact of caregiving on Colorado families, businesses, and the state economy.

Actionable Recommendations [Section 3406 (1)(d)]

Recommendations shall include at least:

- options to address the long-term impact of the demographic shift on Colorado citizens, state government, and the private sector;
- options to address disproportional regional demographic shifts in older adult populations;
- options to improve financial security and retirement preparation for the older adult population;
- recommendations to enhance access to services and public education on aging issues;
- options to strengthen and improve service quality and infrastructure for long-term services and supports to better enable the services and supports to meet future demand;
- options to reduce administrative and service delivery costs of public and private long-term services and supports while maintaining service quality;
- administrative and regulatory reforms needed to more cost-effectively organize state agencies to implement state programs and services;
- private sector options for state-based long-term care, services, and supports;
- options to extend and improve other services and supports that would allow individuals to remain in their residences and communities for as long as possible;
- options to improve the accessibility and sustainability of affordable housing and transportation services;
- options to improve caregiver supports and mitigate both the financial and nonfinancial impacts of caregiving on patients, caregivers, businesses, and the state;
- projections on the economic, fiscal, and personal impacts of implementing or not implementing the recommendations. This analysis should also consider the nonfinancial and quality-of-care impacts of the recommendations on Colorado's long-term care, services, and supports; healthcare infrastructure and workforce; aging; and caregiver populations.
- possible legislation for consideration by the General Assembly in order to implement the planning group's recommendations and achieve its stated goals; and
- possible regulatory changes to be offered to state departments in order to implement the planning group's recommendations and achieve its stated goals.

Reports [Section 3406 (2)]

- During the 2016 and 2017 legislative sessions, the planning group shall submit an **oral report** summarizing its work and any preliminary findings or recommendations to the Joint Budget Committee. (2)(a)
- By November 30, 2016, the planning group shall submit to the governor, the General Assembly, and any affected state agency its **strategic action plan** detailing the work of the planning group and its final recommendations. (2)(b)

State Implementation of Planning Group Recommendations [Section 3406 (2)(b)]

If the strategic action plan identifies programs, services, projects, policies, or procedures that would result in **cost savings**, without adversely affecting the quality of care and services:

- the governor and the affected state agencies are encouraged to pursue the necessary actions to implement the recommendations that do not require legislation, including, as necessary, requesting adequate funding through the state budget process; and
- the planning group shall recommend legislation to the governor and the General Assembly to implement changes that require legislation. In its plan, the planning group shall specify the laws that need to be created, amended, or repealed to implement the recommendations.

Strategic Plan Updates [Section 3406 (2)(c)]

- The planning group shall submit **two updates** to the strategic action plan, one by November 1, 2018, and one by November 1, 2020, to update the planning group's analysis and recommendations.
- These updates shall include new economic and demographic data as well as respond to new state and national public and private initiatives and must address a time period for analysis and recommendation that extends fifteen years after the delivery of the update and may include new legislative or regulatory recommendations in order to address new or changing circumstances.
- The initial planning group shall determine the staffing and process for updating the initial strategic action plan. The planning group will only undertake the plan updates if sufficient funding is secured through additional appropriations, gifts, grants, or donations.

Strategic Action Plan on Aging Cash Fund [24-32-3407]

This section creates the Strategic Action Plan on Aging Cash Fund in the State Treasury consisting of any moneys that may be appropriated by the General Assembly together with any gifts, grants, or donations received by the planning group. The planning group may seek and accept gifts, grants, or donations. The moneys in the fund are continuously appropriated to the planning group. The State Treasurer may invest any moneys in the fund and shall credit all interest and income to the fund. Moneys in the fund shall not be credited or transferred to the General Fund or another fund.

Repeal/Sunset Review [24-32-3408]

The statute is repealed, effective July 1, 2022. Prior to repeal, the planning group must undergo sunset review as provided for in statute. The statutory authorization for the planning group is scheduled for repeal September 1, 2022

Appropriation

For FY 2015-16, \$364,915 is appropriated to the Department of Local Affairs for use by the Division of Local Government to implement the act in support of the strategic planning group. This appropriation is from the General Fund and is based on an assumption that the division will require an additional 0.3 FTE.