



Colorado
Legislative
Council
Staff

Bill 2

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0301
Prime Sponsor(s):

Date: October 23, 2015
Bill Status: Interim Committee to Study Vocational
Rehabilitation for the Blind Bill Request
Fiscal Analyst: Lauren Schrier (303-866-3523)

BILL TOPIC: EXPAND SCOPE BUSINESS ENTERPRISE PROGRAM

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
Cash Funds	<u>Potential decrease.</u>	
State Expenditures	<u>\$77,321</u>	<u>\$72,840</u>
Cash Funds	13,798	12,798
Federal Funds	50,980	47,287
Centrally Appropriated Costs	12,543	12,755
FTE Position Change	1.0 FTE	1.0 FTE
Appropriation Required: \$64,778 - Colorado Department of Labor and Employment (FY 2016-17)		
Future Year Impacts: Ongoing state expenditures and potential revenue impacts.		

Summary of Legislation

This bill, **requested by the Interim Committee to Study Vocational Rehabilitative Services for the Blind**, removes the exemption for property owned, leased or occupied by higher education institutions or the state fair authority for priority to persons who are blind and licensed vendors to operate vending facilities. The bill also expands the scope of the program so that persons who are blind may also operate businesses other than vending facilities on state property. The bill also makes conforming amendments to comply with federal law.

Background

Created in 1936, the Randolph-Sheppard Act authorizes state rehabilitation agencies to provide training, licensure, and job placement assistance to persons who are blind. In Colorado, the Division of Vocational Rehabilitation in the Department of Human Services has provided services in compliance with the act to eligible individuals. However, as of July 1, 2016, the Division of Vocational Rehabilitation will move to the Colorado Department of Labor and Employment, pursuant to Senate Bill 15-239.

State Revenue

The bill may reduce revenue to several state enterprises over time. If persons who are blind choose to apply for business opportunities at higher education institutions or the state fair authority, revenue from existing contracts may be reduced. However, at the writing of this fiscal note, it is unknown how many persons who are blind will pursue business opportunities at higher education institutions or the state fair authority and what the potential revenue impact may be. Changes to revenue to higher education institutions and the state fair do not affect TABOR refunded obligations as these entities are classified as TABOR exempt enterprises.

State Expenditures

The bill will increase expenditures and workload in the Colorado Department of Labor and Employment by \$77,321 and 1.0 FTE in FY 2016-17 and \$72,840 and 1.0 FTE in FY 2017-18 and future years, as discussed below, and detailed in Table 1. These costs are paid with approximately 79 percent federal funds and 21 percent cash funds derived from business net profits.

Cost Components	FY 2016-17	FY 2017-18
Personal Services	\$52,885	\$52,885
FTE	1.0 FTE	1.0 FTE
Operating Expenses and Capital Outlay Costs	5,653	950
Travel	6,240	6,240
Centrally Appropriated Costs*	12,543	12,765
TOTAL	\$77,321	\$72,840

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

Colorado Department of Labor and Employment (CDLE). The bill will increase workload in the CDLE and require 1.0 FTE. Under the bill, the CDLE may experience an increase in the number of persons who are blind applying to the program. The CDLE will be required to provide job training, licensing, and job placement to eligible individuals. The CDLE will also need to provide additional equipment maintenance to licensed and active individuals who have received job placement through the program.

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. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Cost Components	FY 2016-17	FY 2017-18
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$8,017	\$8,016
Supplemental Employee Retirement Payments	\$4,526	\$4,739
TOTAL	\$12,543	\$12,755

Effective Date

The bill takes effect July 1, 2016.

State Appropriations

In FY 2016-17, the bill requires an appropriation of \$64,778 and 1.0 FTE from cash and federal funds to the Colorado Department of Labor and Employment. Of these funds:

- 13,798 will be from cash funds; and
- 50,980 will be from federal funds.

State and Local Government Contacts

Labor and Employment
Corrections

Agriculture
Human Services