



**Colorado
Legislative
Council
Staff**

SB16-077

FISCAL NOTE

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

Drafting Number: LLS 16-0561 **Date:** February 15, 2016
Prime Sponsor(s): Sen. Kefalas **Bill Status:** Senate Finance
 Rep. Ginal; Primavera **Fiscal Analyst:** Amanda Hayden (303-866-4918)

BILL TOPIC: EMPLOYMENT FIRST FOR PERSONS WITH DISABILITIES

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	\$73,122	\$308,970
General Fund	60,416	89,503
Federal Funds	0	205,540
Centrally Appropriated Costs	12,706	13,927
FTE Position Change	0.8 FTE	1.0 FTE
Appropriation Required: \$60,416 - Department of Higher Education (FY 2016-17).		
Future Year Impacts: Ongoing increase in state expenditures and workload.		

Note: This fiscal note is provided pursuant to Joint Rule 22 (b) (2) and reflects strike-below Amendment L.001.

Summary of Legislation

This bill outlines policies designed to increase employment opportunities for persons with intellectual and developmental disabilities (IDD). First, the bill specifies five agency partners — the Colorado Department of Labor and Employment (CDLE), the Department of Health Care Policy and Financing (HCPF), the Department of Education (CDE), the Department of Higher Education (DHE), and the Department of Human Services (DHS) — which must work together to identify employment and educational opportunities for persons with disabilities. Second, the bill creates the Employment First Core State Advisory Group (advisory group) within CDLE.

The bill requires all five agency partners to:

- develop practices that encourage competitive employment options for persons with IDD;
- participate in the advisory group's efforts to align policies, coordinate resources, and update delivery models to facilitate better employment outcomes for persons with IDD; and
- present the advisory group's report and recommendations at their annual presentation to the General Assembly.

The bill specifically requires CDLE to:

- promote partnerships with employers in order to reduce employment barriers;
- create a reimbursement code for providers under the Division of Vocational Rehabilitation for customized employment services for persons with significant disabilities;
- maintain Colorado's membership in a similarly focused federal program;
- serve as a liaison between the advisory group and the United States Department of Labor's Office of Disability Employment Policy; and
- provide meeting space, staff services, and equipment as necessary for the advisory group to carry out its duties.

Further, the bill requires HCPF to re-establish annual reporting of employment data related to individuals with IDD and to maintain Colorado's membership in an organization that facilitates collaboration between states focused on employment opportunities for persons with IDD.

The advisory group must contain between 17 and 21 members, with one member from each of the five agency partners, and must meet at least once per quarter. The advisory group must develop a strategic plan to expand competitive integrated employment outcomes for persons with disabilities, and in so doing, must consider relevant data, best practices, and gaps and barriers that contribute to the challenges facing persons with disabilities. They must make recommendations based on their findings. The advisory group sunsets on September 1, 2026.

Background

In October 2015, Colorado received approval for partnership with the United States Department of Labor's Employment First State Leadership Mentoring Program. Through this program, the core state advisory group was formed, with nine members from CDLE, the Division of Vocational Rehabilitation, and an external stakeholder group. The advisory group works on improving employment outcomes for persons with disabilities, focusing specifically on employer engagement and the transition of youth from school to the workforce. Through the mentoring program, the group receives technical assistance and subject matter expertise from the United States Department of Labor.

State Expenditures

This bill increases state expenditures by \$73,122 in FY 2016-17 and by \$308,970 in FY 2017-18. These costs are listed in Table 1 and discussed below.

Table 1. Expenditures Under SB16-077		
Cost Components	FY 2016-17	FY 2017-18
Department of Higher Education (DHE)	\$73,122	\$80,592
Personal Services	54,763	65,715
FTE	0.8 FTE	1.0 FTE
Operating Expenses and Capital Outlay Costs	5,653	950
Centrally Appropriated Costs*	12,706	13,927
Health Care Policy and Financing (HCPF)		\$228,378
Information Technology Services		228,378
TOTAL	\$73,122	\$308,970

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

Department of Higher Education (DHE). To serve on the advisory committee and to fulfill the duties required under the bill, the DHE requires an allocation of 1.0 FTE and a General Fund appropriation of \$80,592, prorated to \$73,122 and 0.8 FTE in FY 2016-17 to account for a September 1 start date. The bill requires the advisory group to be fully appointed by October 1, 2016.

Department of Health Care Policy and Financing (HCPF). HCPF requires \$228,838 in FY 2017-18 to make updates to its information technology systems, paid with 90 percent federal funds and 10 percent General Fund. These changes are to ensure HCPF's case management system, claims processing system, and data management system can accommodate the requirements of the bill, including tracking employment data for persons with IDD, transmitting data between systems, and analysis and reporting. The department requires 1,866 hours of information technology services at an average rate of \$122 per hour. The fiscal note assumes the department will apply for and receive the enhanced 90 percent federal matching rate for this project. If the request is denied, the fiscal note assumes that half the costs will be paid with General Fund and that the department will request additional appropriations through the annual budget process. Lastly, the increase in workload resulting from participation in the advisory group can be absorbed within existing appropriations.

Division of Vocational Rehabilitation. The bill may increase expenditures in the Division of Vocational Rehabilitation (DVR) within CDLE by an indeterminate amount. The creation of the reimbursement code for discovery process services requires updates to DVR's case management system, which requires information technology services. In addition, creation of the new billing code will likely increase the use of the discovery process which will increase overall program costs. Because a rate for these services and the number of individuals likely to request them has not been determined, the fiscal impact has not been estimated.

Other agencies. The bill will increase workload within CDE and DHS, as the departments must appoint someone to serve on the advisory group. The increase is expected to be minimal and can be absorbed within existing 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. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Table 2. Centrally Appropriated Costs Under SB16-077		
Cost Components	FY 2016-17	FY 2017-18
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$8,020	\$8,039
Supplemental Employee Retirement Payments	4,686	5,888
TOTAL	\$12,706	\$13,927

Effective Date

The bill takes effect July 1, 2016.

State Appropriations

In FY 2016-17, the bill requires an appropriation of \$73,122 General Fund and an allocation of 0.8 FTE to the Department of Higher Education.

Departmental Difference

According to CDLE, the bill increases costs by \$218,551 and 3.0 FTE per year. The department estimate assumes that the advisory group requires additional staff to support its expanded focus and membership. The fiscal note does not include costs for these staff, because the current core state advisory group, which will be reconstituted as the advisory group named in this bill, already contains six members from CDLE. The fiscal note assumes that these existing staff will be able to accomplish the duties required under the bill. If workload warrants additional appropriations, the fiscal note assumes this can be adjusted through the annual budget process.

State and Local Government Contacts

Education
Human Services

Health Care Policy and Financing
Information Technology

Higher Education
Labor