

**STATE
FISCAL IMPACT**

Drafting Number: LLS 13-0925
Prime Sponsor(s): Sen. Steadman
 Rep. Gerou

Date: April 24, 2013
Bill Status: Senate Finance
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TITLE: CONCERNING THE DISABILITY INVESTIGATIONAL AND PILOT SUPPORT FUND.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue Cash Funds Disability Investigational and Pilot Support Fund	Potential increase. See State Revenue section.	
State Transfers or Diversions Transfer from the Coordinated Care for People With Disabilities Fund to the General Fund Transfer from the Breast and Cervical Cancer Prevention and Treatment Fund to the Coordinated Care for People With Disabilities Fund to the Disability Investigational and Pilot Support Fund	at least \$1.1 million up to 82,000	 up to \$82,000 up to 82,000
State Expenditures Cash Funds Disability Investigational and Pilot Support Fund Coordinated Care for People With Disabilities Fund Various Cash Funds for Indirect Cost Recoveries*	up to \$82,000 (165,392) 1,743	up to \$82,000 (165,392) 1,743
FTE Position Change	(1.0 FTE)	(1.0 FTE)
Effective Date: August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2013-2014: See State Appropriations section.		
Local Government Impact: None.		

* See the State Appropriations section for affected cash funds.

Summary of Legislation

This bill moves the Coordinated Care for People With Disabilities (CCPWD) Fund from the Department of Health Care Policy and Financing (HCPF) and renames it the Disability Investigational and Pilot Support (DIPS) Fund within the Department of Personnel and Administration (DPA). The new fund is to consist of moneys appropriated by the General Assembly

or received as gifts, grants, or donations. Under current law, interest or income earnings from the Breast and Cervical Cancer Prevention and Treatment (BCCPT) Fund are credited to the CCPWD Fund. The bill relocates these earnings to the DIPS Fund.

The DIPS Fund will be managed by the renamed Disability-Benefit Support Contract Committee (committee), which was established under House Bill 11-1216 but has not yet been implemented. The bill expands the committee to 13 members from the 9 members authorized under current law. The committee is directed to use the DIPS Fund to make grants and loans to study or pilot programs in support of persons with disabilities. In order to be eligible for a grant or loan, a project or program must demonstrate the capacity to become self-sustaining or have a governing body composed primarily of persons with disabilities or their family members.

Finally, the bill removes the statutory authority of HCPF to operate the pilot program for coordinated care for people with a disability. This program was established in 2006 and ceased operations as of December 31, 2012.

Background

HB11-1216 established a seven-member License Plate Auction Group within the Governor's Office to market and manage the sale of uniquely valuable license plate numbers. The group is responsible for identifying popular registration numbers and selling the rights to use these registration numbers. A portion of these moneys is to be credited to the Disability-Benefit Support (DBS) Fund, which will be managed by the committee. The committee is expected to be implemented in FY 2013-14. Under HB11-1216, the committee will use moneys from the DBS Fund to award contracts to nonprofit organizations that assist disabled persons with obtaining benefits. This group will also be responsible for meeting the contracting requirements of SB13-276.

State Revenue

Revenue credited to the DIPS Fund may increase if gifts, grants, and donations are received. As of this writing, no funding sources have been identified and the fiscal note assumes that any increase will be minimal.

State Transfers

This bill requires a one-time transfer from the CCPWD to the General Fund and changes the funding source for ongoing transfers from the BCCPT Fund.

One-time transfer to the General Fund. Under current law, if the CCPWD Fund is repealed, its fund balance is required be transferred to the General Fund. Senate Bill 13-276 repeals the CCPWD Fund, but does not specify that these moneys be transferred to the DIPS Fund. As of April 2013, the fund balance in the CCPWD Fund is \$1.1 million. As additional interest may be

credited to the CCPWD Fund between April 2013 and August 2013 when the bill takes effect and there are no program costs being expended from the account as of December 2012, the fiscal note assumes the transfer to the General Fund will be at least \$1.1 million.

Ongoing transfers. Under current law, interest earnings of the BCCPT Fund are credited to the CCPWD. Because the BCCPT Fund balance has been declining, interest earnings have also decreased over time. In FY 2012-13, interest earnings were about \$82,000. Senate Bill 13-276 provides that interest earnings be credited to the relocated DIPS Fund instead of the CCPWD. Based on current earnings, the ongoing transfer is assumed to be up to \$82,000 per year.

State Expenditures

Overall, this bill reduces state expenditures by about \$82,000 and 1.0 FTE per year, beginning in FY 2013-14.

Repeal of pilot program. The bill repeals the pilot program for coordinated care for people with a disability, reducing expenditures for HCPF by \$165,392, including \$82,696 cash funds from the CCWPD Fund and \$82,696 federal funds, and 1.0 FTE. However, a portion of this amount (\$1,743) is offset by the requirement to refinance the indirect cost recoveries assessed to various cash funds within HCPF. Affected cash funds are shown in the State Appropriations section.

Contracting. The DPA is directed to support the Disability-Benefit Support Contract Committee with meeting its contracting requirements under SB13-276. The fiscal note assumes that up to five contracts may be awarded per year, totaling up to \$82,000. DPA can accomplish the increase in workload within existing appropriations. Should contracting increase beyond the assumed level, or if contracts involve multiple subgrantees, additional appropriations will be required and can be requested through the annual budget process.

State Appropriations

For FY 2013-14, DPA requires spending authority for \$82,000 from the DIPS Fund.

HPCF requires a reduction of \$163,649 and 1.0 FTE in FY 2013-14. Of this amount, \$82,969 is reduced from the CCWPD Fund and \$82,969 is reduced from federal funds. Indirect cost assessments should be increased as follows: \$202 from the Children's Basic Health Plan Trust; \$1,402 from the Hospital Provider Fee Cash Fund; \$48 from the Medicaid Nursing Facility Cash Fund; \$20 from the Breast and Cervical Cancer Prevention and Treatment Fund; \$26 from the Colorado Autism Treatment Fund; and \$45 from the Primary Care Fund.

Departments Contacted

Health Care Policy and Financing

Personnel and Administration