

Final
STAFF SUMMARY OF MEETING

VOCATIONAL REHABILITATION SERVICES FOR THE BLIND

Date:	10/28/2015	ATTENDANCE
Time:	01:05 PM to 02:55 PM	Aguilar X
		Lundberg *
Place:	HCR 0112	Primavera X
		Windholz X
This Meeting was called to order by		Balmer E
<u>Representative Danielson</u>		Danielson X

This Report was prepared by
Katie Ruedebusch

X = Present, E = Excused, A = Absent, * = Present after roll call

Bills Addressed:	Action Taken:
Introductory Remarks	Witness Testimony and/or Committee Discussion Only
Presentation by CDLE	Witness Testimony and/or Committee Discussion Only
Committee Discussion and Approval of Bill Requests	Recommendation(s) Approved

01:05 PM -- Introductory Remarks

Representative Danielson, chair, called the meeting to order. A quorum was present. Representative Danielson introduced the agenda and discussed the bill approval process.

01:07 PM -- Presentation by CDLE

Ms. Ellen Golombek, Executive Director of the Colorado Department of Labor and Employment (CDLE), came to the table to discuss the transition of vocational rehabilitation services from the Colorado Department of Human Services (DHS) to CDLE. She described the stakeholder outreach conducted by DHS and CDLE. She noted that the two things CDLE heard throughout the stakeholder process were issues related to services offered for persons who are blind/visually impaired and youth transition services. She provided the committee with the a stakeholder process report prepared by CDLE (Attachment A). She stated that the new director of the Division of Vocational Rehabilitation (DVR) within CDLE will report directly to CDLE's executive director starting July 1, 2016. She discussed the how the services for persons who are blind and visually impaired will be delivered under CDLE. She answered a committee question regarding mental health community representation at stakeholder outreach meetings. She thanked the committee and the stakeholders for their participation.

Ms. Golombek continued by discussing the draft bills in front of the committee for approval. She noted that CDLE has no concerns or positions on Bill 2 and 3. Regarding Bill 1, she stated that CDLE would prefer to go through the transition process completely before statutory requirements are changed. She noted that CDLE believes that Bill 1 is not necessary and it sets a precedent for populations to request separate services. She responded to committee questions regarding the proposed technical resource center in Bill 1 and stated that CDLE will make every attempt to create a technical resource center for the blind within DVR. She noted that the stakeholders representing persons who are blind and visually impaired will keep CDLE accountable and that CDLE is required to report the Joint Budget Committee quarterly on the transition.

01:30 PM -- Committee Discussion and Approval of Bill Requests

Mr. Bill Zepernick, Legislative Council Staff, came to the table to discuss the interim committee fiscal note process.

Ms. Jane Ritter, Office of Legislative Legal Services, came to the table to summarize Bill 1 (Attachment D-0). The committee also received a fiscal note (Attachment C). Bill 1 creates a new separate division within the CDLE to provide specialized vocational rehabilitative services to blind or visually impaired persons whom meet the criteria. It also creates a new technical resource center for providing information, training, and access to the most current technology and mobility options for persons who are blind or visually impaired. She stated that Bill 1 does not bring the Business Enterprise Program (BEP) into the separate unit proposed under the bill.

Mr. Scott LaBarre, representing National Federation of the Blind (NFB) of Colorado, came to the table to testify regarding Bill 1. He thanked the committee for their work and the CDLE team for their work during the transition. He noted that he agrees with Director Golombek that the CDLE process is moving more quickly than the proposal in Bill 1. He stated that statutory changes create permanency and that his organization is willing to work with CDLE before requiring statutory changes. He noted his concerns with the Older Individuals Who Are Blind Program staying within DHS. He answered questions regarding the technical resource center proposed in Bill 1 and stated there should be a priority placed on accessible technology.

The committee withdrew Bill 1 from consideration.

01:55 PM

Ms. Christy Chase, Office of Legislative Legal Services, came to the table to discuss Bill 2 (Attachment F-0). Bill 2 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. In response to committee questions, she noted that the bill cannot affect current contracts.

Mr. Bill Zepernick, Legislative Council Staff, came to the table to answer questions regarding the fiscal note (Attachment E) for Bill 2. He noted that the costs in the fiscal note result from additional demand for BEP program services.

Ms. Lauren Schreier, Legislative Council Staff, came to the table to answer questions regarding the fiscal note for Bill 2. She noted that the fiscal note reflects the addition of 10 potential applicants to the BEP program. She stated that originally CDLE requested 5 FTE and through the process reduced the number of FTE required. In response to committee questions, she stated that staffing can also be addressed through the budgetary process.

Mr. Kevan Worley, representing the Licensed Blind Entrepreneurs of Colorado and Worley Enterprises, came to the table to testify regarding Bill 2. He discussed his personal experience with the BEP. He believes the bill takes a gradual approach to expanding the BEP in Colorado. He noted there are 18 blind vendors in Colorado and 5 vendors currently in training.

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BILL:	Committee Discussion and Approval of Bill Requests	
TIME:	02:18:58 PM	
MOVED:	Primavera	
MOTION:	Adopt "no appropriation clause" amendment (Attachment F). The motion passed without objection.	
SECONDED:	Windholz	
		VOTE
	Aguilar	
	Lundberg	
	Primavera	
	Windholz	
	Balmer	Excused
	Danielson	
	YES: 0 NO: 0 EXC: 1 ABS: 0 FINAL ACTION: Pass Without Objection	

BILL:	Committee Discussion and Approval of Bill Requests	
TIME:	02:20:31 PM	
MOVED:	Primavera	
MOTION:	Refer Bill 2, as amended, to the Committee on Legislative Council. The motion passed on a vote of 5-0.	
SECONDED:	Aguilar	
		VOTE
	Aguilar	Yes
	Lundberg	Yes
	Primavera	Yes
	Windholz	Yes
	Balmer	Excused
	Danielson	Yes
Final YES: 5 NO: 0 EXC: 1 ABS: 0 FINAL ACTION: PASS		

The committee assigned sponsors and gave the bill drafters permission to make technical changes to the bill before it is presented to the Legislative Council. The bill will start in the House of Representatives (House), with Representatives Primavera sponsoring Bill 2 in the House and Senator Lundberg sponsoring Bill 2 in the Senate. Representative Windholz and Senator Aguilar requested to be co-sponsors.

02:23 PM

Ms. Chase, Office of Legislative Legal Services, returned to the table to discuss Bill 3 (Attachment G). Bill 3 creates two income tax credits for taxpayers who hire person with developmental disabilities and persons who are blind or visually impaired. The first tax credit is a tax credit for employee wages equal to 50 percent of the gross wages of a qualifying employee in the first three months of continuous employment, and 30 percent of the gross wages of a qualifying employee in the next nine months of continuous employment. The second tax credit is a tax credit for software and hardware costs equal to the share of the cost of the maintenance, repair, or upgrade of software or hardware that assists a qualifying employee in performing his or her job. The software and hardware tax credit employs sliding scale for each year of employment. Both credits are non-refundable and are available for three years, beginning in tax year 2016. The credits are limited to a taxpayer’s income taxability and the amount of a credit in excess of liability may be carried forward for up to five years.

Mr. Bill Zepernick , Legislative Council Staff, came to the table to discuss the fiscal note for Bill 3 (Attachment H). The committee discussed a similar tax credit that existed earlier in statute. Mr. Zepernick noted that the previous tax credit had a trigger and never took effect. He stated that the credit in Bill 3 has no trigger and would take effect immediately.

Ms. Kate Watkins, Legislative Council Staff, came to the table to answer additional committee questions regarding the fiscal note. She noted that the figures for the number of persons who are blind and developmentally disabled were based on data from the United States Census Bureau. She stated that if the bill was amended to limit the tax credit to employers who employ DVR clients, the fiscal impact would be reduced. Committee discussion ensued.

Ms. Chase, Office of Legislative Legal Services, returned to the table to answer questions regarding the amendment process.

Mr. LaBarre, representing the NFB of Colorado, returned to the table to support the bill. He noted that he disagrees with the fiscal analysis of the bill, but that he agrees with tying the tax credit to referred DVR clients. He also stated that he believes the technology accommodation tax credit in the bill is innovative and critical.

Mr. Worley, representing the Licensed Blind Entrepreneurs of Colorado and Worley Enterprises, returned to the table to support the bill. He fully supports the technology accommodation tax credit in Bill 3.

BILL:	Committee Discussion and Approval of Bill Requests	
TIME:	02:48:28 PM	
MOVED:	Primavera	
MOTION:	Adopt conceptual amendment to add the language "eligible client of DVR and referred for employment" to page 4, line 19. The motion passed without objection.	
SECONDED:	Windholz	
		VOTE
	Aguilar	
	Lundberg	
	Primavera	
	Windholz	
	Balmer	Excused
	Danielson	
YES: 0 NO: 0 EXC: 1 ABS: 0 FINAL ACTION: Pass Without Objection		

BILL:	Committee Discussion and Approval of Bill Requests	
TIME:	02:49:23 PM	
MOVED:	Primavera	
MOTION:	Refer Bill 3, as amended, to the Committee on Legislative Council. The motion passed on a vote of 4-1.	
SECONDED:	Danielson	
		VOTE
	Aguilar	Yes
	Lundberg	No
	Primavera	Yes
	Windholz	Yes
	Balmer	Excused
	Danielson	Yes
Final YES: 4 NO: 1 EXC: 1 ABS: 0 FINAL ACTION: PASS		

The committee assigned sponsors and gave the bill drafters permission to make technical changes to the bill before it is presented to the Legislative Council. The bill will start in the House with Representative Windholz sponsoring Bill 3 in the House and Senator Aguilar sponsoring Bill 3 in the Senate. Representatives Danielson and Primavera requested to be co-sponsors.

02:50 PM

Mr. Bill Zepernick, Legislative Council Staff, returned to the table to discuss a letter request from the committee (Attachment I). The letter is addressed to the House and Senate Business Committees, the House and Senate Health Committees, and the JBC to encourage the committees to examine the issues listed in the letter as part of their annual oversight hearings under the State Measurements for Accountable, Responsive and Transparent (SMART) Government Act and during any additional hearings held concerning the upcoming transfer of DVR to CDLE pursuant to Senate Bill 15-239. The committee unanimously approved sending the letter to the committees listed above.

Representative Danielson thanked the committee and stakeholders.

02:55 PM

The committee adjourned.



Colorado Department of Labor and Employment



Division of Vocational Rehabilitation

STAKEHOLDER ENGAGEMENT AUGUST - OCTOBER 2015
OUTCOMES AND OPPORTUNITIES



COLORADO
Department of
Labor and Employment



COLORADO
Office of Community
Access & Independence
Division of Vocational Rehabilitation

In getting more persons with disabilities into individualized, integrated employment, there is an opportunity to do even more by placing these vocational rehabilitation programs within the department of labor and employment, where employment, training, and skill development and connecting available workers and employers are primary areas of focus for the entire department...

SB15-239

OVERVIEW

On Friday, May 8, 2015, Governor John Hickenlooper signed SB15-239 transferring the Division of Vocational Rehabilitation (DVR) to the Colorado Department of Labor and Employment (CDLE) no later than July 1, 2016. The transfer of DVR will be accomplished in two phases through two separate pieces of legislation. The first phase transfers DVR staff and programs to CDLE and the second phase, through a bill that will be introduced in the 2016 legislative session, will address program administration, alignment of services and compliance with state and federal rules and regulations and other potential outstanding items.

SB15-239 directed CDLE to “engage, involve and seek the advice of DVR’s many interested stakeholders, including the state rehabilitation council, in developing detailed programmatic and budget recommendations and plans for a smooth and effective transfer of vocational rehabilitation programs and functions to the department of labor and employment.”

STAKEHOLDER OUTREACH GOALS:

- Engage stakeholders with an open, honest and transparent approach and commitment to building a strong foundation within DVR as it moves to CDLE.
- Create a strategy that includes as many advocates, service providers, staff and clients as possible.
- Provide multiple opportunities and methods for input.
- Establish trusted relationships with stakeholders for an ongoing dialogue on potential improvements, modifications, corrections, etc. to DVR even after the July, 2016 transfer is completed.

TIMELINE

July 22nd Stakeholder Outreach Steering Committee created

Aug 4th First stakeholder meeting held at Atlantis Community Independent Living Center

Sept 21st First report to Joint Budget Committee, including update on stakeholder outreach

Oct 21st Outreach wrap-up reception

OUTCOMES

More than 200 DVR stakeholders including clients, vendors, staff and advocates attended a total of 10 in-person meetings across Colorado. Additionally, an electronic (and fully accessible) feedback form was created and deployed to capture feedback from stakeholders who were unable to attend an in-person meeting.

From Ft. Collins to Pueblo and Sterling to Grand Junction, while we did hear of some issues unique to rural Colorado and some of our smaller communities, there were a number of issues and themes that were fairly consistent.

We identified six main areas for improvement as result of our stakeholder feedback:

1) Training

- How are we training our staff and what are some ways we can add to their skillset?
- Better knowledge of applicable regulations, assistive technology were just a couple of the areas identified.
- Understanding federal funding intricacies, including School to Work Alliance Program (SWAP) and "110 funds"

2) Wait times

- Lengthy wait-times for services

3) Youth transition services

- Not offered early enough (in high school for example)
- Inadequate skills training for entering the workforce

4) Blind services

- Possible independent blind services program and/or stakeholder input process
- And, vendor programs generally and Blind Enterprise Program (BEP) in particular

5) Alignment between DVR field offices and workforce centers

- Disparity in services and attention to Coloradans with disabilities through DVR vs. Workforce Centers

6) Independent Living Centers and where they fit in the overall transition

"While some common themes emerged, we also heard feedback unique to certain parts of our state. Our meeting in Sterling identified issues unique to rural Colorado and also highlighted the success of rural partnerships at the local level between education, workforce centers and DVR field offices."

Ellen Golombek, Executive Director, CDLE

OPPORTUNITIES

While addressing all of the themes presented in our stakeholder outreach is the ultimate goal, we identified three key areas that we will begin addressing first as we move toward Phase II of the merger.

KEY AREAS FOR IMPROVEMENT:

Youth Transition Services

We commit to a identifying a better way to align DVR resources to ensure delivery of transition services that are more focused, provide the best leverage of DVR and Colorado Department of Education (CDE) resources associated with the School to Work Alliance Program (SWAP) and are fully compliant with the 15% set-aside mandated in Workforce Innovation and Opportunity Act (WIOA). We expect this alignment to be in the form of a youth transition unit, reporting to the DVR director and implemented by January 2016.

Blind Services

In parallel with the Interim Committee on Vocational Rehabilitation Services for the Blind, and utilizing input from both stakeholder meetings and the committee hearings, the DVR and CDLE management team will align DVR resources to provide a dedicated services organization better structured to address the issues related to training of counselors, use of vendors, applications of assistive technologies, reduction of wait times . . . and ultimately, better service to those with blindness. This organization will be a new unit within DVR, reporting to the DVR director and is targeted for start-up in January 2016, with full implementation to be completed by the end of the first quarter of 2016.

Continuous Stakeholder Engagement

As required in SB15-239, and in alignment with CDLE's ongoing stakeholder engagement effort in place by every division within the department, CDLE and DVR will hold quarterly stakeholder meetings, with sub-stakeholder groups focused on specific client population needs. We will post meeting feedback and outcomes on our website and include as SMART goals and outcomes in CDLE's Strategic Plan.

As important as the feedback itself, is the follow up - and follow through - as a result of stakeholder engagement. Our commitment to our stakeholders as we progress on the merger path is to share plans for improvement and continue to gather feedback throughout each phase.

Training

Training for both staff and vendors was a consistent theme at nearly every stakeholder meeting. In addition to training DVR managers and supervisors through CDLE's current Leadership Development Program, CDLE and DVR will partner to inventory and assess training needs and areas for growth, create training plans and develop performance outcomes based on increased knowledge.

Process Review and Streamlining

CDLE actively utilizes the Lean process improvement methodology and we will identify opportunities and implement strategies to "Lean" DVRs processes where possible.

Contacts and more information

Cher Haavind
Director of Government, Policy
and Public Relations
Colorado Department of Labor
and Employment
cher.haavind@state.co.us
303-318-8003

Patrick Teegarden
Director of Policy and Legislation
Colorado Department of Labor
and Employment
patrick.teegarden@state.co.us
303-318-8019

Steve Anton
Interim Director
Division of Vocational Rehabilitation
steve.anton@state.co.us
303-866-4889

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

DRAFT
10.14.15

BILL 1

LLS NO. 16-0303.01 Jane Ritter x4342

INTERIM COMMITTEE BILL

**Interim Committee to Study Vocational Rehabilitative
Services for the Blind**

BILL TOPIC: "Vocational Services Blind Visually Impaired"

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF THE DIVISION OF VOCATIONAL**
102 **REHABILITATION SERVICES FOR THE BLIND AND VISUALLY**
103 **IMPAIRED.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billssummaries>.)

Interim Committee to Study Vocational Rehabilitative Services for the Blind. The bill establishes a separate division (division) within the department of labor and employment (department) to provide specialized vocational rehabilitation services (services) to persons who

*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

are eligible for vocational rehabilitation services and who are also blind or visually impaired. The division has full responsibility for providing services to persons who are blind or visually impaired, hiring and training counselors to focus on the unique needs of the population the division serves, creating and operating an up-to-date technical resource center, overseeing the duties and functions relating to home teaching of and teachers for the adult blind, and preparing and overseeing an annual budget for the division. Counselors in the division shall complete comprehensive assessments and eligibility determinations and develop individualized rehabilitation goals based on an individual's strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.

The department is instructed to hire a director for the division and work with the director to prepare a transition plan for the transfer of the duties and functions related to services for the blind and visually impaired from the department to the division.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **repeal and reenact,**
3 **with amendments,** 8-84-101 as follows:

4 **8-84-101. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE
5 CONTEXT OTHERWISE REQUIRES:

6 (1) "DEPARTMENT" MEANS THE DEPARTMENT OF LABOR AND
7 EMPLOYMENT CREATED IN SECTION 24-1-121, C.R.S.

8 (2) "DIRECTOR" MEANS THE DIRECTOR OF THE DIVISION FOR THE
9 BLIND AND VISUALLY IMPAIRED.

10 (3) "DIVISION FOR THE BLIND AND VISUALLY IMPAIRED" MEANS
11 THE DIVISION OF VOCATIONAL REHABILITATION SERVICES FOR THE BLIND
12 AND VISUALLY IMPAIRED ESTABLISHED PURSUANT TO SECTION 8-84-301.

13 (4) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF
14 THE DEPARTMENT.

15 (5) "PERSON WHO IS BLIND OR VISUALLY IMPAIRED" MEANS A
16 PERSON WHO HAS NOT MORE THAN 20/200 CENTRAL VISUAL ACUITY IN THE

1 BETTER EYE WITH CORRECTING LENSES OR AN EQUALLY DISABLING LOSS
2 OF THE VISUAL FIELD AS EVIDENCED BY A LIMITATION TO THE FIELD OF
3 VISION IN THE BETTER EYE TO SUCH A DEGREE THAT ITS WIDEST DIAMETER
4 SUBTENDS AN ANGLE OF NO GREATER THAN TWENTY DEGREES.

5 (6) "PERSON WITH A DISABILITY" MEANS A PERSON WHO HAS A
6 PHYSICAL OR MENTAL IMPAIRMENT THAT CONSTITUTES OR RESULTS IN A
7 SUBSTANTIAL IMPEDIMENT TO EMPLOYMENT AND WHO CAN BENEFIT IN
8 TERMS OF AN EMPLOYMENT OUTCOME FROM THE PROVISION OF
9 VOCATIONAL REHABILITATION SERVICES. A "PERSON WITH A DISABILITY"
10 INCLUDES, BUT IS NOT LIMITED TO, A "PERSON WHO IS BLIND OR VISUALLY
11 IMPAIRED".

12 (7) "RESOURCE CENTER" MEANS THE TECHNICAL RESOURCE
13 CENTER FOR THE BLIND AND VISUALLY IMPAIRED THAT IS CREATED,
14 MANAGED, AND OPERATED BY THE DIVISION FOR THE BLIND AND VISUALLY
15 IMPAIRED PURSUANT TO SECTION 8-84-303.

16 (8) "VOCATIONAL REHABILITATION SERVICES" OR
17 "REHABILITATION SERVICES" MEANS THOSE SERVICES DESCRIBED IN
18 SECTION 103 OF THE FEDERAL "REHABILITATION ACT OF 1973", PUBLIC
19 LAW 93-112, AS AMENDED.

20 **SECTION 2.** In Colorado Revised Statutes, **amend** 8-84-102 as
21 follows:

22 **8-84-102. Rehabilitation programs.** In carrying out the
23 provisions of this article, the department shall coordinate and strengthen
24 the programs of rehabilitation for persons with disabilities, INCLUDING
25 PERSONS WHO ARE BLIND OR VISUALLY IMPAIRED, to the end that they may
26 attain or maintain their maximum potential in employment,
27 self-sufficiency, and independent living. THE DEPARTMENT SHALL WORK

1 COLLABORATIVELY AS NEEDED WITH THE DIVISION FOR THE BLIND AND
2 VISUALLY IMPAIRED FOR THE PROVISION OF SPECIALIZED VOCATIONAL
3 REHABILITATION SERVICES FOR PERSONS WHO ARE BLIND OR VISUALLY
4 IMPAIRED. Nothing in this article is to be construed as an eligibility-based
5 entitlement to a vocational rehabilitation service provided by the state.

6 **SECTION 3.** In Colorado Revised Statutes, **amend** 8-84-103 as
7 follows:

8 **8-84-103. Personnel.** Subject to the availability of duly
9 appropriated funds, the executive director of the department may appoint
10 necessary personnel to administer rehabilitation programs in accordance
11 with this article, INCLUDING THE APPOINTMENT OF THE DIRECTOR OF THE
12 DIVISION FOR THE BLIND AND VISUALLY IMPAIRED. THE DIRECTOR SHALL
13 APPOINT THE PERSONNEL WITHIN THE DIVISION FOR THE BLIND AND
14 VISUALLY IMPAIRED.

15 **SECTION 4.** In Colorado Revised Statutes, 8-84-104, **amend** (1)
16 introductory portion; **repeal** (1) (b) and (1) (d); and **add** (2) as follows:

17 **8-84-104. Functions of the department.** (1) EXCEPT AS
18 PROVIDED FOR IN SUBSECTION (2) OF THIS SECTION, the department shall
19 manage, control, and supervise all VOCATIONAL rehabilitation programs
20 provided in this article, including:

21 ~~(b) All duties and functions previously assigned to the division of~~
22 ~~rehabilitation for the blind;~~

23 ~~(d) All duties and functions relating to home teaching of and~~
24 ~~teachers for the adult blind vested in, exercised by, or imposed upon the~~
25 ~~department of human services or its predecessors prior to July 1, 1973,~~
26 ~~whether by law, rule, or regulation; and~~

27 (2) THE DEPARTMENT SHALL NOT MANAGE, CONTROL, OR

1 SUPERVISE ANY OF THE FUNCTIONS UNDER THE PURVIEW OF THE DIVISION
2 FOR THE BLIND AND VISUALLY IMPAIRED AS SET FORTH IN PART 3 OF THIS
3 ARTICLE. THE DEPARTMENT SHALL, HOWEVER, MAINTAIN AND PROVIDE
4 ADMINISTRATIVE OVERSIGHT OF THE DIVISION FOR THE BLIND AND
5 VISUALLY IMPAIRED, INCLUDING CONTRACTUAL MATTERS, CONTROL OF
6 FUNDS, AND OTHER GENERAL ADMINISTRATIVE FUNCTIONS.

7 **SECTION 5.** In Colorado Revised Statutes, 8-84-106, **amend** (1)
8 and (2) (a) introductory portion; and **repeal** (2) (f) as follows:

9 **8-84-106. Rehabilitation of persons with disabilities.**

10 (1) Except as otherwise provided by law, the department shall provide
11 VOCATIONAL rehabilitation services to persons with disabilities who the
12 department determines are eligible for the services. THE DIVISION FOR THE
13 BLIND AND VISUALLY IMPAIRED SHALL PROVIDE REHABILITATION SERVICES
14 TO THOSE PERSONS WHO ARE BLIND OR VISUALLY IMPAIRED AND WHO
15 COUNSELORS WITHIN THE DIVISION DETERMINE ARE ELIGIBLE FOR THOSE
16 SERVICES.

17 (2) The department shall:

18 (a) Cooperate with other departments, agencies, and institutions,
19 both public and private, INCLUDING THE DIVISION FOR THE BLIND AND
20 VISUALLY IMPAIRED, in:

21 (f) ~~Provide home teaching of and teachers for the adult blind, and~~

22 **SECTION 6.** In Colorado Revised Statutes, **amend** 8-84-107 as
23 follows:

24 **8-84-107. Cooperation with federal government - rules.** The
25 department shall cooperate with the federal government in carrying out
26 the purposes of any federal statutes pertaining to the purposes of this
27 article, including the licensing of ~~blind~~ persons WHO ARE BLIND OR

1 VISUALLY IMPAIRED to operate vending stands on federal property. The
2 department may adopt by rule methods of administration that are
3 reasonably required by the federal government for the proper and efficient
4 operation of the agreements with the federal government and to comply
5 with the conditions necessary to secure the full benefits of the federal
6 statutes.

7 **SECTION 7.** In Colorado Revised Statutes, 8-84-108, **amend** (1)
8 (b) and (2) (a); and **add** (1) (b.5), (2) (a.5), and (2) (c) as follows:

9 **8-84-108. Transfer of functions - transition plan - report.**

10 (1) (b) EXCEPT AS PROVIDED IN PARAGRAPH (b.5) OF THIS SUBSECTION
11 (1), by July 1, 2016, the department ~~of labor and employment~~ shall
12 execute, administer, perform, and enforce the rights, powers, duties,
13 functions, and obligations regarding vocational rehabilitation programs,
14 including the business enterprise program, that are transferred to the
15 department pursuant to this article.

16 (b.5) BY JULY 1, 2017, THE DIVISION FOR THE BLIND AND VISUALLY
17 IMPAIRED SHALL EXECUTE, ADMINISTER, AND PERFORM THE SEPARATE
18 DUTIES AND FUNCTIONS SET FORTH IN PART 3 OF THIS ARTICLE.

19 (2) (a) Starting on July 1, 2016, the department shall begin
20 working with partners, stakeholders, and respective staff from both
21 departments to transition vocational rehabilitation programs, including the
22 business enterprise program, from the department of human services to
23 the department of labor and employment. In addition to preparing and
24 presenting a detailed transition plan PLANS as required by paragraph
25 PARAGRAPHS (b) AND (c) of this subsection (2), starting in September
26 2015, the department shall present quarterly reports to the joint budget
27 committee on the status of the transition of vocational rehabilitation

1 programs, including the business enterprise program AND SEPARATE
2 SERVICES FOR THE BLIND AND VISUALLY IMPAIRED, from the department
3 of human services to the department of labor and employment AND TO
4 THE DIVISION FOR THE BLIND AND VISUALLY IMPAIRED.

5 (a.5) STARTING ON JANUARY 1, 2017, IN ACCORDANCE WITH THE
6 TRANSITION PLAN DEVELOPED PURSUANT TO PARAGRAPH (c) OF THIS
7 SUBSECTION (2), THE DEPARTMENT SHALL BEGIN TO TRANSITION
8 FUNCTIONS AND DUTIES RELATED TO VOCATIONAL REHABILITATION
9 SERVICES FOR THE BLIND AND VISUALLY IMPAIRED FROM THE
10 DEPARTMENT TO THE DIVISION FOR THE BLIND AND VISUALLY IMPAIRED.

11 (c) BY DECEMBER 1, 2016, THE DEPARTMENT, IN CONJUNCTION
12 WITH THE DIRECTOR OF THE DIVISION FOR THE BLIND AND VISUALLY
13 IMPAIRED APPOINTED PURSUANT TO SECTION 8-84-301, SHALL PREPARE A
14 DETAILED TRANSITION PLAN, INCLUDING BUDGETARY RECOMMENDATIONS,
15 FOR THE TRANSFER OF DUTIES AND FUNCTIONS SET FORTH IN SECTION
16 8-84-301 RELATED TO VOCATIONAL REHABILITATION SERVICES FOR THE
17 BLIND AND VISUALLY IMPAIRED TO THE DIVISION FOR THE BLIND AND
18 VISUALLY IMPAIRED. IN DEVELOPING THE TRANSITION PLAN, THE
19 DEPARTMENT AND THE DIRECTOR OF THE DIVISION FOR THE BLIND AND
20 VISUALLY IMPAIRED SHALL SEEK AND INCLUDE INPUT AND
21 RECOMMENDATIONS FROM AFFECTED INDIVIDUALS AND INTERESTED
22 STAKEHOLDERS.

23 **SECTION 8.** In Colorado Revised Statutes, **add** part 3 to article
24 84 of title 8 as follows:

25 PART 3

26 DIVISION OF VOCATIONAL REHABILITATION SERVICES

27 FOR THE BLIND AND VISUALLY IMPAIRED

1 **8-84-301. Established - duties and functions.** (1) (a) THE
2 DIVISION OF VOCATIONAL REHABILITATION SERVICES FOR THE BLIND AND
3 VISUALLY IMPAIRED, REFERRED TO IN THIS PART 3 AS "DIVISION", IS
4 ESTABLISHED IN THE DEPARTMENT. THE PURPOSE OF THE DIVISION IS TO
5 SERVE AS AN INDEPENDENT UNIT WITHIN THE DEPARTMENT THAT IS
6 DEDICATED TO SERVING THE UNIQUE VOCATIONAL REHABILITATION NEEDS
7 OF PERSONS WHO ARE BLIND OR VISUALLY IMPAIRED. THOSE UNIQUE
8 NEEDS INCLUDE SPECIALIZED COUNSELING, PERSONAL ADJUSTMENT AND
9 VOCATIONAL TRAINING, SKILLS AND NEEDS ASSESSMENT, AND
10 INFORMATION ABOUT AND ACCESS TO THE MOST CURRENT TECHNOLOGY
11 AVAILABLE FOR PERSONS WHO ARE BLIND OR VISUALLY IMPAIRED.

12 (b) BY SEPTEMBER 1, 2016, THE DEPARTMENT SHALL HIRE A
13 DIRECTOR FOR THE DIVISION. PURSUANT TO SECTION 8-84-108 (2) (c), THE
14 DEPARTMENT SHALL WORK COLLABORATIVELY WITH THE DIRECTOR TO
15 ESTABLISH A TRANSITION PLAN, BUDGET, AND ADMINISTRATIVE
16 STRUCTURE FOR THE DIVISION NO LATER THAN DECEMBER 15, 2016. THE
17 DIVISION MUST BE OPERATIONAL BY JULY 1, 2017. PRIOR TO THE
18 COMPLETION OF THE TRANSITION, ELIGIBLE PERSONS WHO ARE BLIND OR
19 VISUALLY IMPAIRED MAY CONTINUE TO RECEIVE SERVICES THROUGH THE
20 DEPARTMENT PURSUANT TO PART 1 OF THIS ARTICLE.

21 (2) THE DIVISION HAS THE FOLLOWING DUTIES AND FUNCTIONS:

22 (a) TO PROVIDE REHABILITATION SERVICES TO PERSONS WHO ARE
23 BLIND OR VISUALLY IMPAIRED IN ACCORDANCE WITH SECTION 8-84-302;

24 (b) TO HIRE AND TRAIN COUNSELORS TO PROVIDE SPECIALIZED
25 VOCATIONAL REHABILITATION SERVICES TO PERSONS WHO ARE BLIND OR
26 VISUALLY IMPAIRED. THE TRAINING MUST INCLUDE EMPHASIS ON THE
27 UNIQUE NEEDS OF THE PERSONS SERVED BY THE DIVISION, SKILLS AND

1 NEEDS ASSESSMENTS, MOBILITY RESOURCES AND TRAINING, PERSONAL
2 ADJUSTMENT AND VOCATIONAL TRAINING, CURRENT TECHNOLOGY, AND
3 OTHER OPPORTUNITIES AVAILABLE TO PERSONS WHO ARE BLIND OR
4 VISUALLY IMPAIRED;

5 (c) TO OPERATE AND MANAGE THE RESOURCE CENTER CREATED IN
6 SECTION 8-84-303;

7 (d) TO OVERSEE THE DUTIES AND FUNCTIONS RELATING TO HOME
8 TEACHING OF AND TEACHERS FOR THE ADULT BLIND; AND

9 (e) TO PREPARE AN ANNUAL BUDGET FOR THE DIVISION FOR
10 SUBMISSION TO THE DEPARTMENT AND TO OVERSEE THE IMPLEMENTATION
11 OF SUCH BUDGET.

12 **8-84-302. Rehabilitation of persons who are blind or visually**
13 **impaired.** (1) EXCEPT AS OTHERWISE PROVIDED BY LAW, THE DIVISION
14 SHALL PROVIDE REHABILITATION SERVICES TO PERSONS WHO ARE BLIND
15 OR VISUALLY IMPAIRED AND WHO COUNSELORS WITHIN THE DIVISION HAVE
16 DETERMINED ARE ELIGIBLE FOR THE SERVICES.

17 (2) THE DIVISION AND COUNSELORS WITHIN THE DIVISION SHALL:

18 (a) COOPERATE WITH THE DEPARTMENT, OTHER DEPARTMENTS,
19 AGENCIES, SCHOOL DISTRICTS, THE REHABILITATION ADVISORY
20 COMMITTEE, THE STATEWIDE INDEPENDENT LIVING COUNCIL, AND OTHER
21 PUBLIC AND PRIVATE INSTITUTIONS IN:

22 (I) COLLABORATING WITH OTHER COUNSELORS TO DETERMINE THE
23 STRENGTHS AND NEEDS OF EACH INDIVIDUAL;

24 (II) PROVIDING THE SERVICES AUTHORIZED BY THIS ARTICLE TO
25 PERSONS WHO ARE BLIND OR VISUALLY IMPAIRED;

26 (III) STUDYING THE PROBLEMS INVOLVED IN PROVIDING THE
27 SERVICES; AND

1 (IV) ESTABLISHING, DEVELOPING, AND PROVIDING, IN
2 CONFORMITY WITH THE PURPOSES OF THIS PART 3, PROGRAMS, FACILITIES,
3 AND SERVICES THAT ARE NECESSARY;

4 (b) PROVIDE SERVICES AND TECHNICAL ASSISTANCE OR GUIDANCE
5 TO OTHER GOVERNMENT AGENCIES, INCLUDING REPRESENTATION ON
6 STATEWIDE AGENCIES FOR PERSONS WITH DISABILITIES, WITH RESPECT TO
7 THE NEEDS RELATED TO PERSONS WHO ARE BLIND OR VISUALLY IMPAIRED;
8 AND

9 (c) PROVIDE HOME TEACHING OF AND TEACHERS FOR THE ADULT
10 BLIND.

11 (3) (a) THE DIVISION SHALL PROVIDE VOCATIONAL
12 REHABILITATION SERVICES DIRECTLY OR THROUGH PUBLIC OR PRIVATE
13 INSTRUMENTALITIES FOR A PERSON WHO IS BLIND OR VISUALLY IMPAIRED
14 WHO:

15 (I) RESIDES IN THE STATE AT THE TIME HE OR SHE FILES AN
16 APPLICATION FOR THE SERVICES; AND

17 (II) (A) AFTER FULL INVESTIGATION, A COUNSELOR WITHIN THE
18 DIVISION DETERMINES CAN SATISFACTORILY ACHIEVE REHABILITATION; OR

19 (B) IS ELIGIBLE FOR VOCATIONAL REHABILITATION SERVICES
20 UNDER THE TERMS OF AN AGREEMENT WITH ANOTHER STATE OR THE
21 FEDERAL GOVERNMENT.

22 (b) THE DIVISION AND COUNSELORS WITHIN THE DIVISION SHALL:

23 (I) COMPLETE A COMPREHENSIVE ASSESSMENT AND WORK WITH
24 THE PERSON WHO IS BLIND OR VISUALLY IMPAIRED TO DEVELOP
25 REHABILITATION GOALS BASED ON THE PERSON'S STRENGTHS, RESOURCES,
26 PRIORITIES, CONCERNS, ABILITIES, CAPABILITIES, INTERESTS, AND
27 INFORMED CHOICE;

1 (II) AUTHORIZE THOSE SERVICES THAT ARE APPROPRIATE AND
2 NECESSARY TO ADDRESS THE REHABILITATION NEEDS OF THE PERSON WHO
3 IS BLIND OR VISUALLY IMPAIRED, BASED ON HIS OR HER DOCUMENTED
4 STRENGTHS AND CAPABILITIES, SO THAT HE OR SHE MIGHT ACHIEVE HIS OR
5 HER REHABILITATION GOALS;

6 (III) GIVE PREFERENCE TO COST-EFFECTIVE SERVICES PROVIDED
7 IN THE STATE OF COLORADO, BUT THE COUNSELOR, WITH DIRECTOR
8 APPROVAL, MAY AUTHORIZE PAYMENT FOR OUT-OF-STATE SERVICES ON A
9 CASE-BY-CASE BASIS. THE DIVISION SHALL NOT PAY FOR ANY SERVICES
10 PROVIDED OUTSIDE THE UNITED STATES.

11 (IV) ESTABLISH REASONABLE TIME FRAMES WITHIN EACH
12 REHABILITATION PLAN FOR INDIVIDUALS TO ATTAIN THE ESTABLISHED
13 REHABILITATION GOALS; AND

14 (V) CLOSE THE RECORD OF SERVICES IN A TIMELY MANNER AND IN
15 ACCORDANCE WITH FEDERAL GUIDELINES FOR A PERSON WHO IS BLIND OR
16 VISUALLY IMPAIRED WHO HAS ACHIEVED HIS OR HER REHABILITATION
17 GOALS.

18 (c) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
19 PARAGRAPH (c), THE DIVISION SHALL PROVIDE GOODS OR SERVICES TO A
20 PERSON WHO IS BLIND OR VISUALLY IMPAIRED ONLY TO THE EXTENT THAT
21 A COUNSELOR WITHIN THE DIVISION DETERMINES, IN ACCORDANCE WITH
22 PARAGRAPH (d) OF THIS SUBSECTION (3) AND DEPARTMENT RULES, THAT
23 THE PERSON WHO IS BLIND OR VISUALLY IMPAIRED REQUIRES FINANCIAL
24 ASSISTANCE.

25 (II) THE DIVISION SHALL PROVIDE THE FOLLOWING SERVICES AT
26 PUBLIC COST WITHOUT CONSIDERATION OF FINANCIAL NEED:

27 (A) DIAGNOSTIC AND RELATED ASSESSMENTS, INCLUDING

1 TRANSPORTATION NECESSARY TO OBTAIN THE ASSESSMENT, THAT ARE
2 REQUIRED TO DETERMINE ELIGIBILITY FOR SERVICES AND THE NATURE AND
3 SCOPE OF THE SERVICES TO BE PROVIDED;

4 (B) VOCATIONAL REHABILITATION GUIDANCE;

5 (C) REFERRAL;

6 (D) PERSONAL ASSISTANCE TRAINING;

7 (E) INTERPRETER SERVICES;

8 (F) JOB PLACEMENT; AND

9 (G) JOB RETENTION.

10 (d) (I) A COUNSELOR WITHIN THE DIVISION SHALL DETERMINE THE
11 NEED FOR FINANCIAL ASSISTANCE OF A PERSON WHO IS BLIND OR VISUALLY
12 IMPAIRED BASED ON THE PERSON'S NEED AND INCOME, OR THE INCOME OF
13 THE PERSON'S LEGALLY AND FINANCIALLY RESPONSIBLE RELATIVE. THE
14 COUNSELOR SHALL DETERMINE THE NEED FOR FINANCIAL ASSISTANCE FOR
15 A PERSON WHO IS BLIND OR VISUALLY IMPAIRED, OR FOR THE PERSON'S
16 LEGALLY AND FINANCIALLY RESPONSIBLE RELATIVE, PRIOR TO PROVIDING
17 VOCATIONAL REHABILITATION SERVICES, EXCEPT FOR DIAGNOSTIC,
18 GUIDANCE, JOB PLACEMENT, AND RELATED SERVICES. THE PERSON WHO
19 IS BLIND OR VISUALLY IMPAIRED, OR THE PERSON'S LEGALLY AND
20 FINANCIALLY RESPONSIBLE RELATIVE, SHALL CONTRIBUTE TOWARD THE
21 COST OF HIS OR HER VOCATIONAL REHABILITATION SERVICES TO THE
22 EXTENT THAT THE COUNSELOR DETERMINES THAT HE OR SHE IS
23 FINANCIALLY ABLE; EXCEPT THAT, IF THE PERSON WHO IS BLIND OR
24 VISUALLY IMPAIRED HAS BEEN DETERMINED ELIGIBLE FOR SOCIAL
25 SECURITY BENEFITS UNDER TITLE II OR XVI OF THE FEDERAL "SOCIAL
26 SECURITY ACT", 42 U.S.C. SEC. 301 ET SEQ., AS AMENDED, HE OR SHE IS
27 NOT REQUIRED TO FURTHER CONTRIBUTE TO THE COSTS OF ANY SERVICES

1 PROVIDED.

2 (II) AS USED IN THIS PARAGRAPH (d), A "PERSON'S LEGALLY AND
3 FINANCIALLY RESPONSIBLE RELATIVE" MEANS THE RELATIVE WHO
4 IDENTIFIES THE PERSON AS A DEPENDANT FOR FEDERAL INCOME TAX
5 PURPOSES.

6 (4) IF A COUNSELOR WITHIN THE DIVISION DETERMINES THAT ANY
7 GOODS OR SERVICES RECEIVED BY THE PERSON WHO IS BLIND OR VISUALLY
8 IMPAIRED WERE ACQUIRED THROUGH MISREPRESENTATION, FRAUD,
9 COLLUSION, OR CRIMINAL CONDUCT, THE DIRECTOR SHALL REPORT THE
10 FRAUDULENT ACTIVITY TO THE APPROPRIATE AGENCY FOR INVESTIGATION.
11 PAYMENT FOR THOSE GOODS AND SERVICES MAY BE RECOVERED BY THE
12 DIVISION FROM THE PERSON WHO IS BLIND OR VISUALLY IMPAIRED OR HIS
13 OR HER LEGALLY OR FINANCIALLY RESPONSIBLE RELATIVE.

14 **8-84-303. Technical resource center for the blind and visually**
15 **impaired.** THE DIVISION SHALL CREATE, MANAGE, AND OPERATE A
16 TECHNICAL RESOURCE CENTER FOR THE BLIND AND VISUALLY IMPAIRED.
17 THE RESOURCE CENTER SHALL PROVIDE INFORMATION, TRAINING, AND
18 ACCESS RELATED TO THE MOST CURRENT TECHNOLOGY AND MOBILITY
19 OPTIONS FOR PERSONS WHO ARE BLIND OR VISUALLY IMPAIRED.

20 **SECTION 9. Safety clause.** The general assembly hereby finds,
21 determines, and declares that this act is necessary for the immediate
22 preservation of the public peace, health, and safety.



Colorado
Legislative
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Bill 1

FISCAL NOTE

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

Drafting Number: LLS 16-0303
Prime Sponsor(s):

Date: October 23, 2015
Bill Status: Interim Committee to Study
Vocational Rehabilitative Services
for the Blind Bill Request

Fiscal Analyst: Lauren Schreier (303-866-3523)

BILL TOPIC: VOCATIONAL SERVICES FOR THE BLIND AND VISUALLY IMPAIRED

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
General Fund		
State Expenditures	\$906,877	\$701,412
General Fund	178,316	134,255
Federal Fund	658,846	496,052
Centrally Appropriated Costs	69,715	71,105
FTE Position Change	5.0 FTE	5.0 FTE
Appropriation Required: \$837,162 - Colorado Department of Labor and Employment (FY 2016-17)		
Future Year Impacts: Ongoing state expenditures.		

This fiscal note may be updated as more information is available.

Summary of Legislation

This bill, requested by the *Interim Committee to Study Vocational Rehabilitative Services for the Blind*, creates a new division within the Colorado Department of Labor and Employment (CDLE) to provide specialized vocational rehabilitative services to blind or visually impaired persons whom meet the criteria. It also creates a new technical resource center for providing information, training, and access to the most current technology and mobility options for persons who are blind or visually impaired.

The division will be responsible for providing services to blind or visually impaired persons through specialized counseling, personal adjustment and vocational training, skills and needs assessment, and information about and access to the most current technology available to persons who are blind or visually impaired.

By September 1, 2016, the CDLE must hire a division director. By December 15, 2016, the CDLE and the division director must create a transition plan and a corresponding budget and administrative plan for the division. The division will be responsible for:

- providing rehabilitative services to persons who are blind or visually impaired;
- hiring and training counselors to provide specialized vocational rehabilitation services to persons who are blind or visually impaired;
- operating and managing the resource center created in the bill;
- overseeing the duties and functions related to home teaching and teachers for the adult blind; and
- preparing an annual budget.

Background

Senate Bill 15-239 transferred the state's vocational rehabilitation programs from the Colorado Department of Human Services (DHS) to the Colorado Department of Labor and Employment (CDLE), beginning July 1, 2016. The bill specified the terms of the transfer and required the DHS and CDLE to prepare a detailed transition plan by December 1, 2015. In FY 2014-15, the Division of Vocational Rehabilitation received an appropriation of \$53.8 million and 231.2 FTE.

State Expenditures

The bill increases expenditures by approximately \$906,877 and 5.0 FTE in FY 2016-17 and \$701,412 and 5.0 FTE in FY 2017-18. These costs are paid from approximately 21 percent General Fund and 79 percent federal funds. The bill increases workload in the CDLE, as highlighted in Table 1, and discussed below.

In addition to these costs, the CDLE will shift a portion of program staff and funding from the Division of Vocational Rehabilitation to the new blind services division based on actual and expected caseloads. Caseloads will be identified during the transition and planning process.

Cost Components	FY 2016-17	FY 2017-18
Personal Services	\$344,657	\$344,657
FTE	5.0 FTE	5.0 FTE
Operating Expenses and Capital Outlay Costs	\$28,265	\$4,750
Information Technology Enhancements	\$214,240	\$30,900
Technology Resource Center	\$250,000	\$250,000
Centrally Appropriated Costs*	\$69,715	\$71,105
TOTAL	\$906,877	\$701,412

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

Staffing. In FY 2016-17 and future years, the bill increases staffing needs by \$344,657 and 5.0 FTE. The division will be required to hire a division director for the new division. Other staff will be required to supervise field staff across the state and oversee the program implementation and operations. The division will also require data specialists to assist with the development of the case management system and provide technical assistance to program staff utilizing the case management system.

Information technology enhancements. Starting in FY 2016-17, the bill requires \$214,240 to adapt the AWARE vocational case management system for the new division. In FY 2016-17, this cost includes 2,080 hours of information technology work at a rate of \$103 per hour. In FY 2017-18, this cost includes 300 hours of information technology work at a rate of \$103 per hour for ongoing maintenance.

Technology resource center. The bill requires the CDLE to create a technology resource center at a cost of \$250,000 in FY 2016-17 and each year thereafter. The technology resource center will be used to provide information, training, and access to the most current technology and mobility options for persons who are blind or visually impaired.

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 LLS 16-0303		
Cost Components	FY 2016-17	FY 2017-18
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$40,222	\$40,222
Supplemental Employee Retirement Payments	\$29,493	\$30,883
TOTAL	\$69,715	\$71,105

State Appropriations

In FY 2016-17, the bill requires an appropriation of \$837,162 and 5.0 FTE to the Colorado Department of Labor and Employment, including:

- \$178,316 General Fund; and
- \$658,846 federal funds.

Effective Date

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

State and Local Government Contacts

Human Services

Labor and Employment

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

DRAFT
10.13.15

BILL 2

LLS NO. 16-0301.01 Christy Chase x2008

INTERIM COMMITTEE BILL

Interim Committee to Study Vocational Rehabilitative
Services for the Blind

BILL TOPIC: "Expand Scope Business Enterprise Program"

A BILL FOR AN ACT

101 CONCERNING MODIFICATIONS TO THE BUSINESS ENTERPRISE PROGRAM
102 ADMINISTERED BY THE DIVISION OF VOCATIONAL
103 REHABILITATION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Interim Committee to Study Vocational Rehabilitative Services for the Blind. The business enterprise program administered by the division of vocational rehabilitation provides training, assistance, and priority to persons who are blind and who wish to operate vending

*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

facilities on state property. Under the current program, state property includes any building, land, or other real property owned, leased, or occupied by a department or agency of the state except property owned, leased, or occupied by a higher education institution or the board of commissioners of the Colorado state fair authority.

The bill removes the exception for property owned, leased, or occupied by higher education institutions or the state fair authority, thereby granting priority to persons who are blind and are licensed vendors to operate vending facilities on higher education and state fair authority properties.

Additionally, the bill expands the program to allow persons who are blind and determined qualified to operate other types of businesses on state property.

The bill also changes the criteria for determining when a vending facility or other business cannot be operated by a blind vendor to more closely follow the standard under federal law.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 8-84-202, **amend** (2)
3 and (3) as follows:

4 **8-84-202. Definitions.** As used in this part 2, unless the context
5 otherwise requires:

6 (2) "Satisfactory site" means an area determined by the
7 department of labor and employment to have sufficient space, electrical
8 and plumbing outlets, and other facilities as prescribed by department rule
9 for the location and operation of a vending facility OR OTHER BUSINESS
10 OPERATED BY A PERSON WHO IS BLIND.

11 (3) "State property" means any building, land, or other real
12 property owned, leased, or occupied by any department or agency of the
13 state of Colorado. ~~"State property" does not include any property owned,~~
14 ~~leased, or occupied by any institution of higher education, the Auraria~~
15 ~~higher education center established in article 70 of title 23, C.R.S., or the~~
16 ~~board of commissioners of the Colorado state fair authority.~~

1 **SECTION 2.** In Colorado Revised Statutes, **amend** 8-84-203 as
2 follows:

3 **8-84-203. Priority for persons who are blind - licensing.** The
4 department of labor and employment shall issue licenses to persons who
5 are blind and who are qualified to operate vending facilities, in
6 accordance with the criteria used for the licensing of operators of vending
7 facilities on federal property pursuant to section 8-84-107 and the federal
8 "Randolph-Sheppard Vending Stand Act", as amended. IN ADDITION, THE
9 DEPARTMENT MAY ISSUE LICENSES TO PERSONS WHO ARE BLIND AND WHO
10 ARE QUALIFIED TO OWN, OPERATE, OR OWN AND OPERATE A BUSINESS
11 OTHER THAN A VENDING FACILITY. In authorizing vending facilities OR
12 OTHER BUSINESSES on state property, the department shall give priority to
13 persons who are blind and who are licensed by the department in order to
14 enlarge the economic opportunities of persons who are blind by providing
15 remunerative employment and to stimulate persons who are blind to
16 greater efforts in striving to make themselves self-supporting.

17 **SECTION 3.** In Colorado Revised Statutes, **amend** 8-84-204 as
18 follows:

19 **8-84-204. Satisfactory sites for vending facilities - other**
20 **businesses operated by persons who are blind.** (1) (a) A department
21 or agency of the state of Colorado shall not construct, acquire by
22 ownership, rent, lease, or other means, or undertake to substantially alter
23 or renovate, in whole or in part, a building unless, after consultation with
24 the department of labor and employment, it is determined that the
25 building will include a satisfactory site or sites for the location and
26 operation of a vending facility by a person who is blind.

27 (b) BEFORE A STATE DEPARTMENT OR AGENCY CONSTRUCTS,

1 ACQUIRES, RENTS, LEASES, OR OTHERWISE UNDERTAKES TO ALTER OR
2 RENOVATE A STATE PROPERTY, THE STATE DEPARTMENT OR AGENCY
3 SHALL CONSULT WITH THE DEPARTMENT OF LABOR AND EMPLOYMENT TO
4 DETERMINE IF THE STATE PROPERTY CAN INCLUDE A SATISFACTORY SITE
5 FOR THE LOCATION AND OPERATION OF A BUSINESS, OTHER THAN A
6 VENDING FACILITY, THAT IS OWNED, OPERATED, OR OWNED AND OPERATED
7 BY A PERSON WHO IS BLIND.

8 (2) Each department or agency shall provide notice to the
9 department of labor and employment of its plans for the occupation,
10 acquisition, construction, alteration, or renovation of a building adequate
11 to permit the department of labor and employment to determine whether
12 the building includes a satisfactory site for a vending facility OR OTHER
13 BUSINESS THAT CAN BE OPERATED BY A PERSON WHO IS BLIND AND IS
14 LICENSED PURSUANT TO SECTION 8-84-203.

15 (3) This section does not apply when the department of labor and
16 employment determines that the number of people using the building will
17 be insufficient to support a vending facility OR OTHER BUSINESS.

18 (4) The department of labor and employment shall not be charged
19 for:

20 (a) The use of state-furnished space;

21 (b) Maintenance or janitorial services;

22 (c) Repair of the building structure in and adjacent to the vending
23 facility OR OTHER BUSINESS area, including any necessary initial and
24 periodical painting and decorating;

25 (d) Utilities required to operate vending facilities and vending
26 machines OR EQUIPMENT REQUIRED FOR OTHER BUSINESSES OPERATED BY
27 PERSONS WHO ARE BLIND; or

1 (e) Repairing and replacing floor coverings, cleaning windows, or
2 providing other related building services in accordance with the normal
3 level of building service applicable to the state building in which the
4 vending facility OR OTHER BUSINESS is located.

5 **SECTION 4.** In Colorado Revised Statutes, **amend 8-84-205** as
6 follows:

7 **8-84-205. Income from vending machines or other businesses.**

8 One hundred percent of all commission income from vending machines
9 OR OTHER BUSINESSES OPERATED ON STATE PROPERTY accrues to the
10 department, ~~of labor and employment~~, which shall disburse the income in
11 accordance with the rules of the department. The office of state planning
12 and budgeting shall notify the department of the location of all vending
13 machines OR OTHER BUSINESSES OPERATED ON STATE PROPERTY, and the
14 department shall collect and provide an accounting of income from these
15 vending machines OR OTHER BUSINESSES.

16 **SECTION 5.** In Colorado Revised Statutes, **amend 8-84-206** as
17 follows:

18 **8-84-206. Cooperation - locations - rules.** (1) The heads of all

19 state departments and agencies shall negotiate and cooperate in good faith
20 to accomplish the purposes of this article relating to vending facilities
21 AND OTHER BUSINESSES OPERATED BY PERSONS WHO ARE BLIND.

22 (2) If the department of ~~labor and employment~~ determines that the
23 operation of a vending facility ~~in a~~ OR OTHER BUSINESS ON state ~~building~~
24 PROPERTY by a person who is blind ~~is not feasible~~ WOULD ADVERSELY
25 AFFECT THE OPERATIONS OR FUNCTIONS OF THE STATE PROPERTY, the
26 office of state planning and budgeting may authorize another person to
27 operate the vending facility OR OTHER BUSINESS.

1 (3) When no person is immediately available on the premises for
2 the management of vending machines OR OTHER BUSINESSES, the
3 commission income from the machines shall be given to the department
4 of labor and employment in accordance with section 8-84-205.

5 (4) The department of labor and employment shall operate a
6 vending facility THE program AUTHORIZED BY THIS PART 2 in accordance
7 with its rules and in accordance with federal guidelines under the federal
8 "Randolph-Sheppard Vending Stand Act", as amended.

9 SECTION 6. In Colorado Revised Statutes, 8-84-208, amend (1)
10 as follows:

11 **8-84-208. Business enterprise program cash fund - creation.**

12 (1) There is hereby created in the state treasury the business enterprise
13 program cash fund, referred to in this article as the "fund", which consists
14 of moneys accruing to the department from assessments against the net
15 proceeds of each vending facility OR OTHER BUSINESS operator consistent
16 with this part 2, any income from vending machines on federal or state
17 property that accrues to the department, ANY INCOME FROM VENDING
18 MACHINES OR OTHER BUSINESSES ON STATE PROPERTY THAT ACCRUES TO
19 THE DEPARTMENT, and any federal moneys that may become available.
20 Any moneys currently attributed to the business enterprise program and
21 any reserves shall be transferred to this fund for future use consistent with
22 this part 2.

23 SECTION 7. Effective date. This act takes effect July 1, 2016.

24 SECTION 8. Safety clause. The general assembly hereby finds,
25 determines, and declares that this act is necessary for the immediate
26 preservation of the public peace, health, and safety.



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.

Table 1. Expenditures Under LLS 16-0301		
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.

Table 2. Centrally Appropriated Costs Under LLS 16-0301		
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

SECTION _. **No appropriation.** The general assembly has determined that this act can be implemented within existing appropriations, and therefore no separate appropriation of state moneys is necessary to carry out the purposes of this act.

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

DRAFT
10.13.15

BILL 3

LLS NO. 16-0302.01 Esther van Mourik x4215

INTERIM COMMITTEE BILL

Interim Committee to Study Vocational Rehabilitative Services for the Blind

BILL TOPIC: "Income Tax Credit Empl Of Persons With Disab"

A BILL FOR AN ACT

101 CONCERNING THE CREATION OF AN INCOME TAX CREDIT TO
102 INCENTIVIZE THE EMPLOYMENT OF PERSONS WITH DISABILITIES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Interim Committee to Study Vocational Rehabilitative Services for the Blind. The bill creates an income tax credit with 2 different incentives for employers in order to encourage the employment of persons with disabilities. First, it would provide a credit for a certain percentage

*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

of the qualified employee's gross wages for a limited period of time. Second, it would provide a 3-year credit for a portion of the annual costs the employer incurs for the maintenance, repair, or upgrade of assistive hardware or software technology that is specifically designed for use by the qualified employee in order for the qualified employee to perform his or her job.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) An estimated one million three hundred thousand people in the
5 United States are legally blind;

6 (b) Every year, seventy-five thousand people in the United States
7 will become blind or visually impaired;

8 (c) Studies show that over the next thirty years aging baby
9 boomers will double the current number of Americans who are blind or
10 visually impaired;

11 (d) A Gallup poll shows that blindness is the third most feared
12 physical condition in the country, surpassed only by fears of cancer and
13 AIDS;

14 (e) Most educational and employment opportunities are now and
15 will continue to be dependent on the blind individual's ability to access
16 and use a full range of computer and internet technology, but nonvisual
17 access to computer technology is an ever-increasing challenge;

18 (f) Among working-age adults who are blind, seventy percent
19 remain unemployed, despite the federal and state annual rehabilitation
20 expenditures of over one hundred fifty million dollars;

21 (g) The United States senate has, with bipartisan support,
22 introduced legislation to incentivize the transitioning of workers with

1 disabilities into integrated, meaningful employment and to phase out the
2 discriminatory practice of paying workers with disabilities as little as
3 pennies per hour;

4 (h) Despite the importance of nonvisual access to computer
5 technology and vocational rehabilitation services, many persons who are
6 blind still experience difficulties finding competitive employment;

7 (i) While many other persons with disabilities receive services
8 through medical and insurance systems in addition to vocational
9 rehabilitation services, often vocational rehabilitation services are the
10 only services that persons who are blind receive; and

11 (j) Given the important role vocational rehabilitation services and
12 employment opportunities provide to persons who are blind, it is
13 imperative that employers be open and willing to hire and retain these
14 individuals.

15 (2) The general assembly declares that the purpose of the tax
16 expenditure in this section is to incentivize the employment of people
17 with disabilities.

18 **SECTION 2.** In Colorado Revised Statutes, **amend** 39-22-530 as
19 follows:

20 **39-22-530. Credits for employers that hire persons with**
21 **disabilities - definitions - repeal.** (1) As used in this section, unless the
22 context otherwise requires:

23 ~~(a) "Designated county" means the counties of Adams, Arapahoe,~~
24 ~~El Paso, Jefferson, Logan, Montrose, and Morgan.~~

25 ~~(b)~~ (a) "Developmental disability" has the same meaning as
26 "intellectual and developmental disability" as set forth in section
27 25.5-10-202, C.R.S., and in the rules adopted by the department of health

1 care policy and financing pursuant to section 25.5-10-204 (2), C.R.S.

2 (b) "PERSON WHO IS BLIND" MEANS A PERSON WHO HAS NOT MORE
3 THAN 20/200 CENTRAL VISUAL ACUITY IN THE BETTER EYE WITH
4 CORRECTING LENSES OR AN EQUALLY DISABLING LOSS OF THE VISUAL
5 FIELD AS EVIDENCED BY A LIMITATION TO THE FIELD OF VISION IN THE
6 BETTER EYE TO SUCH A DEGREE THAT ITS WIDEST DIAMETER SUBTENDS AN
7 ANGLE OF NO GREATER THAN TWENTY DEGREES.

8 (c) "Person with a developmental disability" has the same
9 meaning as "person with an intellectual and developmental disability" as
10 set forth in section 25.5-10-202, C.R.S.

11 (d) "PERSON WITH VISUAL IMPAIRMENT" MEANS A PERSON WHO
12 HAS A VISUAL ACUITY OF 20/70 OR WORSE IN THE BETTER EYE WITH BEST
13 CORRECTION, OR A TOTAL FIELD LOSS OF ONE HUNDRED FORTY DEGREES,
14 AND WHOSE VISION CANNOT BE FULLY CORRECTED BY ORDINARY
15 PRESCRIPTION LENSES, MEDICAL TREATMENT, OR SURGERY.

16 ~~(d)~~ (e) "Qualified employee" means an employee first hired on or
17 after ~~January 1, 2009~~ JANUARY 1, 2016, BUT BEFORE JANUARY 1, 2019,
18 who is COMPENSATED IN ACCORDANCE WITH APPLICABLE MINIMUM WAGE
19 LAWS AND WHO IS EITHER:

20 (I) A person with a developmental disability;

21 ~~(II) Employed at a workplace located in a designated county; and~~
22 A PERSON WHO IS BLIND; OR

23 ~~(III) Compensated in accordance with applicable minimum wage~~
24 ~~laws~~ A PERSON WITH VISUAL IMPAIRMENT.

25 ~~(e)~~ (f) "Taxpayer" means an employer that deducts and withholds
26 amounts from the wages paid to a qualified employee pursuant to section
27 39-22-604 (3).

1 (2) (a) For the income tax years ~~beginning January 1, 2009,~~
2 ~~through January 1, 2011~~ COMMENCING ON OR AFTER JANUARY 1, 2016,
3 BUT BEFORE JANUARY 1, 2019, a credit against the tax imposed by this
4 article shall be allowed to a taxpayer who hires a qualified employee
5 during that period.

6 (b) The amount of the credit allowed by this ~~section~~ SUBSECTION
7 (2) is fifty percent of the amount of gross wages paid to a qualified
8 employee during the employee's first three months of continuous
9 employment and thirty percent of the amount of gross wages paid to a
10 qualified employee during the employee's subsequent nine months of
11 continuous employment. A TAXPAYER MAY CLAIM THE CREDIT ALLOWED
12 IN THIS SECTION FOR THE INCOME TAX YEAR IN WHICH THE GROSS WAGES
13 ON WHICH THE CREDIT IS BASED ARE PAID TO A QUALIFIED EMPLOYEE.

14 (3) (a) FOR THE INCOME TAX YEARS COMMENCING ON OR AFTER
15 JANUARY 1, 2016, BUT BEFORE JANUARY 1, 2019, A THREE-YEAR CREDIT
16 AGAINST THE TAX IMPOSED BY THIS ARTICLE IS ALLOWED TO A TAXPAYER
17 WHO HIRES AND RETAINS A QUALIFIED EMPLOYEE DURING THAT PERIOD
18 AND INCURS ANNUAL COSTS FOR THE MAINTENANCE, REPAIR, OR UPGRADE
19 OF ASSISTIVE HARDWARE OR SOFTWARE TECHNOLOGY THAT IS
20 SPECIFICALLY DESIGNED FOR USE BY THE QUALIFIED EMPLOYEE IN ORDER
21 FOR THE QUALIFIED EMPLOYEE TO PERFORM HIS OR HER JOB.

22 (b) THE AMOUNT OF THE CREDIT ALLOWED BY THIS SUBSECTION (3)
23 IS SEVENTY-FIVE PERCENT OF THE MAINTENANCE, REPAIR, OR UPGRADE
24 COSTS IN THE FIRST YEAR, FIFTY PERCENT OF THE MAINTENANCE, REPAIR,
25 OR UPGRADE COSTS IN THE SECOND YEAR, AND TWENTY-FIVE PERCENT OF
26 THE MAINTENANCE, REPAIR, OR UPGRADE COSTS IN THE THIRD YEAR.

27 ~~(3) (4) A taxpayer may claim the credit allowed by this section for~~

1 ~~the income tax year in which the wages on which the credit is based are~~
2 ~~paid to a qualified employee. If the amount of the credit exceeds a~~
3 ~~taxpayer's actual tax liability for an income tax year CREDITS ALLOWED IN~~
4 ~~THIS SECTION EXCEED THE AMOUNT OF INCOME TAXES OTHERWISE DUE ON~~
5 ~~THE TAXPAYER'S INCOME IN THE INCOME TAX YEAR FOR WHICH THE~~
6 ~~CREDITS ARE BEING CLAIMED, the amount of the EACH credit not used to~~
7 ~~AS AN offset AGAINST income tax liability for TAXES IN the CURRENT~~
8 ~~income tax year shall not be allowed as a refund, but the taxpayer may~~
9 ~~claim the excess amount of the credit in a subsequent income tax year,~~
10 ~~except that the credit allowed by this section may not be claimed for any~~
11 ~~income tax year beginning after January 1, 2011. Any amount of the~~
12 ~~credit that is not used shall not be refunded to the taxpayer. A taxpayer~~
13 ~~may not claim the credit allowed by this section more than once for the~~
14 ~~same qualified employee MAY BE CARRIED FORWARD AND USED AS A~~
15 ~~CREDIT AGAINST SUBSEQUENT YEARS' INCOME TAX LIABILITY FOR A~~
16 ~~PERIOD NOT TO EXCEED FIVE YEARS AND MUST BE APPLIED FIRST TO THE~~
17 ~~EARLIEST INCOME TAX YEARS POSSIBLE. ANY CREDIT REMAINING AFTER~~
18 ~~SAID PERIOD MAY NOT BE REFUNDED OR CREDITED TO THE TAXPAYER.~~

19 (4) (5) A partnership, S corporation, limited liability company, or
20 other entity electing not to be taxed as a corporation may pass through the
21 credit allowed by IN this section in a tax year to its participating partners,
22 shareholders, or members, referred to in this subsection (4) (5) as the
23 "investors", in any percentage the entity chooses, up to the amount of the
24 credit earned in the tax year. Credits earned but unclaimed in a tax year
25 for which the entity elects to be taxed as a corporation may not be
26 distributed to investors in a later tax year for which the entity elects not
27 to be taxed as a corporation. In a tax year for which the entity elects not

1 to be taxed as a corporation, all credits passed through to investors may
2 be carried forward at the investor level for the carryover period specified
3 in subsection ~~(3)~~ (4) of this section.

4 ~~(5) (a) If the revenue estimate prepared by the staff of the~~
5 ~~legislative council in December 2008, December 2009, or December 2010~~
6 ~~indicates that the amount of total general fund revenues for the current~~
7 ~~fiscal year will not be sufficient to grow the total state general fund~~
8 ~~appropriations by six percent over such appropriations for the previous~~
9 ~~fiscal year, then the credit authorized by this section shall not be allowed~~
10 ~~for the income tax year following the year in which the estimate is~~
11 ~~prepared; except that a taxpayer who would have been eligible to claim~~
12 ~~a credit pursuant to this section in an income tax year in which the credit~~
13 ~~is not allowed may claim the credit in the next income tax year in which~~
14 ~~the revenue estimate indicates that the amount of total general fund~~
15 ~~revenues will be sufficient to grow the total state general fund~~
16 ~~appropriations by six percent over such appropriations for the previous~~
17 ~~fiscal year.~~

18 ~~(b) On or before January 1, 2009, January 1, 2010, and January 1,~~
19 ~~2011, the department of revenue shall publish a notice on its web site~~
20 ~~indicating whether the credit authorized by this section is allowed~~
21 ~~pursuant to paragraph (a) of this subsection (5) for the income tax year~~
22 ~~beginning on that day.~~

23 (6) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2022.

24 **SECTION 3. Safety clause.** The general assembly hereby finds,
25 determines, and declares that this act is necessary for the immediate
26 preservation of the public peace, health, and safety.



Colorado
Legislative
Council
Staff

Bill 3

FISCAL NOTE

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

Drafting Number: LLS 16-0302
Prime Sponsor(s):

Date: October 23, 2015
Bill Status: Interim Committee to Study Vocational
Rehabilitation for the Blind Bill Request
Fiscal Analyst: Kate Watkins (303-866-3446)

BILL TOPIC: INCOME TAX CREDIT FOR EMPLOYERS OF PERSONS WITH DISABILITIES

Fiscal Impact Summary	FY 2015-2016 (Current Fiscal Year)	FY 2016-2017	FY 2017-2018
State Revenue			
Revenue Change General Fund	(Up to \$31.0 million)	(Up to \$85.6 million)	(Up to \$102.1 million)
State Transfers General Fund Capital Construction Fund Highway Users Tax Fund			(\$165.3 million) \$55.1 million \$110.2 million
State Expenditures		\$39,878	\$35,217
General Fund		36,418	28,196
Centrally Appropriated Costs		3,460	7,021
TABOR Impact		(Up to \$85.6 million)	(Up to \$102.1 million)
FTE Position Change		0.3 FTE	0.6 FTE
Appropriation Required: \$39,878 – Department of Revenue (FY 2016-17)			
Future Year Impacts: Ongoing expenditure impact, decreasing over time.			

*Numbers in parentheses indicate a decrease.

Summary of Legislation

This bill, **requested by the Interim Committee to Study Vocational Rehabilitation for the Blind**, creates two income tax credits for taxpayers who hire persons with developmental disabilities and persons who are blind or visually impaired. The income tax credits are calculated as follows:

- **a tax credit for employee wages** equal to 50 percent of the gross wages of a qualifying employee in the first three months of continuous employment, and 30 percent of the gross wages of a qualifying employee in the next nine months of continuous employment; and
- **a tax credit for software and hardware costs** equal to a share of the cost of the maintenance, repair, or upgrade of software or hardware that assists a qualifying employee in performing his or her job as follows:

- 75 percent of costs incurred in the first year of a qualifying employee's employment;
- 50 percent of costs incurred in the second year; and
- 25 percent of costs incurred in the third year of employment.

Both credits are non-refundable and are available for three years, beginning in tax year 2016. Both credits are limited to a taxpayer's income tax liability. The amount of a credit in excess of the liability may be carried forward for up to 5 years.

Background

House Bill 08-1127 created an income tax credit for taxpayers who hire individuals with a developmental disability at a workplace located in certain Colorado counties. The tax credit was calculated as 50 percent of the gross wages of a qualifying employee in the first three months of continuous employment, and 30 percent of the gross wages of a qualifying employee in the next nine months of continuous employment. However, the credit was not triggered in the three years it was offered beginning with tax year 2009, because it was contingent upon the December 2008, 2009 and 2010 forecasts of General Fund revenue being sufficient to grow General Fund appropriations by 6 percent. This bill reinstates this prior tax credit without the General Fund revenue contingency, expands the covered population to include the blind and visually impaired, and creates a new credit for accommodation costs of qualifying employees.

State Revenue

This bill is estimated to reduce General Fund revenue by **up to \$31.0 million in FY 2015-16 (half-year impact), \$85.6 million in FY 2016-17, and \$102.1 million in FY 2017-18**. Table 1 shows the full revenue impact expected from the bill through FY 2020-21. These estimates represent an upper bound as they assume that the entire population of qualifying employees would be hired. Revenue estimates could vary widely in any given year depending on the date in which a qualifying employee is hired, the employers tax liability, the duration of a qualifying employee's employment, deviation from the assumed average employee wage, and the cost of and number of qualifying employees hired between 2016 and 2019.

Table 1. Estimated General Fund Revenue Impact of LLS 16-0302						
<i>Dollars in Millions</i>						
	FY 2015-16*	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21*
Credit for Gross Wages	(\$29.5)	(\$80.7)	(\$94.6)	(\$43.4)	\$0	\$0
Credit for Accommodation Costs	(\$1.5)	(\$4.9)	(\$7.5)	(\$5.9)	(\$2.4)	(\$0.5)
Total Revenue Impact	(\$31.0)	(\$85.6)	(\$102.1)	(\$49.3)	(\$2.4)	(\$0.5)

*Half year impact. Totals may not sum due to rounding.

Assumptions. Using the population, cost, and wage assumptions detailed below, this fiscal note assumes that up to 7,250 new qualifying employees will be hired in 2016, half of the qualifying employee population. This includes up to 2,350 blind or visually impaired employees and up to 4,900 developmentally disabled employees. Assuming a 15 percent turnover rate for both new hires and employees who are currently working but change jobs, up to 12,590 new hires are projected for 2017 and up to 10,680 new hires for 2018.

Qualifying employees are assumed to earn an average annual salary of \$23,233 and the annual cost for accommodating employment of qualifying employees is estimated at \$550. Using these assumptions, Table 2 summarizes the average tax credits expected for qualifying employees hired in 2016 and employed through 2018.

Table 2. Estimated Average Employer Tax Credits Under LLS 16-0302 per Qualifying Employee Hired January 1, 2016*				
	2016	2017	2018	3-Year Total
Credit for Gross Wages 50% of the first 3 month's wages, 30% of the following 9 month's wages	\$8,132	\$0	\$0	\$8,132
Credit for Accommodation Costs 75% in the first year of employment, 50% in the second, and 25% in the third	\$413	\$275	\$138	\$825
Total Employer Tax Credit	\$8,544	\$275	\$138	\$8,957

*Assumes the employee remains hired for three consecutive years.

Revenue estimates assume that no tax credit carry-overs will occur. The average corporate income taxes owed after subtracting tax credits averaged \$10,523 in 2012 and 2013, the two most recent years for which data are available. This amount exceeds the average tax credits shown in Table 2. However, employers with below average income tax liabilities and those who hire multiple qualifying employees may claim a tax credit that exceeds their liability. This would push out the expected revenue impact of this bill to future years if these employers claim a tax credit carry-over, which is allowed for up to 5 years.

Qualifying employee population estimates. An estimated 9,800 working-age Coloradans with a cognitive disability were not working but were actively seeking work in 2013. An estimated 4,700 working-age Coloradans who are blind or have serious difficulty seeing were not working but were actively seeking work in 2013. These estimates were derived from the 2013 American Community Survey. This fiscal note assumes that each year half of the employees would be hired in the first half of the year and half would be hired in the second half. Therefore, the qualifying population is reduced by half for 2016 and 2018. Estimates for 2017 and 2018 assume that 15 percent of the 2016 working population will turnover, this includes 15 percent of 56,700 working individuals with visual or cognitive disabilities, as estimated in the 2013 American Community Survey. These estimates represent an upper bound as they assume that the entire population of qualifying employees would be hired.

Accommodation costs. Costs associated with hardware or software that assists a qualifying employees in performing work-related tasks could range widely. This fiscal note assumes that costs associated with hiring a qualifying employee would average \$550 for each year of employment. According to a 2007 study published by DePaul University and the Illinois Department of Commerce and Economic Opportunity, 10 percent of disabled employees needed

special accommodations to work, and the average cost of accommodating employees with disabilities was \$521. Disability in this study is defined as a permanent physical or mental impairment that substantially limits one or more major life activities. According to the National Foundation for the Blind, 88 percent of total employee accommodations cost less than \$1,000.

Average employee wage. According to data on employment placements for the blind and visually impaired provided from the Colorado Department of Human Services, Division of Vocational Rehabilitation, the average hourly wage of employed persons who are blind and visually impaired was \$14.67 in FY 2012-13 through FY 2014-2015. These employees averaged 30.5 hours of work per week. This equates to an annual salary of \$23,233.

TABOR Impact

This bill reduces state General Fund revenue by **up to \$31.0 million in FY 2015-16, \$85.6 million in FY 2016-17, and \$102.1 million in FY 2017-18.** This will reduce the state's TABOR surplus and the amount of money required to be refunded to taxpayers by these amounts. Table 3 shows the projected impact on the mechanisms used to refund the TABOR surplus under current law.

Based on the September 2015 Legislative Council Staff forecast, the individual income tax rate reduction is expected to be available as a TABOR refund mechanism in FY 2016-17 and FY 2017-18. In FY 2016-17, this bill could reduce the TABOR surplus below the \$216.1 million threshold required to trigger the individual income tax rate reduction. If this were to occur, the entire TABOR surplus will be refunded through the Six Tier Sales Tax Refund.

Table 3. Impact of LLS 16-0302 on Current Refund Mechanisms		
<i>Millions of Dollars</i>		
	FY 2016-17 Surplus FY 2017-18 Refund Tax Year 2017	FY 2017-18 Surplus FY 2018-19 Refund Tax Year 2018
Current Law		
Revenue above the TABOR limit	\$252.2 million	\$352.0 million
Income Tax Rate Reduction	\$216.1 million	\$228.1 million
Sales Tax Refund	\$36.1 million	\$123.9 million
LLS 16-0302		
Revenue above the TABOR limit	\$166.6 million	\$249.9 million
Income Tax Rate Reduction	\$0.0	\$228.1 million
Sales Tax Refund	\$166.6 million	\$21.8 million
Change from Current Law		
Revenue above the TABOR limit	(\$85.6 million)	(\$102.1 million)
Income Tax Rate Reduction	(\$216.1 million)	\$0.0
Sales Tax Refund	\$130.5 million	(\$102.1 million)
Total Change from Current Law	(\$85.6 million)	(\$102.1 million)

Source: Legislative Council Staff Forecast, September 2015.

Senate Bill 09-228 Transfers. When the TABOR surplus is between 1.0 percent and 3.0 percent of General Fund revenue, the Senate Bill 09-228 transfers are cut in half; when the TABOR surplus exceeds 3.0 percent the Senate Bill 09-228 transfers are eliminated in that year. This bill could reduce the TABOR surplus in FY 2017-18 to below 1.0 percent of General Fund revenue, which will increase the amount of money transferred to the Capital Construction Fund by \$55.1 million and the Highway Users Tax Fund by \$110.2 million in FY 2017-18.

State Expenditures

This bill will increase General Fund expenditures for the Department of Revenue by \$39,878 and 0.3 FTE in FY 2016-17 and \$35,217 and 0.6 FTE in FY 2017-18. Costs include personal services, operating expenses, document management, and forms change costs, as summarized in Table 4.

Table 4. Expenditures Under LLS 16-0302		
Cost Components	FY 2016-17	FY 2017-18
Personal Services - Tax Services Division	\$12,402	\$24,804
FTE	0.3	0.6
Operating Expenses and Capital Outlay Costs	\$1,696	\$3,392
Programming	\$22,320	
Centrally Appropriated Costs*	\$3,460	\$7,021
TOTAL	\$39,878	\$35,217

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

Taxpayer Service Division costs. Based on estimates of the qualifying population and number of employees hired per employer, an estimated 1,531 employers will claim tax credits in tax year 2016, 2,658 in tax year 2017, and 2,255 in tax year 2018. Additional tax examiner staff (0.3 FTE in FY 2016-17 and 0.6 FTE in FY 2017-18) will be required to validate claims for assistive hardware or software technology and to review them on a case-by-case basis.

Call Center. Taxpayer inquiries under this bill to the Call Center will be minimal and can be absorbed within existing resources.

Programming and document management costs. This bill requires GenTax programming and reconfiguring of the Fairfax imaging system to insert an additional line to capture the credit value on the various schedules for each of the four income tax types (individual, corporate, partnership, fiduciary). The department will incur one-time programming costs of \$17,520 in FY 2016-17 to modify the GenTax system. Maintenance and updating are performed by Fast Enterprises and estimated at \$219 per hour for 80 hours. Fairfax programming requires changes to 4 state tax forms (104CR, 112CR, DR 105, and 106CR) at \$1,200 each.

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 5.

Cost Components	FY 2016-17	FY 2017-18
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$2,399	\$4,798
Supplemental Employee Retirement Payments	\$1,061	\$2,223
TOTAL	\$3,460	\$7,021

Technical Considerations

The Department of Revenue has raised the issue that this bill does not specify a method of verification that an employee is blind, visually impaired, or developmentally disabled. The department is prohibited from requesting or reviewing medical information for any individual under the provisions of HB 14-1323. Federal Health Insurance Portability and Accountability Act (HIPAA) requirements also prohibit employers from disclosing medical information of employees. The department recommends that the Division of Vocational Rehabilitation under the Department of Human Services certify employee qualifications. Fraud or abuse may result in a greater revenue impact without certification.

Effective Date

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

State Appropriations

For FY 2016-17, the Department of Revenue requires a General Fund appropriation of \$36,418 and an allocation of 0.3 FTE.

Department Contacts

Revenue

Human Services

Labor and Employment

Rep. Jesse Danielson, Chair
Rep. Dianne Primavera
Rep. Joann Windholz

Sen. David Balmer, Vice-Chair
Sen. Irene Aguilar
Sen. Kevin Lundberg



**Vocational Rehabilitation
Services for the Blind
Interim Study Committee**
State Capitol Building, Room 029
Denver, Colorado 80203-1784
(303) 866-3521



October 28, 2015

To: Senate Business, Labor, and Technology Committee
Senate Health and Human Services Committee
House Business Affairs and Labor Committee
House Public Health and Human Services Committee
Joint Budget Committee

Dear committee members:

During the 2015 interim, the Vocational Rehabilitation Services for the Blind Interim Study Committee has examined a number of issues relating to Colorado's Division of Vocational Rehabilitation (DVR) and how it prepares persons with disabilities, including persons who are blind or visually impaired, to find and maintain employment. Several areas of concern were identified by our interim committee that we feel deserve additional scrutiny and oversight.

Therefore, we encourage your committees to examine the issues listed below as part of your annual oversight hearings under the State Measurements for Accountable, Responsive and Transparent (SMART) Government Act and during any additional hearings you may hold concerning the upcoming transfer of the DVR from the Colorado Department of Human Services (DHS) to the Colorado Department of Labor and Employment (CDLE) pursuant to Senate Bill 15-239. While some of these issues focus specifically on services for clients who are blind, many of these concerns also address the overall effectiveness of the program for all disability populations.

Program Operations

- Does DVR counseling focus on individual client needs and are counselors allowing clients to set their own goals?
- Is appropriate training available to ensure counselors have the tools necessary for serving blind and visually impaired clients?
- Is the fee and incentive structure for DVR vendors optimal to encourage successful job placement and outcomes for program participants?
- What progress has the DVR made in complying with the 2013 recommendations by the State Auditor? Are there any outstanding issues?

Funding

- Is the DVR maximizing available federal funding for vocational rehabilitation services? Are program funds being spent effectively?
- Does the Vocational Rehabilitation Program comply with the federal requirement that 15 percent of funding go towards providing youth transition services?

Waitlist for Services

- Does DVR have policies and procedures to implement and manage a program waitlist if a waitlist becomes necessary?
- Is DVR following federal guidelines related to waitlist management?
- Were clients moved off of the recent waitlist provided with adequate, individualized services?

Youth Services

- How does the DVR ensure that proper services are available to young people with disabilities beginning at age 16?
- Does the DVR follow best practices for youths transitioning to employment and collaborate with school districts and the Colorado Department of Education to clearly define each department's responsibilities?

Thank you for your attention to these important issues. While our interim committee is concluding its work soon, we look forward to continuing to work with your committees, the DHS, the CDLE, and stakeholders to ensure that Colorado's Vocation Rehabilitation Program is successful and that persons who are blind or have other disabilities are able to work and live independently.

Sincerely,

Representative Jesse Danielson, Chair
Senator David Balmer, Vice Chair
Senator Irene Aguilar
Senator Kevin Lundberg
Representative Dianne Primavera
Representative Joann Windholz

c: Reggie Bicha, Executive Director, Department of Human Services
Ellen Golombek, Executive Director, Colorado Department of Labor and Employment
Kristina Mueller, Interim Legislative Liaison, Department of Human Services
Patrick Teegarden, Director of Policy and Legislation, Colorado Department of Labor and Employment