



**Colorado
Legislative
Council
Staff**

HB16-1362

FISCAL NOTE

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

Drafting Number: LLS 16-1038
Prime Sponsor(s): Rep. Young

Date: April 12, 2016
Bill Status: House Appropriations
Fiscal Analyst: Erin Reynolds (303-866-4146)

BILL TOPIC: LICENSE PLATE AUCTION TRANSFER DISABILITY BENEFIT

Fiscal Impact Summary*	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	\$46,025	\$48,823
General Fund	39,109	41,152
Centrally Appropriated Costs	6,916	7,671
FTE Position Change	0.4 FTE	0.5 FTE
Appropriation Required: \$39,109 – Department of Personnel and Administration (FY 2016-17).		
Future Year Impacts: Ongoing expenditure increase.		

Summary of Legislation

The bill transfers the functions of the License Plate Auction Group (LPAG), currently housed in the Governor's Office, to the Disability-Benefit Support Contract Committee (DBSCC), housed in the Department of Personnel and Administration (DPA), and renames the new entity the Colorado Disability Funding Committee (CDFC). The CDFC consists of nine Governor-appointed members representing the disability, business, and nonprofit communities. Subject to adequate funding through registration number sales, the CDFC is required to contract with a nonprofit entity that will aid people with disabilities in accessing disability benefits by July 1, 2020.

The LPAG and its Registration Number Fund are repealed within 60 days after the bill's effective date. The LPAG must transfer all records, property, and information to the CDFC with the assistance of the Department of Revenue (DOR). The Registration Number Fund balance is to be transferred to the Disability-Benefit Support (DBS) Fund by the State Treasurer, and all future registration number moneys will be deposited into the DBS Fund.

Finally, the Department of Public Safety (DPS) may prohibit any action of the CDFC concerning the sale of registration numbers if the decision would affect the state's policy concerning their use.

Background

Disability-Benefit Support Contract Committee and the License Plate Auction Group.

House Bill 11-1216 established the DBSCC to award state contracts to one or more nonprofit organizations that assist disabled persons with obtaining benefits and the LPAG to market and manage the sales of vehicle registration numbers to fund the DBSCC, along with gifts, grants, and donations. HB11-1216 also created the DBS Fund, from which the DPA was allocated 0.3 FTE and \$15,648 to pay for contracting support, and the Registration Number Fund in DOR, to which revenue from registration number sales was to be credited.

Senate Bill 13-276 renamed and moved the Disability Investigational and Pilot Support (DIPS) Fund to DPA, formerly the Coordinated Care for People with Disabilities (CCPD) Fund in the Department of Health Care Policy and Financing (HCPF), to be managed by the DBSCC. The CCPD Fund had a balance of \$1.1 million when transferred to the DIPS Fund. Since 2013, the DIPS Fund has granted about \$300,000 to programs that support persons with disabilities in accessing benefits; \$300,000 was transferred from the DIPS Fund to the Registration Number Fund, of which \$194,900 was recently credited back to the DIPS Fund; and interest earnings from the Breast and Cervical Cancer Prevention and Treatment Program Fund in HCPF are credited to the DIPS Fund at a rate of between \$2,000 to \$4,000 per month. At present, there is about \$577,000 in the DIPS Fund, while the Registration Number Fund and the DBS Fund both have a zero balance.

The DPA never filled the 0.3 FTE it was allocated due to a lack of cash fund revenue in the DBS Fund. Both the DBSCC and the LPAG have contracted for administrative support at a cost of \$218,000 since July 2012, which includes operating expenses.

State Expenditures

The bill will increase state General Fund expenditures by \$46,025 and 0.4 FTE in FY 2016-17 and \$48,823 and 0.5 FTE in FY 2017-18 in DPA. It will also minimally increase workload in the DOR and DPS.

Cost Components	FY 2016-17	FY 2017-18
Personal Services	\$33,731	\$40,477
FTE	0.4 FTE	0.5 FTE
Operating Expenses and Capital Outlay Costs	5,178	475
Travel	200	200
Centrally Appropriated Costs*	6,916	7,671
TOTAL	\$46,025	\$48,823

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

Assumptions. It is assumed that General Fund will be required to fund the personal services costs in DPA and that the DIPS Fund will absorb legal services and board reimbursement costs within current appropriations (see Technical Note). The State Board of Personnel in DPA was used as a proxy to estimate workload for the CDFC.

Department of Personnel and Administration. Under the bill, 0.5 FTE General Professional IV will be responsible for the procurement of auction vendors, the reservation of registration numbers with DOR, accounting, preparing grant solicitations and applications, meeting administration, and general outreach and communications. FY 2016-17 costs are prorated for the paydate shift and the bill's effective date. Standard operating and capital outlay expenses are included. Travel costs are also included to accommodate one remote board meeting per year.

Department of Revenue. The DOR will assist the transfer of LPAG records to the DPA. This workload can be accomplished within existing appropriations.

Department of Public Safety. DPS will monitor CDFC actions concerning the sale of registration numbers. This workload can be accomplished within existing appropriations.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Cost Components	FY 2016-17	FY 2017-18
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$4,030	\$4,044
Supplemental Employee Retirement Payments	2,886	3,627
TOTAL	\$6,916	\$7,671

Technical Note

The bill references the DBS Fund as the sole funding source for the CDFC. The DBS Fund currently has a zero balance and a use restriction of 5 percent for administrative costs, therefore the fiscal note assumes General Fund will be required. Under the bill, it is also unclear what purpose the DIPS Fund will have in the future, but as it currently has an appropriation and a fund balance, the fiscal note assumes that it will be the source for some costs under the bill (legal services and board reimbursement).

Effective Date

The bill takes effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2016-17, the bill requires a General Fund appropriation of \$39,109 and an allocation of 0.4 FTE to the Department of Personnel and Administration.

State and Local Government Contacts

Corrections
Information Technology
Public Safety

Governor's Office
Law
Revenue

Human Services
Personnel and Administration
Treasury