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Fiscal Note

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Prime Sponsors: Rep. Ortiz Bill Status: House Business & Labor
Fiscal Analyst: Josh Abram | 303-866-3561 josh.abram@coleg.gov

Bill Topic: COLORADO DISABILITY OPPORTUNITY OFFICE

Summary of Fiscal Impact: [X] State Revenue [] State Transfer [] Local Government
[X] State Expenditure [X] TABOR Refund [] Statutory Public Entity

The bill creates the Colorado Disability Opportunity Office in the Colorado Department of Labor and Employment, and transfers the Colorado Disability Funding Committee from the Department of Personnel and Administration into the new office. The bill increases state cash fund revenue and cash fund expenditures beginning FY 2024-25.

Appropriation Summary: For FY 2024-25, the bill requires a net appropriation of \$4.6 million to multiple state agencies. All appropriations are from cash funds and not from the General Fund. See State Appropriations section for more details.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 24-1360

Table with 4 columns: Category, Sub-category, Budget Year FY 2024-25, and Out Year FY 2025-26. Rows include Revenue (Cash Funds, Total Revenue), Expenditures (Cash Funds, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (TABOR Refund).

Summary of Legislation

The bill creates the Colorado Disability Opportunity Office (CDOO) in the Colorado Department of Labor and Employment (CDLE), and relocates the Colorado Disability Funding Committee from the Department of Personnel and Administration (DPA) to the CDOO. The CDOO will provide guidance to the Governor and state agencies on matters related to Coloradans with disabilities, and implement a statewide strategy to facilitate full societal integration by investing in the success of individuals with disabilities. The bill also allows the Department of Revenue (DOR) to issue certain license plates with an identifying figure allowing the vehicle to use reserved parking.

Colorado Disability Opportunity Office. The office is created as a Type 1 agency within the CDLE, to be administered by a director appointed by the executive director of CDLE. The director must hire appropriate staff to fulfill the office's mission. The CDOO is required to:

- convene a disability technical advisory committee comprised of representatives from state agencies;
- coordinate with the advisory committee to develop and maintain a collection of resources available to Coloradans with disabilities;
- create and maintain an individuals with disabilities equity plan for the development of shared dashboards that measure performance against the goals of the CDOO;
- collaborate with stakeholder groups and other state agencies including the Statewide Equity Office in DPA, and the State Office on Aging in the Department of Human Services; and,
- promote the full societal integration of individuals with disabilities through support of nonprofits; research; and analysis of economic and demographic trends; and creation of educational and economic opportunities.

No later than November 1, 2025, and annually thereafter, the CDOO must report to the Governor with a review and summary of the activity, research, and programs administered by the office in the previous year.

Colorado Disability Funding Committee. On July 1, 2024, the bill relocates the powers, duties, and functions of the Colorado Disability Funding Committee from the DPA to the CDOO.

Retired style license plates. Under current law, the DOR may issue a retired style of license plate when requested and charge an additional fee of \$25 that is deposited in the Disability Support Fund. If an applicant for a retired license plate demonstrates a disability affecting the applicant's mobility, the bill requires that the DOR issue the plate with an identifying figure allowing the vehicle and individual to use parking reserved for disabled drivers.

Background

Disability Funding Committee. The Colorado Disability Funding Committee implements the Laura Hershey Disability Support Act, which provides education, direct assistance, and advocacy for people with disabilities. The committee is made up of 13 members, the majority of whom are persons with disabilities, persons with family members with disabilities, or persons who are

caregivers to a person with disabilities. The committee generates revenue through the sale of registration numbers for license plates, which is deposited in the Disability Support Fund. Based on average monthly revenue of about \$560,000, the fund is projected to receive \$8.1 million in the current FY 2023-24.

For FY 2023-24, the DPA received an appropriation of about \$994,000 from the Disability Support Fund, and administers the program with 0.7 FTE. The DPA’s budget request for FY 2025-26 includes an additional 1.5 FTE and spending authority for \$14.1 million cash funds. The JBC staff recommendation for this request is 1.3 FTE and \$5,121,400.

DRIVES programming. The Division of Motor Vehicles (DMV) in the DOR uses its Driver License, Record, Identification and Vehicle Enterprise Solution (DRIVES) information technology system for all driver license and motor vehicle transactions. The DRIVES system requires an extensive 18-month upgrade which is scheduled to take place from July 1, 2024, through March 31, 2026. As a result, the DOR has requested that any new legislation requiring DRIVES programming have an effective date of April 1, 2026, with roll-forward spending authority through FY 2026-27, noting that each programming requirement during the system upgrade period may increase the overall project timeline. Based on the current effective date in the bill, the fiscal note includes costs for the DRIVES programming to take place twice—in the existing and new system.

State Revenue

The bill increases cash fund revenue by about \$236,000 in FY 2024-25 and by about \$259,000 in FY 2025-26. Material fee revenue is deposited in the License Plate Cash Fund (LPCF); the retired style license plate fee is deposited in the Disability Support Fund (DSF). Fee revenue is subject to TABOR.

Fee impact on retired style license plates. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. The table below identifies the fee impact of this bill.

**Table 2
 Fees on Retired Style License Plates**

Fiscal Year	Type of Fee	Fee Amount	Number Affected	Total Fee Impact
FY 2024-25	License Plate Material Fee (LPCF)	\$10.03	6,728	\$67,482
	Retired Style License Plate Fee (DSF)	\$25.00	6,728	\$168,200
FY 2024-25 Total				\$235,682
FY 2025-26	License Plate Material Fee (LPCF)	\$10.70	7,247	\$77,543
	Retired Style License Plate Fee (DSF)	\$25.00	7,247	\$181,175
FY 2025-26 Total				\$258,718

State Expenditures

On net, the bill increases state expenditures by about \$4.7 million beginning in FY 2024-25, paid primarily from the Disability Support Fund. Expenditures for the DOR are from the DRIVES Cash Fund and the License Plate Cash Fund. State expenditures are displayed in Table 3 and described below.

**Table 3
 Expenditures Under HB 24-1360**

	FY 2024-25	FY 2025-26
Disability Opportunity Office—CDLE		
Personal Services	\$334,649	\$334,649
Operating Expenses	\$5,120	\$5,120
Capital Outlay Costs	\$26,680	-
Centrally Appropriated Costs ¹	\$78,183	\$78,183
FTE – Personal Services	4.0 FTE	4.0 FTE
DOO Subtotal	\$444,632	\$417,952
Transfer of Disability Funding Committee from DPA to CDLE		
Personal Services	\$156,576	\$156,576
Operating Expenses	\$2,560	\$2,560
Capital Outlay Costs	\$13,340	-
Grants From Disability Support Fund	\$5,000,000	\$5,000,000
Centrally Appropriated Costs ¹	\$38,084	\$38,084
FTE – Personal Services	2.0 FTE	2.0 FTE
Disability Support Act Subtotal	\$5,210,560	\$5,197,220
Department of Personnel and Administration		
Disability Funding Committee—Current Staff/Grants	(\$994,000)	(\$994,000)
FTE – Personal Services	(0.7 FTE)	(0.7 FTE)
DPA Subtotal	(\$994,000)	(\$994,000)
Department of Revenue		
DRIVES Programming	\$10,444	\$10,764
License Plates	\$67,482	\$77,543
DOR Subtotal	\$77,926	\$88,307
Total	\$4,739,118	\$3,745,118
Total FTE	5.3 FTE	5.3 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Colorado Disability Opportunity Office. The CDLE will add a total of 4.0 FTE to staff the new office, consisting of a program manager, a program assistant, a policy advisor, and an accountant. New staff will manage day-to-day operations, establish business plans and office duties, support the work of the task force, manage information exchanges, act as liaisons with other state agencies, and provide general accounting and budget management. Personal services in FY 2024-25 are prorated for an August start date and include operating expenses and capital outlay costs.

Colorado Disability Funding Committee. The bill transfers the funding committee and associated grants and administrative costs from the DPA to the CDLE. The amounts in Table 2 represent an increase in expenditures in CDLE, including the FY 2024-25 Long Bill recommendation, and a decrease in DPA expenditures in the amount of their current appropriation. As discussed in the Background section, the DPA's budget request for FY 2024-25 includes the existing 0.7 FTE, plus additional staff support and increased cash fund spending authority due to the availability of increased revenue from the sale of retired license plates. Table 2 includes the existing 0.7 FTE administrative support, and assumes the JBC staff recommendation of an additional 1.3 FTE for policy advising and accounting to manage about \$5.0 million annually in grants from the funding committee will be incurred in the CDLE instead of DPA.

License plates. The DOR will have increased spending as a result of additional material fees from purchases of retired license plate styles with a disability identifying figure, and an increase in information technology costs to upgrade the DRIVES system to allow new license plate inventory types, register vehicles, update reports, allow for electronic transactions, and collect and distribute taxes and fees. Computer programming costs in FY 2024-25 and FY 2025-26 include redundant DRIVES programming (see Technical Note), and assume that support from the Office of Information Technology, estimated at 12 hours at a rate of \$99 per hour in each year, will be paid to OIT through real-time billing.

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. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Other Budget Impacts

TABOR refunds. The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the December 2023 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2024-25. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

Technical Note

The fiscal note currently includes a duplicative programming cost for the DOR's DRIVES system, as discussed in the Background section. The duplicate cost would be removed if the bill's effective date were amended to April 1, 2026, when the DRIVES upgrade is complete.

Departmental Difference

The CDLE estimates that the transferred responsibilities of the Colorado Disability Funding Committee will require 4.5 FTE and authority to spend \$6 million in grant awards annually from the Disability Support Fund. The existing program in DPA is funded at about \$994,000 and 0.7 FTE, however the DPA's budget request for FY 2024-25 asks for 1.5 FTE additional administrative support, and increased grant spending authority. The current JBC staff analyst recommendation is that the DPA be appropriated an additional 1.3 FTE (2.0 FTE total) and \$5.0 million in grant spending authority for FY 2024-25. This fiscal note uses the JBC staff recommendation as the basis for estimating the increased cost of transferring the program from DPA to CDLE.

Effective Date

The bill takes effect July 1, 2024.

State Appropriations

For FY 2024-25, the bill requires the following cash funds appropriations:

- \$5,538,925 from the Disability Support Fund to the Colorado Department of Labor and Employment, and 6.0 FTE;
- (\$994,000) and (0.7 FTE) from the Disability Support Fund to the Department of Personnel and Administration;
- \$67,482 from the License Plate Cash Fund to the Department of Revenue; and
- \$10,444 from the DRIVES Cash Fund to the Department of Revenue.

State and Local Government Contacts

Behavioral Health	Corrections	Early Childhood
Education	Health Care Policy and Financing	Higher Education
Human Services	Information Technology	Labor
Law	Local Affairs	Military Affairs
Personnel	Public Health and Environment	Regulatory Agencies
Revenue	Transportation	

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).