



**Colorado
Legislative
Council
Staff**

HB16-1048

**FINAL
FISCAL NOTE**

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

Drafting Number: LLS 16-0301
Prime Sponsor(s): Rep. Primavera
Sen. Lundberg

Date: August 29, 2016
Bill Status: Signed into Law
Fiscal Analyst: Bill Zepernick (303-866-4777)

BILL TOPIC: EXPAND SCOPE BUSINESS ENTERPRISE PROGRAM

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue Cash Funds	Potential increase.	
State Expenditures	Workload increase.	
TABOR Impact	Potential increase.	
Appropriation Required: None.		
Future Year Impacts: None.		

Summary of Legislation

This bill establishes a working group in the CDLE consisting of various stakeholders and representatives from state agencies concerning the Business Enterprise Program (BEP). Specifically, the working group is required to study ways to expand opportunities for BEP vendors at the Department of Corrections, the Department of Natural Resources, institutions of higher education, and the Colorado State Fair. The working group will also consider the possibility of the BEP vendors expanding beyond food service and vending facilities. The working group is required to prepare a report and make recommendations to the relevant committees of the General Assembly by January 1, 2017. The bill also allows the CDLE to issue licenses to BEP vendors to operate businesses other than vending facilities.

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. On July 1, 2016, the Division of Vocational Rehabilitation will move to the Colorado Department of Labor and Employment (CDLE), pursuant to Senate Bill 15-239. Currently there are 18 blind vendors participating in the BEP that serve more than 150 locations at state and federal government properties. BEP program staff expect that between 3 and 6 trainees will become new licensed blind vendors in the next year.

State Revenue

To the extent the bill increases the number of vendors participating in the BEP or the amount of revenue earned by BEP vendors by allowing for other non-vending facilities, the bill potentially increases revenue to the BEP Cash Fund in the CDLE. This revenue is from program fees paid by BEP vendors based on a percentage of their net proceeds from operating a business through the program. Any increase in revenue is assumed to be minimal.

TABOR Impact

This bill potentially increases state revenue from fees, which may increase the amount of money required to be refunded under TABOR. TABOR refunds are paid out of the General Fund.

State Expenditures

The bill increases workload in the CDLE to facilitate the BEP working group beginning in FY 2016-17. The Department of Corrections, Department of Higher Education, the Department of Natural Resources, and the State Fair Authority will also have an increase in workload for staff to participate in the working group. It is assumed that the CDLE can manage this working group within existing appropriations and that no increase in appropriations is required for any state agency. The fiscal note assumes that the working group will be appointed and begin work after July 1, 2016.

Effective Date

The bill was signed into law by the Governor on May 4, 2016, and Section 8-84-209, C.R.S., creating the working group, took effect on this date. The remainder of the bill took effect July 1, 2016.

State and Local Government Contacts

Labor and Employment
Human Services

Agriculture

Corrections

Research Note Available

An LCS Research Note for HB 16-1048 is available online and through the iLegislate app. Research notes provide additional policy and background information about the bill and summarize action taken by the General Assembly concerning the bill.