

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 25-0390.01 Jerry Barry x4341

HOUSE BILL 25-1017

HOUSE SPONSORSHIP

Clifford and Froelich,

SENATE SPONSORSHIP

Michaelson Jenet,

House Committees

Health & Human Services
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A COMMUNITY INTEGRATION PLAN FOR INDIVIDUALS**
102 **WITH DISABILITIES, AND, IN CONNECTION THEREWITH, MAKING**
103 **AN APPROPRIATION.**

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://leg.colorado.gov>.)

The bill establishes that public and governmental entities (entities) shall administer services, programs, and activities in the most integrated setting that is appropriate to the needs of individuals with disabilities. The bill establishes when entities are required to provide home- and community-based services (services) to individuals with disabilities.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

HOUSE
Amended 2nd Reading
April 15, 2025

If an entity cuts services, the entity shall assess whether the service cut increases the risk of institutionalization for individuals receiving services. If so, the entity must develop a plan to reduce that risk.

The bill directs the department of health care policy and financing to develop a comprehensive community integration plan (plan) for implementing its obligation to provide individuals with disabilities with opportunities to live, work, and be served in integrated settings. The plan must be reviewed and updated every 3 years.

An entity is not required to comply with the provisions of the bill if it can establish that doing so would require a fundamental alteration of its program, services, or activities.

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) The United States supreme court decision in *Olmstead v. L.C.*,
5 527 U.S. 581 (1999), enshrined in law the duty upon states to actively
6 work toward helping individuals with disabilities transition out of
7 institutions and into the community and to have community-based
8 services available to decrease the risk of institutionalization;

9 (b) *Olmstead* placed on states the obligation to administer
10 services, programs, and activities in the most integrated setting
11 appropriate to the needs of qualified individuals with disabilities;

12 (c) Segregating individuals with disabilities in institutions denies
13 those individuals the freedom to make decisions, keeps them apart from
14 family and friends, and denies them opportunities that exist in their
15 communities. Segregation also denies communities the contributions that
16 individuals with disabilities make to their communities.

17 (d) Community-based services are cheaper in the long run than
18 institutionalization services.

19 (2) The general assembly further declares that codifying in state

1 law the rights that were legally recognized as federal law through
2 *Olmstead* is crucial because:

3 (a) The fundamental rights for individuals with disabilities to live
4 in the least restrictive setting and to have access to services in the
5 community is consistent with Colorado's recognition of the humanity and
6 dignity of all individuals; and

7 [REDACTED]
8 (b) The *Olmstead* decision required states to develop an *Olmstead*
9 plan. Colorado's plan, called the "Colorado community living plan", was
10 developed more than 10 years ago as a collaboration between the state
11 departments of health care policy and financing, human services, and
12 local affairs. The plan's effectiveness has never been evaluated or
13 updated, and [REDACTED] the plan is insufficient.

14 **SECTION 2.** In Colorado Revised Statutes, **add 8-88-102.5** as
15 follows:

16 **8-88-102.5. Comprehensive community integration plan for**
17 **individuals with disabilities - review and assessment.** (1) ON OR
18 BEFORE SEPTEMBER 1, 2028, CDOO SHALL SERVE AS THE LEAD AGENCY
19 RESPONSIBLE FOR DEVELOPING A COMPREHENSIVE COMMUNITY
20 INTEGRATION PLAN, REFERRED TO IN THIS SECTION AS THE "PLAN", FOR
21 IMPLEMENTING THE STATE'S COMMITMENT TO PROVIDING INDIVIDUALS
22 WITH DISABILITIES OPPORTUNITIES TO LIVE, WORK, AND BE SERVED IN THE
23 LEAST RESTRICTIVE SETTINGS POSSIBLE. IN DEVELOPING THE PLAN, CDOO
24 SHALL COLLABORATE WITH THE DEPARTMENT OF HEALTH CARE POLICY
25 AND FINANCING, THE DEPARTMENT OF HUMAN SERVICES, THE
26 DEPARTMENT OF LOCAL AFFAIRS, OTHER STATE AGENCIES IMPACTED BY
27 THE PLAN, AND STAKEHOLDERS. THE PLAN MUST INCLUDE:

- 1 (a) AN ANALYSIS OF THE EXTENT TO WHICH THE STATE IS
2 PROVIDING SERVICES IN THE MOST INTEGRATED SETTING;
3 (b) CONCRETE COMMITMENTS TO EXPAND INTEGRATED
4 OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES;
5 (c) SPECIFIC AND REASONABLE TIME FRAMES, MEASURABLE GOALS,
6 AND BENCHMARKS FOR WHICH THE STATE IS HELD ACCOUNTABLE;
7 (d) FUNDING SOURCES TO SUPPORT THE PLAN, WHICH MAY COME
8 FROM REALLOCATING EXISTING SERVICE MONEY; AND
9 (e) COMMITMENTS CONCERNING HOW THE STATE WILL MEET ITS
10 GOALS FOR EACH GROUP OF INDIVIDUALS WITH DISABILITIES WHO ARE
11 UNNECESSARILY SEGREGATED.

12 (2) THE CDOO SHALL REVIEW AND UPDATE THE PLAN EVERY
13 THREE YEARS, BEGINNING ON SEPTEMBER 1, 2031. PART OF THE REVIEW
14 MUST BE AN ASSESSMENT OF WHETHER THE TIME FRAMES, GOALS, AND
15 BENCHMARKS SET PURSUANT TO SUBSECTION (1)(c) OF THIS SECTION HAVE
16 BEEN MET. IF THE BENCHMARKS WERE NOT MET, THE UPDATED PLAN MUST
17 INCLUDE A DESCRIPTION OF THE BARRIERS TO IMPLEMENTATION AND HOW
18 THOSE BARRIERS WILL BE ADDRESSED.

19 **SECTION 3.** In Colorado Revised Statutes, **add** part 11 to article
20 1 of title 25.5 as follows:

21 **PART 11**
22 **COMMUNITY INTEGRATION**

23 **25.5-1-1101. Definitions.** AS USED IN THIS PART 11, UNLESS THE
24 CONTEXT OTHERWISE REQUIRES:

- 25 (1) "COMMUNITY-BASED SERVICES" MEANS ANY OF THE
26 FOLLOWING:
27 (a) HOME HEALTH-CARE SERVICES AUTHORIZED PURSUANT TO

1 PARAGRAPH (7) OF SECTION 1905(a) OF THE "SOCIAL SECURITY ACT", 42
2 U.S.C. SEC. 1396d(a);

3 (b) PERSONAL CARE SERVICES AUTHORIZED PURSUANT TO
4 PARAGRAPH (24) OF SECTION 1905(a) OF THE "SOCIAL SECURITY ACT", 42
5 U.S.C. SEC. 1396d(a);

6 (c) PACE SERVICES AUTHORIZED PURSUANT TO PARAGRAPH (26)
7 OF SECTION 1905(a) OF THE "SOCIAL SECURITY ACT", 42 U.S.C. SEC.
8 1396d(a);

9 (d) HOME- AND COMMUNITY-BASED SERVICES AUTHORIZED
10 PURSUANT TO SUBSECTIONS (b), (c), (i), (j), AND (k) OF SECTION 1915 OF
11 THE "SOCIAL SECURITY ACT", 42 U.S.C. SEC. 1396n; SERVICES
12 AUTHORIZED PURSUANT TO A WAIVER UNDER SECTION 1115 OF THE
13 "SOCIAL SECURITY ACT", 42 U.S.C. SEC. 1315; AND SERVICES THROUGH
14 COVERAGE AUTHORIZED UNDER SECTION 1937 OF THE "SOCIAL SECURITY
15 ACT", 42 U.S.C. SEC. 1396u-7;

16 (e) CASE MANAGEMENT SERVICES AUTHORIZED UNDER SECTION
17 1905(a)(19) OF THE "SOCIAL SECURITY ACT", 42 U.S.C. SEC.
18 1396d(a)(19), AND SECTION 1915(g) OF THE "SOCIAL SECURITY ACT", 42
19 U.S.C. SEC. 1396n(g);

20 (f) REHABILITATIVE SERVICES, INCLUDING THOSE RELATED TO
21 BEHAVIORAL HEALTH, DESCRIBED IN SECTION 1905(a)(13) OF THE "SOCIAL
22 SECURITY ACT", 42 U.S.C. SEC. 1396d(a)(13); AND

23 (g) ANY OTHER SERVICES SPECIFIED BY THE UNITED STATES
24 SECRETARY OF HEALTH AND HUMAN SERVICES.

25 (2) "DISABILITY" HAS THE SAME MEANING AS SET FORTH IN THE
26 FEDERAL "AMERICANS WITH DISABILITIES ACT OF 1990", 42 U.S.C. SEC.
27 12101 ET SEQ.

1 (3) "FUNDAMENTAL ALTERATION" MEANS A MODIFICATION THAT
2 ALTERS THE ESSENTIAL NATURE OF THE GOODS, SERVICES, FACILITIES,
3 PRIVILEGES, ADVANTAGES, OR ACCOMMODATIONS OFFERED BY A STATE OR
4 PUBLIC ENTITY.

5

6 (4) "MOST INTEGRATED SETTING" MEANS THE SETTING THAT
7 ENABLES A QUALIFIED INDIVIDUAL WITH A DISABILITY TO INTERACT TO
8 THE FULLEST EXTENT POSSIBLE WITH PERSONS WHO DO NOT HAVE A
9 DISABILITY.

10 (5) "PLAN" MEANS THE STATE'S COMPREHENSIVE COMMUNITY
11 INTEGRATION PLAN, DEVELOPED PURSUANT TO SECTION 25.5-1-1104.

12 (6) "PUBLIC OR GOVERNMENTAL ENTITY" MEANS:

13 (a) THE STATE OR ANY DEPARTMENT, BOARD, AGENCY,
14 INSTRUMENTALITY, AUTHORITY, OR COMMISSION OF THE STATE; AND

15 (b) ANY POLITICAL SUBDIVISION OF THE STATE, INCLUDING:

16 (I) A COUNTY, CITY, OR CITY AND COUNTY;

17 (II) A SCHOOL DISTRICT AS DEFINED IN SECTION 22-36-107;

18 (III) A LOCAL IMPROVEMENT DISTRICT AS DEFINED IN SECTION
19 32-7-103;

20 (IV) A LAW ENFORCEMENT AUTHORITY;

21 (V) A WATER, SANITATION, FIRE PROTECTION, METROPOLITAN,
22 IRRIGATION, DRAINAGE, OR OTHER SPECIAL DISTRICT CREATED PURSUANT
23 TO TITLE 32;

24 (VI) ANY OTHER MUNICIPAL, QUASI-MUNICIPAL, OR PUBLIC
25 CORPORATION ORGANIZED PURSUANT TO THE STATE CONSTITUTION OR
26 OTHER LAW; AND

27 (VII) ANY DEPARTMENT, BOARD, AGENCY, INSTRUMENTALITY,

1 AUTHORITY, OR COMMISSION OF A POLITICAL SUBDIVISION OF THE STATE.

2 (7) "QUALIFIED INDIVIDUAL WITH A DISABILITY" HAS THE SAME
3 MEANING AS SET FORTH IN THE FEDERAL "AMERICANS WITH DISABILITIES
4 ACT OF 1990", 42 U.S.C. SEC. 12101 ET SEQ.

5 (8) "SERIOUS RISK OF INSTITUTIONALIZATION" MEANS WHEN A
6 QUALIFIED INDIVIDUAL WITH A DISABILITY IS LIKELY TO EXPERIENCE A
7 DECLINE IN HEALTH, SAFETY, OR WELFARE THAT WOULD LEAD TO THE
8 PLACEMENT OF THE INDIVIDUAL IN AN INSTITUTION DUE TO AN ACTION OR
9 LACK OF ACTION BY A PUBLIC OR GOVERNMENTAL ENTITY.

10 **25.5-1-1102. Case management-based services and activities.**

11 EACH PUBLIC AND GOVERNMENTAL ENTITY SHALL ADMINISTER SERVICES,
12 PROGRAMS, AND ACTIVITIES IN THE MOST INTEGRATED SETTING
13 APPROPRIATE TO THE NEEDS OF A QUALIFIED INDIVIDUAL WITH A
14 DISABILITY.

15 **25.5-1-1103. Community-based services - cutting services by**
16 **state or public entity - plan to ameliorate risk of institutionalization**
17 **for qualified individuals with disabilities. (1) EACH PUBLIC AND**

18 GOVERNMENTAL ENTITY SHALL PROVIDE COMMUNITY-BASED SERVICES
19 TO A QUALIFIED INDIVIDUAL WITH A DISABILITY WHEN:

20 (a) THE SERVICES ARE APPROPRIATE;

21 (b) THE AFFECTED INDIVIDUAL DOES NOT OPPOSE RECEIVING
22 COMMUNITY-BASED SERVICES;

23 (c) COMMUNITY-BASED SERVICES CAN BE REASONABLY
24 ACCOMMODATED, TAKING INTO ACCOUNT THE RESOURCES AVAILABLE TO
25 THE PUBLIC OR GOVERNMENTAL ENTITY AND THE NEEDS OF OTHER
26 QUALIFIED INDIVIDUALS WITH DISABILITIES; AND

27 (d) THE AFFECTED INDIVIDUAL IS AT SERIOUS RISK OF

1 INSTITUTIONALIZATION.

2 (2) IF THE PUBLIC OR GOVERNMENTAL ENTITY CUTS SERVICES, IT
3 SHALL ASSESS WHETHER THE SERVICE CUTS INCREASE THE RISK OF
4 INSTITUTIONALIZATION FOR THOSE INDIVIDUALS WHO ARE RECEIVING
5 SERVICES. IF SO, THE ENTITY SHALL MAKE A PLAN TO AMELIORATE THE
6 RISK. IN MAKING SUCH BUDGET CUTS, PUBLIC AND GOVERNMENTAL
7 ENTITIES HAVE A DUTY TO TAKE ALL REASONABLE STEPS TO AVOID
8 PLACING QUALIFIED INDIVIDUALS WITH DISABILITIES AT RISK OF
9 INSTITUTIONALIZATION.

10

11 **25.5-1-1104. Exception for fundamental alteration of an**
12 **entity's program.** (1) A PUBLIC OR GOVERNMENTAL ENTITY IS NOT
13 REQUIRED TO COMPLY WITH THIS PART 11 IF DOING SO WOULD REQUIRE A
14 FUNDAMENTAL ALTERATION OF THE ENTITY'S PROGRAM.

15 (2) (a) THE FOLLOWING FACTORS MUST BE CONSIDERED FOR
16 PURPOSES OF EVALUATING A FUNDAMENTAL ALTERATION DEFENSE TO NOT
17 COMPLYING WITH THIS PART 11:

18 (I) THE AMOUNT OF MONEY THE PUBLIC OR GOVERNMENTAL
19 ENTITY ALLOTS, SPENDS, RECEIVES, OR COULD RECEIVE IF THE ENTITY
20 APPLIED FOR AVAILABLE FEDERAL FUNDING TO PROVIDE SERVICES TO
21 QUALIFIED INDIVIDUALS WITH DISABILITIES;

22 (II) ALL RELEVANT COSTS, NOT JUST THOSE FUNDED BY THE
23 SINGLE AGENCY THAT OPERATES OR FUNDS THE SEGREGATED OR
24 INTEGRATED SETTING FOR QUALIFIED INDIVIDUALS WITH DISABILITIES;

25 (III) CHANGES IN THE COSTS OF THE SEGREGATED SETTING
26 COMPARED WITH CHANGES IN COSTS OF COMMUNITY-BASED SERVICES;

27

1 (IV) ANY POSSIBLE TRANSITIONAL COSTS OF CONVERTING FROM
2 SEGREGATED TO INTEGRATED SETTINGS FOR QUALIFIED INDIVIDUALS WITH
3 DISABILITIES. TRANSITIONAL COSTS MAY BE CONSIDERED, BUT ARE NOT
4 DETERMINATIVE; AND

5 (V) WHETHER THE PROPOSED MODIFICATION RESULTS IN THE
6 REDUCTION OR DELAY OF THE RECEIPT OF COMMUNITY-BASED SERVICES
7 FOR OTHER INDIVIDUALS WITH DISABILITIES.

8 (b) IF A PUBLIC OR GOVERNMENTAL ENTITY DECIDES TO SERVE
9 NEW QUALIFIED INDIVIDUALS WITH DISABILITIES IN SEGREGATED SETTINGS
10 AFTER INDIVIDUALS WITH DISABILITIES IN A PLAINTIFF CLASS ARE MOVED
11 TO INTEGRATED SETTINGS, RATHER THAN TO CLOSE OR DOWNSIZE THE
12 SEGREGATED SETTINGS, THE COSTS ASSOCIATED WITH SUCH A DECISION
13 MUST NOT BE INCLUDED IN THE FUNDAMENTAL ALTERATION ANALYSIS.

14 **SECTION 4.** In Colorado Revised Statutes, **amend** 8-88-205 as
15 follows:

16 **8-88-205. Disability support fund.** (1) There is created in the
17 state treasury the disability support fund, which consists of money that
18 may be appropriated or transferred to the fund by the general assembly;
19 and any gifts, grants, or donations received by the department for the
20 purpose of implementing this ~~part 2~~ ARTICLE 88.

21 (2) The money in the fund is subject to annual appropriation by
22 the general assembly for the direct and indirect costs associated with the
23 implementation of this ~~part 2~~ ARTICLE 88. Any money in the fund not
24 expended for the purpose of this section may be invested by the state
25 treasurer as provided by law. All interest and income derived from the
26 investment and deposit of money in the fund must be credited to the fund.
27 Any unexpended and unencumbered money remaining in the fund at the

1 end of a fiscal year must remain in the fund for use as provided in this
2 ~~part 2~~ ARTICLE 88 and must not be credited or transferred to the general
3 fund or another fund. If this section is repealed, prior to its repeal, all
4 unexpended and unencumbered money remaining in the fund must be
5 transferred to the general fund.

6 **SECTION 5. Appropriation.** For the 2025-26 state fiscal year,
7 \$658,410 is appropriated to the department of labor and employment.
8 This appropriation is from the disability support fund created in section
9 8-88-205 (1), C.R.S., and is based on an assumption that the department
10 will require an additional 1.8 FTE. To implement this act, the department
11 may use this appropriation for the Colorado disability opportunity office.

12 **SECTION 6. Act subject to petition - effective date.** This act
13 takes effect at 12:01 a.m. on the day following the expiration of the
14 ninety-day period after final adjournment of the general assembly; except
15 that, if a referendum petition is filed pursuant to section 1 (3) of article V
16 of the state constitution against this act or an item, section, or part of this
17 act within such period, then the act, item, section, or part will not take
18 effect unless approved by the people at the general election to be held in
19 November 2026 and, in such case, will take effect on the date of the
20 official declaration of the vote thereon by the governor.