

**STATE
REVISED FISCAL IMPACT**

(replaces fiscal note dated April 12, 2012)

Drafting Number: LLS 12-0489	Date: April 30, 2012
Prime Sponsor(s): Rep. Duran; Ramirez Sen. Newell	Bill Status: Senate Appropriations
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TITLE: CONCERNING CONTINUATION OF ENHANCED UNEMPLOYMENT INSURANCE BENEFITS FOR UNEMPLOYED INDIVIDUALS PARTICIPATING IN APPROVED TRAINING PROGRAMS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
Cash Funds		
Gifts, Grants, and Donations Fund	\$47,198	
State Expenditures		
Cash Funds		
Gifts, Grants, and Donations Fund	\$47,198	
Unemployment Insurance Trust Fund	3,900,000	\$3,900,000
FTE Position Change		
Effective Date: July 1, 2012.		
Appropriation Summary for FY 2012-2013: See State Appropriations section.		
Local Government Impact: None.		

The fiscal note is revised to correct an error in the appropriations section.

Summary of Legislation

This bill extends until June 30, 2014, enhanced unemployment insurance compensation benefits for eligible unemployment insurance (UI) claimants engaged in an approved training program for entry into an occupation. Under current law, the Colorado Department of Labor and Employment (CDLE) can obligate \$15 million over three years, ending June 30, 2012, for enhanced UI benefits. This bill authorizes the CDLE to obligate \$8 million for FY 2012-13 and FY 2013-14. The division may seek, accept, and expend gifts, grants, and donations to cover its administrative costs.

The definition of approved training program is expanded to include employer-based or entrepreneurial training programs approved by the director. The bill removes the options of training for entry into an occupation that leads to stable, long-term employment, or an occupation in the renewable energy field. The definition of eligible UI claimant is expanded to include those receiving extended benefits, or benefits under a military or federal claim. The bill is repealed effective July 1, 2014.

The bill continues the reporting of demographic analysis of participants in existing law and adds a return on investment calculation requirement on the benefits and fiscal contribution of UI claimants participating in the program who become employed. Employers participating in the program are required to provide information to the CDLE on permanent hires of program participants as well as feedback on program value and issues for inclusion in the return on investment calculation.

State Revenue

This bill requires an increase of revenue from gifts, grants, and donations to cover administrative costs of \$47,198 for the Division of Employment and Training in the CDLE. No such source of funding has been identified at this time. The fiscal note assumes that \$47,198 is required to implement the bill as shown in the State Expenditures section below.

State Expenditures

This bill is expected to increase expenditures for the Division of Employment and Training in the CDLE by \$3,947,198 in FY 2012-13 and \$3,900,000 in FY 2013-14. For FY 2012-13, \$47,198 is required for staff to analyze and modify the UI computer system to account for the continuation of enhanced UI benefits and to add claimants receiving extended UI benefits or benefits under a military or federal claim. This administrative portion is funded from gifts, grants, and donations. The reporting requirements of the bill can be addressed with existing appropriations. The UI Trust Fund is expected to have \$7.8 million unexpended at the end of June 30, 2012, so the fiscal note assumes that this amount is available for enhanced UI benefits and that 1,697 claimants will receive benefits each year at an annual cost of \$3.9 million.

Table 1. Expenditures Under HB12-1272		
Cost Components	FY 2012-13	FY 2013-14
Personal Services (OIT)	\$32,250	
Computer Programming (OIT)	14,948	
Enhanced UI Benefits	3,900,000	\$3,900,000
TOTAL	\$3,947,198	\$3,900,000

State Appropriations

The Division of Employment and Training in the Department of Labor and Employment requires a cash funds appropriation of \$47,198 from the Gifts, Grants, and Donations Fund. Of this, the Office of Information Technology requires \$14,948 in reappropriated funds.

Departments Contacted

Labor and Employment