

Colorado Legislative Council Staff Fiscal Note STATE FISCAL IMPACT

Drafting Number:	LLS 12-0489	Date:	February 22, 2012
Prime Sponsor(s):	Rep. Duran; Ramirez	Bill Status:	House Economic & Business Development
		Fiscal Analyst:	Clare Pramuk (303-866-2677)

TITLE: CONCERNING CONTINUATION OF ENHANCED UNEMPLOYMENT INSURANCE BENEFITS FOR UNEMPLOYED INDIVIDUALS PARTICIPATING IN APPROVED TRAINING PROGRAMS.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014			
State Revenue Cash Funds Gifts, Grants, and Donations	\$47,198				
State Expenditures Cash Funds Gifts, Grants, and Donations Unemployment Insurance Trust Fund	\$47,198 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.					

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 a high-demand occupation. The Director of the Division of Employment and Training in the Department of Labor and Employment is responsible for identifying high-demand occupations. Under current law, the division can obligate \$15 million over three years, ending June 30, 2012, for enhanced UI benefits. This bill authorizes the division 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 The bill is repealed effective July 1, 2014.

Page 2 February 22, 2012

State Revenue

This bill requires an increase of revenue from gifts, grants, and donations to cover administrative costs of \$47,198. 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 Department of Labor and Employment 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 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	\$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 \$14,498 in reappropriated funds.

Departments Contacted

Labor and Employment