

**STATE
FISCAL IMPACT**

Drafting Number: LLS 13-0626

Date: March 27, 2013

Prime Sponsor(s): Sen. Heath

Bill Status: Senate Education

Fiscal Analyst: Josh Abram (303-866-3561)

TITLE: CONCERNING WORKFORCE DEVELOPMENT FOR KEY INDUSTRIES IN COLORADO.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue Institutions of Higher Education	See State Revenue section.	
State Expenditures General Fund appropriation to the Colorado Key Industries Workforce Fund	\$500,000	\$500,000
FTE Position Change	0.2 FTE	0.2 FTE
Effective Date: August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2013-2014: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

This bill creates the Colorado Key Industries Workforce Program in the Department of Higher Education (DHE) to facilitate partnerships between key industries and institutions of higher education. A state institution, in partnership with other institutions and with one or more businesses, may be awarded grants to subsidize nontraditional students who have obtained associate degrees and are seeking bachelor's degrees meeting key industry workforce needs.

To be eligible, a state institution of higher education must partner with at least one key industry business that anticipates employing students completing the bachelor's degree and has agreed to provide matching funds for any money the institution receives from the program. Eligible institutions must also enter agreements with other institutions to ensure that credits earned allow a student completing a two-year degree to enroll as a junior at a four-year institution and permitting the student to complete a bachelor's degree within two additional years. Institutions must also show evidence that the degree program serves a key industry workforce need.

The bill creates the 11-member Colorado Key Industries Workforce Program Grant Board to make awards based on recommendations from the DHE. The grant board serves without compensation but may be reimbursed for expenses. The DHE is required to review applications and recommend to the board whether an applicant should receive a grant and, if so, the amount and

duration of grant funding. In any year in which the DHE recommends grants from the program, the department must prepare a summary report of program activities, and report the percentage of students from each program who are employed in a job that requires the degree the student earned via the program. The DHE must post the report on its website and notify the Governor, the Colorado Commission on Higher Education, and the education committees of the General Assembly. The grant program is repealed September 1, 2023, following a sunset review.

State Revenue

This bill may increase revenue for institutions of higher education from matching funds received from key industry businesses. No amount of matching funds has been identified.

State Expenditures

A grant program meeting the bill's criteria is anticipated to require \$500,000 General Fund and 0.2 FTE in the Department of Higher Education for FY 2013-14 and beyond. The bill creates a grant program cash fund to consist of moneys that the General Assembly appropriates. The bill is silent on the amount of this appropriation. This fiscal note assumes that a minimum appropriation of \$500,000 will allow participating institutions to solicit key industry business partnerships in order to generate matching funds. The estimated administrative cost for the DHE is \$16,180 and 0.2 FTE. The DHE will also spend about \$2,200 to reimburse grant board members for expenses, assuming 11 members are each reimbursed \$50 for each of 4 meetings annually. Total state expenditures are displayed in Table 1.

Table 1. Expenditures Under SB 13-218		
Cost Components	FY 2013-14	FY 2014-15
Personal Services	\$16,180	\$16,180
Board Expenses	2,200	2,200
Grants	481,620	481,620
TOTAL	\$500,000	\$500,000

State Appropriations

For FY 2013-14, this bill requires a General Fund appropriation of \$500,00 and 0.2 FTE to the Colorado Key Industries Workforce Program Fund.

Departments Contacted

Governor's Office

Higher Education

Economic Development Office