

**FINAL  
FISCAL NOTE**

**Drafting Number:** LLS 13-0626  
**Prime Sponsor(s):** Sen. Heath  
 Rep. Young

**Date:** May 29, 2013  
**Bill Status:** Postponed Indefinitely  
**Fiscal Analyst:** Josh Abram (303-866-3561)

**TITLE:** CONCERNING WORKFORCE DEVELOPMENT FOR KEY INDUSTRIES IN COLORADO, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

<b>Fiscal Impact Summary</b>	<b>FY 2013-2014</b>	<b>FY 2014-2015</b>
<b>State Revenue</b> Institutions of Higher Education	See State Revenue section.	
<b>State Expenditures</b> General Fund appropriation to the Colorado Key Industries Workforce Fund	\$500,000	\$500,000
<b>FTE Position Change</b>	0.2 FTE	0.2 FTE
<b>Effective Date:</b> The bill was postponed indefinitely by the House Appropriations Committee on May 3, 2013.		
<b>Appropriation Summary for FY 2013-2014:</b> See State Appropriations section.		
<b>Local Government Impact:</b> 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.

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

### **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