

Colorado Legislative Council Staff Fiscal Note

**FINAL  
FISCAL NOTE**

<b>Drafting Number:</b> LLS 14-0593	<b>Date:</b> June 1, 2014
<b>Prime Sponsor(s):</b> Rep. Lee; Foote Sen. Todd	<b>Bill Status:</b> Postponed Indefinitely
	<b>Fiscal Analyst:</b> Alex Schatz (303-866-4375)

**SHORT TITLE:** ADVANCED INDUSTRIES WORKFORCE DEVELOPMENT PROGRAM

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
<b>State Revenue</b>		
<b>State Expenditures</b>	<b>\$571,785</b>	
General Fund	546,359	
Centrally Appropriated Costs**	25,426	
<b>FTE Position Change</b>	1.2 FTE	
<b>Appropriation Required:</b> \$546,359 - Department of Labor and Employment (FY 2014-15)		

\* This summary shows changes from current law under the bill for each fiscal year.

\*\* These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

**Summary of Legislation**

This bill creates the Advanced Industries Workforce Development Program (program) in the Colorado Department of Labor and Employment (CDLE), cooperatively administered by the Colorado Workforce Development Council (CWDC) and the Division of Employment and Training (division). The program reimburses employers with high-level internships and apprenticeships in an advanced industry for up to \$5,000 in expenses associated with an intern or apprentice. The bill limits reimbursements to no more than 10 interns or apprentices per company, with no more than \$2,500 of the reimbursement to cover the cost of a stipend to the intern or apprentice.

Qualified employers and positions are reviewed and approved by the division, with reimbursements available as of October 1, 2014. The CWDC provides guidance to prioritize applications if there are more internships than available funding under the bill. The division must follow up with both the employer and intern after an internship is completed and compile an annual report on November 1 of each year from 2015 through 2017. The program is repealed on July 1, 2020.

In FY 2014-15, the bill requires the General Assembly to appropriate \$450,000 from the General Fund for reimbursements, plus additional appropriations for CDLE administration. This funding may be renewed by the General Assembly in FY 2015-16 and FY 2016-17. Any appropriation to the fund is available for use in two fiscal years following the appropriation. The CWDC may contract with one or more intermediaries to assist with the program.

**State Expenditures**

The bill results in increased expenditures by CDLE in FY 2014-15. Total costs for FY 2014-15 will be \$571,785 and 1.2 FTE. Similar costs are expected for future fiscal years when an appropriation is available for the program. Table 1 summarizes new costs for CDLE administration and employer reimbursements in FY 2014-15.

<b>Cost Components</b>	<b>FY 2014-15</b>
Personal Services	\$69,016
FTE	1.2
Standard Operating Costs	1,140
Capital Outlay	4,703
Intermediaries	21,000
Travel	500
Employer Reimbursements	450,000
Centrally Appropriated Costs*	25,426
<b>TOTAL</b>	<b>\$571,785</b>

*\*Centrally appropriated costs are not included in the bill's appropriation.*

**Assumptions.** The fiscal note assumes the General Assembly provides appropriations to support a consistent number of internships for the duration of the program. Personal services and operating costs are based on the assumption that, in each fiscal year of the program, at least \$450,000 is expended on at least 90 internship opportunities.

**CDLE — Administration.** To perform day-to-day program management, compile reports, survey participants, and other administration, the division will hire a full-time staff person in FY 2014-15, adjusted for the pay date shift. The CWDC will require part-time (0.3 FTE) assistance to provide technical support and guidance to the division and to integrate the bill with other workforce development programs. To provide expertise and contacts, the CWDC will expend \$21,000 for intermediaries in the fiscal year, sufficient to offer \$3,000 for assistance in each of seven advanced industry sectors.

**CDLE — Employer reimbursements.** At a \$450,000 funding level, the program supports 90 internships earning the maximum reimbursement of \$5,000. The program will support at least this number of internships and is expected to add internships until funding is exhausted each fiscal year.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

<b>Table 2. Centrally Appropriated Costs Under HB 14-1013*</b>	
<b>Cost Components</b>	<b>FY 2014-15</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$7,343
Supplemental Employee Retirement Payments	4,793
Indirect Costs	13,290
<b>TOTAL</b>	<b>\$25,426</b>

*\*More information is available at: <http://colorado.gov/fiscalnotes>*

**Effective Date**

The bill was postponed indefinitely by the Senate Appropriations Committee on May 1, 2014.

**State Appropriations**

For FY 2014-15, the bill requires, and includes, an appropriation of \$546,359 General Fund to the Department of Labor and Employment, and an allocation of 1.2 FTE.

**State and Local Government Contacts**

Office of Economic Development and International Trade  
Office of State Planning and Budgeting  
Labor and Employment

Higher Education  
Education  
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