

**STATE
FISCAL IMPACT**

Drafting Number: LLS 14-0893	Date: April 23, 2014
Prime Sponsor(s): Sen. Newell Rep. Young	Bill Status: Senate Education
	Fiscal Analyst: Kristen Koehler (303-866-4918)

SHORT TITLE: TALENT PIPELINE WORKING GROUP

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue	See State Revenue section	
State Expenditures	See State Expenditures section.	
FTE Position Change		
Appropriation Required: None		

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

Summary of Legislation

This bill requires the State Workforce Development Council within the Colorado Department of Labor and Employment (CDLE) to work with the Colorado Department of Higher Education (DHE), the Colorado Department of Education (CDE), the CDLE, and the Colorado Office of Economic Development and International Trade (OEDIT) to:

- discuss and determine needs across key industries and occupations, including challenges and opportunities in developing and growing talent pipelines;
- ensure that the talent pipeline development infrastructure includes certain elements;
- utilize sector partnerships to advise the development of career pathway programs for critical occupations in key industries and to ensure the coordination of education and workforce initiatives to develop a strong talent pipeline; and
- utilize existing measures and data systems to improve system alignment and interagency communication.

The council, working in collaboration with the departments, must annually produce a Colorado Talent Report that contains an update on the status of career pathway programs targeted at key industries; an analysis of data regarding the skills required for key industry jobs; recommendations related to advancing the talent pipeline and career pathways development; and recommendations regarding the alignment and consistency of data collection and sharing practices. By January 1, 2015, and annually thereafter, the heads of the DHE, CDE, CDLE, and OEDIT must present the recommendations of the council, and any other recommendations the department heads may have, to the House and Senate committees having jurisdiction over business issues.

Finally, the bill authorizes the council to seek and accept gifts, grants, and donations for the purposes of carrying out the functions required by the bill. Moneys received by the council are credited to the newly-created Talent Pipeline Cash Fund and require annual appropriation by the General Assembly.

Background

The council was formed under the federal Workforce Investment Act of 1998, and codified in law through House Bill 00-1083. The council is responsible for the continuous improvement of the workforce system, oversight of Workforce Investment Act funds, and for ensuring a statewide strategic workforce development vision is created through the council's members and local partners. The council advises the Governor and the General Assembly on policy matters related to all programs and activities funded by the Workforce Investment Act. Under its statutory authority, the council is also charged with aligning the efforts of economic development, education, workforce development, and state and local government stakeholders.

House Bill 12-1061 charged the DHE, in consultation with the CDLE and the Department of Regulatory Agencies, with reporting annually on the state's workforce needs and gaps that may exist in training and education programs.

State Revenue

Overall, this bill does not directly impact state cash fund revenue; however, it authorizes the council to seek and accept gifts, grants, and donations and establishes the Talent Pipeline Cash Fund for the receipt of such funds. No amount of gifts, grants, or donations have been identified at the time of this writing.

State Expenditures

Beginning in FY 2014-15, this bill increases the workload of state agency personnel. The bill requires that the DHE, CDE, CDLE, and OEDIT work together to perform certain functions, and to produce an annual Colorado Talent Report. The bill also requires that department heads present the report recommendations, along with any other comments, annually to the House and Senate committees having oversight of business issues. Increases in workload can be absorbed within existing resources and do not require new appropriations.

In order to meet the annual reporting requirements of the bill, the departments may need access to additional data sources, such as the Economic Modeling Specialists International (EMSI) database. The CDLE may be required to purchase data source licenses at an estimated cost of \$55,000 in FY 2014-15, to access talent gap analysis tools and data concerning occupational wages, industry trends, and employment growth and decline, among other data. License renewals cost about \$13,000 per year thereafter. Expenses that may be incurred by the CDLE in carrying out the provisions of this bill may be paid for from gifts, grants, and donations, as appropriated by the General Assembly through the annual budget process. However, as no source of gifts, grants, or donations have been identified at this time, this bill may require a General Fund appropriation.

Effective Date

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

Departmental Difference

The Colorado Department of Labor and Employment has identified a cost of \$55,000 in FY 2014-15 for the initial purchase of data source licenses for the purposes of preparing the annual report required by the bill. Beginning in FY 2015-16, license renewal costs have been estimated at \$13,750 per year. In addition, because no source of gifts, grants, or donations have been identified for the bill, the department is requesting a General Fund appropriation to cover the costs of the licenses and annual license renewals.

Because the bill specifies that the departments use state-level data, generated from state-level resources whenever possible, it is unclear whether the department would be ***required*** to purchase these licenses in order to prepare the annual report.

State and Local Government Contacts

Education
Labor and Employment

Higher Education
Office of Economic Development and International Trade