

Colorado Legislative Council Staff Fiscal Note

**STATE
FISCAL IMPACT**

Drafting Number: LLS 15-0093
Prime Sponsor(s): Rep. Landgraf

Date: January 21, 2015
Bill Status: House SVMA
Fiscal Analyst: Alex Schatz (303-866-4375)

BILL TOPIC: EMPLOYMENT SERVICES FOR VETERANS PILOT PROGRAM

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	<u>\$45,995</u>	<u>\$46,124</u>
General Fund	42,350	42,350
Centrally Appropriated Costs**	3,645	3,774
FTE Position Change	0.3 FTE	0.3 FTE
Appropriation Required: \$42,350 - Department of Labor and Employment (FY 2015-16)		

* 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 Employment Services for Veterans Pilot Program (program) in the Colorado Department of Labor and Employment (CDLE). The program includes veterans services related to job retention, mediation with employers, mentoring, and career counseling. The program is available for up to 20 veterans who have not been dishonorably discharged.

The CDLE must develop a request for proposals (RFP) to solicit a qualified nonprofit agency to operate the program as a contractor. The CDLE administers the program and is tasked with evaluating periodic reports from the contractor and communicating the results of its evaluation to the General Assembly's business committees.

The bill is repealed as of January 1, 2018.

Background

The CDLE operates one-stop Workforce Centers in locations across the state. Among the services offered through Workforce Centers, the CDLE employs State Veterans Representatives, who provide one-on-one assistance to veterans. With a federal grant of \$3,048,000 in FY 2013-14, State Veterans Representatives were able to serve 2,849 veterans at an average cost of \$1,070 per veteran. Federal guidelines preclude the use of this grant for services delivered by nongovernmental agencies.

State Expenditures

The bill increases state expenditures in the Department of Labor and Employment by **\$45,995 and 0.3 FTE in FY 2015-16**, and **\$46,124 and 0.3 FTE in FY 2016-17**.

Table 1. Expenditures Under HB15-1030		
Cost Components	FY 2015-16	FY 2016-17
Personal Services	\$15,950	\$15,950
FTE	0.3	0.3
Contractual Services	26,400	26,400
Centrally Appropriated Costs*	3,645	3,774
TOTAL	\$45,995	\$46,124

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

Assumptions. This analysis assumes the following:

- The program encompasses two fiscal years. Following contractor selection, the program will serve 20 veterans on a compressed schedule in FY 2015-16 and through the entire 12 months of FY 2016-17.
- The cost for individualized job services meeting the bill's requirements is \$1,070 per veteran, plus management costs of the contractor.

CDLE. The program will be administered by CDLE, including staff time to prepare the RFP, manage the contractor, evaluate program performance, and report to the General Assembly. The CDLE professional staff will spend an average of 10 hours per week on program management over the course of FY 2015-16 and FY 2016-17. For those two fiscal years, annual contractor costs are estimated at \$21,400 (20 veterans x \$1,070 per veteran) for direct services to veterans and \$5,000 for reporting and other management functions.

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.

Table 2. Centrally Appropriated Costs Under HB15-1030*		
Cost Components	FY 2015-16	FY 2016-17
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$2,409	\$2,409
Supplemental Employee Retirement Payments	1,236	1,365
TOTAL	\$3,645	\$3,774

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

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State Appropriations

The bill requires a FY 2015-16 appropriation of \$42,350 General Fund to the Department of Labor and Employment, and an allocation of 0.3 FTE.

State and Local Government Contacts

Labor and Employment
Higher Education

Personnel and Administration
Legislative Council Staff

Law