

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 15-1079 **Date:** April 27, 2015
Prime Sponsor(s): Rep. Duran; DelGrosso **Bill Status:** House Business, Affairs and Labor
Fiscal Analyst: Clare Pramuk (303-866-2677)

BILL TOPIC: WORK FORCE INNOVATION AND OPPORTUNITY ACT

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue General Fund, Cash Funds, Federal Funds	Possible increase or decrease. See State Revenue and Expenditures section.	
State Expenditures General Fund, Cash Funds, Federal Funds		
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 renames the "Colorado Work Force Investment Act" to the "Colorado Work Force Innovation and Opportunity Act" and conforms the state act with the federal "Workforce Innovation and Opportunity Act" (WIOA). The bill includes the following provisions to conform with the federal act including:

- changes references from "investment" to "development";
- requires a one-stop career center that receives federal workforce funds to provide veterans with priority employment and training services;
- removes the requirement that the Colorado Workforce Development Council (CWDC) submit recommendations for the allocation of federal funds to the Joint Budget Committee;
- removes the requirement for youth council subgroups within workforce boards;
- allows for the designation of certain standing committees by local workforce development boards to address local workforce issues;
- adds programs authorized under the "Social Security Act" and "Second Chance Act of 2007" as required federal program partners of workforce boards;
- adds programs authorized under the "Food and Nutrition Act of 2008" and the "Rehabilitation Act of 1973" as optional federal program partners of workforce boards;
- changes the membership requirements of the CWDC to meet the minimum requirements in the federal act and stipulations expressed by the governor through executive order;
- removes the designation requirements for a one-stop partner operator; and
- modifies the allocation process of federal workforce moneys by local workforce development areas.

The bill allows the Colorado Department of Labor and Employment (CDLE) to accept and expend moneys from intergovernmental partnerships.

Background

WIOA. The federal WIOA was signed into law on July 22, 2014, and takes effect July 1, 2015. It supersedes the Workforce Investment Act of 1998 and amends the Adult Education and Family Literacy Act, the Wagner-Peyser Act, and the Rehabilitation Act of 1973. The WIOA is designed to help job seekers access employment, education, training, and support services and to match employers with skilled workers.

CDLE current spending authority. Under current law, the CDLE must submit a request for supplemental appropriations or other budget action to the Office of State Planning and Budget and the General Assembly. It can take up to several months to receive approval to spend funds that another agency or local government already has approval to spend, but may not have the expertise to implement.

State Revenue and Expenditures

By authorizing the CDLE to accept and expend funds from state and local governmental agencies, the CDLE will be able to provide employment and training services through partnerships with other agencies. For example, the Department of Corrections (DOC) would like to partner with the CDLE to provide employment and training services to adult parolees but CDLE is not able to accept General Fund monies from the DOC. Although the bill does not require such partnerships, the authorization represents the potential for an increase in revenue and expenditures for the CDLE. To the extent that CDLE is currently receiving funds from other governmental agencies through the budget process, the bill may facilitate the transfer of these funds. It does not require a change in appropriations.

Local Government Impact

Under current law, local elected officials must develop an allocation formula for federal funds within 30 days after receipt of the federal appropriation. By requiring that development or modification of an allocation formula be requested by one or more local workforce development areas and not occur more frequently than once per year, this bill will alleviate local elected officials from performing this task as often.

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 and Local Government Contacts

Labor and Employment

Counties

Governor's Office