



**Colorado
Legislative
Council
Staff**

HB16-1302

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

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| Drafting Number: LLS 16-0836 | Date: August 3, 2016 |
| Prime Sponsor(s): Rep. Duran; DelGrosso Sen. Newell | Bill Status: Signed into Law |
| | Fiscal Analyst: Kerry White (303-866-3469) |

BILL TOPIC: ALIGN WITH WORKFORCE INNOVATION & OPPORTUNITY ACT

| Fiscal Impact Summary | FY 2015-2016 <i>(current year)</i> | FY 2016-2017 | FY 2017-2018 |
|--|---------------------------------------|--------------|--------------|
| State Revenue | | | |
| State Expenditures | Minimal workload increase. | | |
| Appropriation Required: None. | | | |
| Future Year Impacts: Ongoing minimal workload increase. | | | |

Summary of Legislation

This bill changes the title of the "Colorado Workforce Investment Act" to the "Colorado Career Advancement Act" and aligns Colorado law with the federal "Workforce Innovation and Opportunity Act" of 2014. It also clarifies the roles of specific entities in workforce development programs and removes statutory requirements made inapplicable by the federal act, such as requirements for:

- the membership and function of local workforce development boards, including youth councils and rural consortium boards;
- the state workforce development plan and local plans for workforce investment areas;
- optional partners of workforce boards; and
- memoranda of understanding for one-stop operators.

One-stop operators. Beginning on July 1, 2017, workforce boards must select and certify one-stop operators for local workforce development areas in accordance with federal law and local policy. If no qualified operator responds to the procurement process, local officials may designate an operator. The bill also allows counties to determine any expenditures of Temporary Assistance to Needy Families funds for the purpose of cash contributions to infrastructure of the one-stop delivery system or delivery contracts.

New local workforce development areas. The bill clarifies that any county, municipality, city and county, or combination thereof may petition the Governor, on an annual basis, to form a new workforce development area, provided that this area meets federal requirements. The bill removes automatic temporary and permanent designations for local governments meeting certain size requirements.

Colorado Workforce Development Council (CWDC). The CWDC, in consultation with local government officials, is required to conduct a process to identify planning regions. It must also work in partnership with various stakeholders to convene a state-level work group to address branding, marketing, and outreach to the public about opportunities available in the workforce development areas throughout the state. The work group is required to convene no later than July 31, 2016. On or before January 15, 2017, the work group is required to make recommendations for adoption into the biannual state workforce plan.

Use of funds by counties. The bill allows counties to use their allocation of federal Title III (Wagner-Peyser Act) moneys for the operation of workforce development programs.

Background

The federal Workforce Innovation and Opportunity Act (WIOA) was signed into law on July 22, 2014, and took effect on July 1, 2015. It superceded the Workforce Investment Act of 1988 and amended 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.

The CWDC consists of about 45 members, including representatives from state agencies, the Legislature, institutions of higher education, local governments, and various stakeholder groups, including organized labor, the business community, and community groups serving rural mental health, veterans, youth, and persons with disabilities.

State Expenditures

Overall and beginning in the current FY 2015-16, this bill increases workload by a minimal amount. Staff in the Colorado Department of Labor and Employment (CDLE) will update forms, policies, and procedures to ensure compliance with federal law. In addition, members of the CWDC will have minimal workload increases in order to conduct a process to identify planning regions and to convene a work group to address the bill's requirements concerning marketing. The new process for designating local workforce development areas may also increase workload in the Governor's Office by a minimal amount as areas will no longer qualify for automatic designations. This workload increase may be partially offset by the requirement that applications for such designations only be submitted on an annual basis.

Local Government Impact

Overall, it is anticipated that the requirements of this bill can be accomplished within the existing resources of local governments. Similar to the state, this bill increases workload for local governments to participate in the designation of new local workforce development areas, planning regions, and one-stop operators. The bill also provides flexibility concerning the use of federal funds in workforce development activities, which may shift how these funds are used.

Effective Date

The bill was signed into law by the Governor and took effect on May 19, 2016.

State and Local Government Contacts

Counties
Information Technology
Municipalities

Governor's Office
Labor
Special Districts

Human Services
Local Affairs