



**Colorado
Legislative
Council
Staff**

HB16-1267

**FINAL
FISCAL NOTE**

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

Drafting Number: LLS 16-0383 **Date:** June 27, 2016
Prime Sponsor(s): Rep. Lee; Fields **Bill Status:** Signed into Law
 Sen. Woods; Carroll **Fiscal Analyst:** Amanda Hayden (303-866-4918)

BILL TOPIC: COLORADO VETERANS' SERVICE-TO-CAREER PILOT PROGRAM

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	\$500,000	\$40,296
Cash Funds	500,000	40,296
FTE Position Change	0.4 FTE	0.5 FTE
Appropriation Required: \$500,000 - Colorado Department of Labor and Employment (FY 2016-17).		
Future Year Impacts: None.		

Summary of Legislation

The bill creates the Colorado Veterans' Service-to-Career Pilot Program in the Colorado Department of Labor and Employment (CDLE). Through CDLE and in partnership with nonprofit agencies, workforce centers throughout the state may apply for grants to develop and expand career services for veterans, spouses, and eligible participants. Eligible participants include a veteran's dependent child under age 27 and a veteran's caregiver over age 18. The bill defines a veteran as one who served in the United States armed forces and was discharged or released under conditions other than dishonorable and includes a person serving or who served in the National Guard or as a reservist.

In selecting grantees, CDLE must give preference to workforce centers that partner with an integrated service and support center for veterans, that are located in a community with large military installations, that have existing programs or partnerships with businesses or organizations that provide employment services, and that have the capacity to provide a wide range of services. Workforce centers that participate in the program must report on services offered, participation rates, and program success, and CDLE must report, in turn, to the General Assembly.

The bill makes a one-time appropriation of \$500,000 from the Marijuana Tax Cash Fund to CDLE to administer the program. CDLE may use up to five percent and workforce centers may use up to seven percent of the money for administrative costs. The program repeals January 1, 2019.

Background

CDLE operates 77 workforce centers in 53 counties across the state. Through workforce centers, the CDLE employs state veterans representatives, who provide one-on-one assistance to veterans. There are approximately 400,000 veterans living in Colorado.

State Expenditures

This bill increases state cash fund expenditures by \$500,000 and 0.4 FTE in FY 2016-17 and by \$40,296 and 0.5 FTE in FY 2017-18 in CDLE. These costs are listed in Table 1 and explained below.

Table 1. Expenditures Under HB16-1267		
Cost Components	FY 2016-17	FY 2017-18
Personal Services	\$24,643	\$32,857
FTE	0.4 FTE	0.5 FTE
Operating Expenses and Capital Outlay Costs	5,083	475
Centrally Appropriated Costs	6,115	6,964
Total Grant Funds	464,159	
TOTAL	\$500,000	\$40,296

Colorado Department of Labor and Employment (CDLE). The bill increases expenditures in CDLE from the Marijuana Tax Cash Fund by \$500,000 and 0.4 FTE in FY 2016-17 and \$40,296 and 0.5 FTE in FY 2017-18. CDLE must develop an application process and contract requirements, select grantees and disburse funds, monitor programs, and consolidate reports on progress and program success. Costs have been prorated to reflect a September 1, 2016, start date. The fiscal note assumes that the five percent (\$25,000) set aside for administration will cover partial first year costs of \$35,841, which include centrally appropriated costs (see Technical Note). In FY 2016-17, CDLE will disburse the remainder of one-time funding of \$464,159 as grants, of which workforce center recipients can use up to seven percent for administration. The fiscal note assumes that workload to monitor programs and report on progress will continue into FY 2017-18 and will require a Marijuana Tax Cash Fund appropriation of \$40,296 and 0.5 FTE.

Indirect costs. Because the bill specifies that indirect costs associated with administration of the grant program are to be paid from the \$500,000 appropriation, the indirect costs are included in the appropriation and not addressed through the annual budget process. Table 2 below summarizes indirect costs under the bill.

Table 2. Indirect Costs Under HB16-1267		
Cost Components	FY 2016-17	FY 2017-18
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$4,006	\$4,020
Supplemental Employee Retirement Payments	2,109	2,944
TOTAL	\$6,115	\$6,964

Local Government Impact

The bill increases revenue and expenditures by \$464,159 for local governments operating workforce centers that apply for and receive grants through the pilot program. The bill does not specify a minimum or maximum grant size, and it is unknown which counties or cities and counties will receive grants. For these reasons, the precise impact to specific local governments has not been estimated.

Technical Note

The bill specifies that CDLE may use up to five percent, or \$25,000, for administration costs; however, the fiscal note estimates costs of \$35,841 in FY 2016-17 and \$40,296 in FY 2017-18.

Effective Date

The bill was signed into law by the Governor on May 20, 2016, and takes effect August 10, 2016, assuming no referendum petition is filed.

State Appropriations

In FY 2016-17, the bill requires and includes an appropriation of \$500,000 to CDLE from the Marijuana Tax Cash Fund and an allocation of 0.4 FTE.

State and Local Government Contacts

Counties Information Technology Labor Military Affairs