



**Colorado
Legislative
Council
Staff**

HB16-1290

FISCAL NOTE

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

Drafting Number: LLS 16-0890	Date: March 11, 2016
Prime Sponsor(s): Rep. Esgar; Kraft-Tharp Sen. Kerr; Hill	Bill Status: House Business Affairs and Labor Fiscal Analyst: Amanda Hayden (303-866-4918)

BILL TOPIC: EXTEND TRANSITIONAL JOBS PROGRAM

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	\$1,198,770	\$2,391,868
General Fund	1,151,628	2,296,281
Centrally Appropriated Costs	47,142	95,587
FTE Position Change	1.0 FTE	2.0 FTE
Appropriation Required: \$1.2 million - Department of Human Services (FY 2016-17).		
Future Year Impacts: Ongoing state expenditure increases.		

Summary of Legislation

This bill extends the Transitional Jobs Program (known as ReHire Colorado) administered by the Department of Human Services (DHS) through June 30, 2022, except that DHS shall offer no new transitional jobs after December 31, 2021. The program is currently scheduled to repeal June 30, 2017, with no new transitional jobs offered after December 31, 2016.

Background

The ReHire Colorado program was created under House Bill 13-1004 to provide unemployed and underemployed adults an opportunity to learn and practice successful workplace behaviors that help them obtain long-term unsubsidized employment. The program was appropriated \$2.4 million and 2.0 FTE under that bill which repealed December 30, 2014. House Bill 14-1015 extended the program through June 30, 2017, with an appropriation of \$1.2 million for the partial FY 2014-15, \$2.4 million for FY 2015-16, and \$1.2 million for the partial FY 2016-17. Moneys are used to reimburse employers for wage-related costs, make payments to local agency contractors, and for staff and administrative costs.

State Expenditures

This bill increases state General Fund expenditures by \$1.2 million and 1.0 FTE in FY 2016-17 and by \$2.4 million and 2.0 FTE in FY 2017-18 and out years. In its final year, FY 2021-22, costs will be prorated to reflect a half year impact. These costs are based on the assumption that costs equal to the existing appropriation will continue into the future. The program's costs are shown in Table 1 and explained below.

Table 1. Expenditures Under HB16-1290		
Cost Components	FY 2016-17	FY 2017-18
Personal Services	\$63,873	\$129,019
FTE	1.0 FTE	2.0 FTE
Operating Expenses	950	1,900
Travel, Program Evaluation, and Outreach Costs	33,365	46,482
Program Delivery Costs	1,053,440	2,106,880
Salesforce Software Renewal		12,000
Centrally Appropriated Costs*	47,142	95,587
TOTAL	\$1,198,770	\$2,391,868

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

Personal services and operating expenses. Personal services are based on 1.0 FTE General Professional III and 1.0 FTE General Professional IV. Standard operating costs of \$950 per year per FTE are also included. Because DHS's budget request includes funding through the first half of FY 2016-17, costs in the first year are prorated to reflect a half year of operations.

Travel, program evaluation, and outreach costs. These costs include printing of marketing materials, web development, and travel expenses of \$1,325 per FTE per year. Program evaluation will be completed by the end of FY 2016-17, and outreach efforts and expenses will increase in FY 2017-18.

Program delivery costs. Program delivery costs include support services and wage subsidies and are \$2,106,880 per year, prorated to \$1,053,440 in the second half of FY 2016-17.

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 HB16-1290		
Cost Components	FY 2016-17	FY 2017-18
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$8,036	\$16,074
Supplemental Employee Retirement Payments	5,466	11,561
Indirect Costs	33,640	67,952
TOTAL	\$47,142	\$95,587

Effective Date

The bill takes effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2016-17, the bill requires an appropriation of \$1,151,628 General Fund and an allocation of 1.0 FTE to the Department of Human Services.

State and Local Government Contacts

Human Services

Information Technology