



**Summary of Legislation**

The bill creates the Career and Technical Education (CTE) Capital Grant Program in the Colorado Department of Labor and Employment (CDLE) to assist area technical colleges, community colleges, and schools districts with the purchase or lease of equipment, or the construction or maintenance of a building used for CTE.

The Colorado Workforce Development Council (CWDC) must adopt guidelines for the program, review applications, award grants, and compile an annual report on the program. In awarding grants, the council must first award grants to applicants in rural areas of the state and consider the financial need of each applicant. Of the amount allocated to the program, three percent may be used to administer the program.

**State Expenditures**

The amount appropriated for the grant program is at the discretion of the General Assembly; the fiscal note is based on an assumed \$10 million appropriation. Based on that assumption, the bill increases expenditures from the General Fund by up to \$10 million annually beginning in FY 2018-19. Estimated costs are listed in Table 2 and discussed below.

**Table 2  
Expenditures Under HB 18-1034**

	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Department of Labor and Employment</b>		
Personal Services	\$141,359	\$154,209
Operating Expenses and Capital Outlay Costs	\$11,116	\$1,900
Computer Costs	\$102,812	\$23,700
Travel	\$2,940	\$2,940
Grants	\$9,715,358	\$9,788,162
Centrally Appropriated Costs*	\$26,415	\$29,089
FTE – Personal Services	1.8 FTE	2.0 FTE
<b>Total Cost</b>	<b>\$10,000,000</b>	<b>\$10,000,000</b>
<b>Total FTE</b>	<b>1.8 FTE</b>	<b>2.0 FTE</b>

\* The fiscal note assumes that centrally appropriated costs are included in the bill's appropriation.

**Colorado Department of Labor and Employment.** The bill authorizes up to 3 percent of the amount appropriated for the grant program to be used for administrative costs which is \$300,000, assuming a \$10.0 million grant program. The fiscal note estimates that CDLE requires \$258,227 to implement the program in FY 2018-19.

*Staffing.* CDLE requires 2.0 FTE to implement the grant program. The FTE amount for FY 2018-19 is prorated based on the bill's effective date. This includes 1.0 FTE to develop guidelines and procedures for the program, support the council in reviewing applications and selecting grantees, and distribute and administer the grant amounts. An additional 1.0 FTE is

required to provide area technical colleges, community colleges, and school districts with assistance developing proposals and applying for grants, as well as to oversee project implementation.

*Grants.* The fiscal note assumes that approximately 26 grants will be awarded, of which 10 are for small equipment (approximately \$50,000 each), 11 are for large equipment (\$200,000), 4 are for maintenance (\$1,000,000), and 1 is for construction (\$3 million). Based on the administrative expenses, approximately \$9,715,358 in FY 2018-19 and \$9,788,162 in FY 2019-20 will be available for grants. The specific number and amount of grants will be determined by CDLE and the CWDC.

*Computer costs.* Because CDLE does not have an existing system in which this program can be incorporated, the bill requires \$102,812 in FY 2018-19 and \$23,700 for the development of a grant management system. The work developing the system will be completed by the Office of Information Technology (OIT), which requires 712 hours of contractor work, as well as the purchase of a Salesforce license. Ongoing costs reflect the Salesforce license only.

*Legal services.* In FY 2018-19 only, the bill increases the workload for CDLE to conduct rulemaking related to the grant program. Legal services are provided by the Department of Law. The one-time rulemaking is expected to be accomplished within CDLE's existing allotment of legal services.

**Community colleges and area technical colleges.** The bill increases expenditures for any community colleges and area technical colleges that receive a grant for equipment, or building construction or maintenance related to CTE. It is expected that grants will range from \$50,000 to \$3 million per grant.

**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. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$26,415 in FY 2018-19 and \$29,089 in FY 2019-20.

## **School District Impact**

The bill increases revenue for any school district that is awarded a grant. It is expected that grants will range from \$50,000 to \$3 million. Workload will also increase for any school district that applies for a grant.

## **Effective Date**

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

**State Appropriations**

The amount appropriated for the program is at the discretion of the General Assembly. Based on the assumptions in the fiscal note, for FY 2018-19, the bill requires a General Fund appropriation of up to \$10,000,000 to the Colorado Department of Labor and Employment, and an allocation of 1.8 FTE. Of that, \$102,812 is reappropriated to the Office of Information Technology.

**Departmental Difference**

CDLE estimates that an additional \$200,000 is required to hire a consultant to provide technical and subject matter expertise to the department and grantees, monitor grant projects, and evaluate program outcomes. The fiscal note assumes that these tasks can be accomplished within the 2.0 FTE required for the program.

**State and Local Government Contacts**

Education  
Labor

Higher Education  
Law

Information Technology