



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

HB 18-1310

# FINAL FISCAL NOTE

|                         |   |                        |   |
|-------------------------|---|------------------------|---|
| <b>Drafting Number:</b> | LLS 18-1043   | <b>Date:</b>           | May 31, 2018  |
| <b>Prime Sponsors:</b>  | Rep. Coleman;<br>Covarrubias<br>Sen. Fields; Priola | <b>Bill Status:</b>    | Postponed Indefinitely                                |
|                         |   | <b>Fiscal Analyst:</b> | Kerry White   303-866-3469<br>Kerry.White@state.co.us |

**Bill Topic:** EMERGENCY EMPL SUPPORT SERVICES PILOT PROGRAM DOLA

**Summary of Fiscal Impact:**

|  |   |
|--|---|
| <input checked="" type="checkbox"/> State Revenue ( <i>potential</i> )     | <input type="checkbox"/> TABOR Refund                                     |
| <input checked="" type="checkbox"/> State Expenditure ( <i>potential</i> ) | <input checked="" type="checkbox"/> Local Government ( <i>potential</i> ) |
| <input type="checkbox"/> State Transfer                                    | <input type="checkbox"/> Statutory Public Entity                          |

This bill creates a three-year emergency employment support services pilot program in the Colorado Department of Labor and Employment (CDLE). Conditional upon the receipt of gifts, grants, and donations, it may increase state and local government revenue and expenditures between FY 2018-19 and FY 2021-22.

**Appropriation Summary:** No appropriation is required.

**Fiscal Note Status:** The revised fiscal note reflects the reengrossed bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

## Summary of Legislation

This bill creates a three-year Emergency Employment Support Services Pilot Program in the Colorado Department of Labor and Employment (CDLE), the implementation of which is dependent on the receipt of gifts, grants, and donations. If funding is received, the program will begin on September 1, 2018, and repeal on September 1, 2021, and has a mission of providing funding for emergency support services. CDLE is required to select ten rural counties and a limited number of zip codes within nonrural counties to participate in the pilot program. In selecting the program area, CDLE must consider the counties and zip codes which have:

- the highest percentage of residents living at or below 200 percent of the federal poverty level;
- the highest percentage of residents without a high school diploma;
- the highest unemployment rates;
- the lowest median income as a percentage of the state median income; and
- the highest number of working age residents who are not employed.

CDLE must develop a competitive request for proposals process to contract with an outside nonprofit entity to administer the pilot program, as well as program procedures and guidelines. This administering entity must develop formal memoranda of understanding with public agencies and private nonprofit organizations to provide employment, job training, and job retention services to eligible individuals.

**Financial terms.** The CDLE is authorized to solicit, accept, and expend gifts, grants, and donations for implementing and operating the pilot program, which are credited to the newly created Emergency Employment Support Services Pilot Program Cash Fund. CDLE may use up to 5 percent annually to oversee the pilot program. The administering entity may use up to 15 percent annually to operate the pilot program. The remaining funds may be used only for reimbursements to service providers. The administering entity must develop a process to reimburse service providers up to \$400 per year for each eligible individual that received assistance. CDLE must create a formula for distributing money within the chosen program areas using specified criteria.

**Pilot program service providers.** Service providers must submit reports to the administering entity that outline the type of service provided, the reason for the services, and basic demographic and geographic information about the individuals and service provision, and agree to participate in a follow-up analysis process at the end of the pilot program. Reimbursements received from the administering entity may not be used for job training or employment services currently provided by another source. Moneys may be used for emergency employment support services to assist with emergency needs as they pertain to individuals' employment or job training goals and to assist with ongoing job retention for up to 6 months after the date of employment.

**Eligible individuals.** Each individual must be at least 16 years of age, eligible to work in the United States, and actively pursuing employment or job training with the assistance of a public agency or private nonprofit organization that provides employment services and that has a memorandum of understanding with the administering entity.

**Eligible expenses.** Services that are eligible for reimbursement include transportation or vehicle repair, emergency childcare, emergency housing, job training or education fees, work tools and equipment, food and nutrition, utility and internet bills, prepaid cell phones, licenses and certifications, legal services related to employment, interpretation expenses, qualified medical expenses, and other expenses that relate to employment or job training, but are not provided by any other funding source.

**Reporting.** At the conclusion of the pilot program, the administering entity is required to report to CDLE about the information provided by its service providers, a qualitative analysis based on interviews conducted with a representative sample of service providers about the efficacy of the program, and an account of the pilot program's expenditures.

## State Revenue

Between FY 2018-19 and FY 2021-22, the bill may increase revenue from any gifts, grants, or donations received by CDLE for the pilot program. As of this writing, no source of funds has been identified. Any gifts, grants, or donations received are exempt from the provisions of TABOR.

## State Expenditures

Conditional upon the receipt of gifts, grants, or donations, cash fund expenditures may increase in the CDLE to administer the program. As the amount of expenditures depends on the amount of gifts, grants, or donations, for which no source has been identified, the amount of expenditures cannot be determined at this time. The Emergency Employment Support Services Pilot Program Cash Fund is continuously appropriated to the CDLE.

## Local Government

To the extent that the program is implemented and any local governments contract to become service providers for the pilot program, revenue and expenditures will increase. The impact to a particular jurisdiction depends on the program areas selected by CDLE and the number of individuals served within that area. These impacts have not been estimated.

## Effective Date

The bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on May 2, 2018.

## State and Local Government Contacts

Information Technology

Labor

Local Affairs