



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 18-1343

REVISED FISCAL NOTE

(replaces fiscal note dated April 4, 2018)

Drafting Number: LLS 18-0692 Date: April 24, 2018
Prime Sponsors: Rep. Lee; Carver Bill Status: House Appropriations
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Bill Topic: VETERANS' SERVICE-TO-CAREER PROGRAM

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

The bill continues the Veterans Service-to-Career Grant Program in the Colorado Department of Labor and Employment through January 1, 2024.

Appropriation Summary: For FY 2018-19, the bill requires an appropriation of \$500,000 to the Colorado Department of Labor and Employment.

Fiscal Note Status: The revised fiscal note reflects the bill as amended by the House Education Committee.

Table 1 State Fiscal Impacts Under HB 18-1343

Table with 4 columns: Category, FY 2018-19, FY 2019-20. Rows include Revenue, Expenditures (Cash Funds, Centrally Appropriated, Total, Total FTE), Transfers, and Tabor Refund.

## Summary of Legislation

House Bill 16-1267 created the Colorado Veterans' Service-to-Career Pilot Program in the Colorado Department of Labor and Employment (CDLE). The pilot program authorizes nonprofit agencies to partner with workforce centers selected by the CDLE to provide eligible participants with skills training, internships, work placement, career and professional counseling, and other related support services. This bill:

- extends the program's January 1, 2019, repeal date, until January 1, 2024;
- expands eligibility for program services to include veterans, veterans' spouses, persons actively serving in the U.S. Armed Forces and within six months of discharge, or a member of the National Guard or military reserves who has completed initial entry training;
- adjusts the allowable administrative overhead for expenses incurred by the CDLE from seven to eight percent;
- requires that the CDLE develop an evaluation methodology to measure program outcomes and effectiveness prior to initiating the bid process for awarding grants; and
- clarifies and defines terms.

## Background

The Colorado Veterans' Service-to-Career Pilot Program is scheduled to repeal on January 1, 2019. For FY 2016-17, the CDLE was appropriated \$500,000 from the Marijuana Tax Cash Fund and 0.5 FTE. The department received a supplemental appropriation of approximately \$168,000 in FY 2017-18. The program is anticipated to expend all existing funds in the current FY 2017-18.

## State Expenditures

The bill increases state expenditures by \$506,879 and 0.5 FTE in FY 2018-19 and by \$41,604 and 0.5 FTE in FY 2019-20. New expenditures are from the Marijuana Tax Cash Fund. State expenditures are displayed in Table 2 and described below.

**Table 2**  
**Expenditures Under HB 18-1343**

	FY 2018-19	FY 2019-20
<b>Colorado Department of Labor and Employment</b>		
Personal Services	\$34,250	\$34,250
Operating Expenses and Capital Outlay Costs	\$475	\$475
Travel	\$1,500	\$3,000
Evaluation Methodology	\$25,000	-
Grant Funds	\$438,775	-
Centrally Appropriated Costs*	\$6,879	\$6,879
FTE – Personal Services	0.5 FTE	0.5 FTE
<b>Total Cost</b>	<b>\$506,879</b>	<b>\$44,604</b>
<b>Total FTE</b>	<b>0.5 FTE</b>	<b>0.5 FTE</b>

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

**Service to career grant program.** The bill continues expenditures in CDLE beginning with FY 2018-19 and ongoing. These expenses would have repealed on January 1, 2019. CDLE will continue to administer the application process, select grantees, disburse funds, monitor programs, and prepare summary reports. This fiscal note assumes that grant awards will be disbursed over the next two fiscal years, similar to the program's administration as a pilot in FY 2016-17 and FY 2017-18.

**Evaluation methodology.** The CDLE is required to develop an evaluation methodology to measure program outcomes and effectiveness prior to initiating the bid process for awarding grants. To the extent feasible, the evaluation process must enable a comparison between programs serving similar populations.

The CDLE will hire a third-party contractor with expertise in workforce-related evaluation research to develop an evaluation plan, describe the methodologies to be employed to ensure results are reliable and valid, and identify similar programs that can be used as a comparison or control group, as appropriate. The contractor will conduct the evaluation research, report on program strengths and weaknesses, and make recommendations for further study.

**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 \$6,879 in both FY 2018-19 and FY 2019-20.

**Local Government Impact**

The bill increases revenue and expenditures for local governments operating workforce centers that apply for and receive grants through the state program. Local workforce centers will be eligible to receive additional funding from CDLE to support veterans and dependants with skills training, internships, work placement, career and professional counseling, and other related support services.

**Effective Date**

The bill takes effect July 1, 2018.

**State Appropriations**

For FY 2018-19, the bill requires an appropriation of \$500,000 from the Marijuana Tax Cash Fund to the Colorado Department of Labor and Employment and 0.5 FTE.

**State and Local Government Contacts**

Counties  
Local Affairs

Information Technology  
Military Affairs

Labor