



Legislative
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FISCAL NOTE

Drafting Number:	LLS 19-0390	Date:	January 23, 2019
Prime Sponsors:	Rep. Coleman Sen. Fields; Priola	Bill Status:	House Business
		Fiscal Analyst:	Katie Ruedebusch 303-866-3001 Katie.Ruedebusch@state.co.us

Bill Topic: EMPLOYMENT SUPPORT JOB RETENTION SERVICES PROGRAM

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input checked="" type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill creates an employment support services program in the Colorado Department of Labor and Employment (CDLE). The bill increases state revenue and expenditures and may increase local government workload from FY 2019-20 to FY 2021-22.

Appropriation Summary: The Employment Support and Job Retention Services Program Cash Fund is continuously appropriated to the department, therefore no appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

**Table 1
State Fiscal Impacts Under HB 19-1107**

		FY 2019-20	FY 2020-21	FY 2021-22
Revenue		-	-	-
Expenditures	Cash Funds	\$993,084	\$1,007,813	\$1,007,813
	Centrally Appropriated	\$6,916	\$13,831	\$13,831
	Total	\$1,000,000	\$1,021,644	\$1,021,644
	Total FTE	0.5 FTE	1.0 FTE	1.0 FTE
Transfers	General Fund	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)
	Cash Funds	\$1,000,000	\$1,000,000	\$1,000,000
TABOR Refund		-	-	

Summary of Legislation

This bill creates the Employment Support and Job Retention Services Program in the Colorado Department of Labor and Employment (CDLE). The program receives a \$1.0 million annual General Fund transfer from FY 2019-20 to FY 2021-22 and has a mission of providing funding for employment preparation and pursuit, job training, and job retention. CDLE must develop a competitive solicitation process to contract with an outside nonprofit entity to administer the program. 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. In addition to funding from the General Fund, CDLE is authorized to solicit, accept, and expend gifts, grants, and donations for implementing and operating the program, which are credited to the newly created Employment Support and Job Retention Services Program Cash Fund. CDLE may use up to 5 percent of the money in the fund annually to oversee the program. The administering entity may use up to 15 percent of the money in the fund annually to operate the program. The remaining funds may be used only for reimbursements to service providers.

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 services provided, and agree to participate in a follow-up analysis process throughout the program. Reimbursements received from the administering entity may not be used for job training or employment services currently provided by another source.

Eligible individuals. To be eligible for the program, individuals must be at least 16 years of age, be eligible to work in the United States, have a household income at or below the federal poverty level, and be actively pursuing employment or job training with the assistance of a public agency or private nonprofit organization that provides employment services.

Eligible expenses. Services that are eligible for reimbursement include transportation; 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 and mental health expenses; and other expenses that relate to employment or job training, but are not provided by any other funding source.

Reporting. On or before July 1 each year, 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 program's expenditures. In addition, on or before September 1, 2021, CDLE is required to present a comprehensive analysis of the efficacy of the program to the General Assembly.

State Revenue

Between FY 2019-20 and FY 2021-22, the bill may increase revenue to the Employment Support and Job Retention Services Program Cash Fund from any gifts, grants, or donations received by CDLE for the program. At this time, no source of funds has been identified. Any gifts, grants, or donations received are exempt from TABOR.

State Transfers

In FY 2019-20, FY 2020-21, and FY 2021-22, the bill transfers \$1.0 million from the General Fund to the new cash fund.

State Expenditures

The bill increases cash fund expenditures by \$1.0 million and 0.5 FTE in FY 2019-20, and \$1.0 million and 1.0 FTE in FY 2020-21 and FY 2021-22 from the Employment Support and Job Retention Services Program Cash Fund.

**Table 2
Expenditures Under HB 19-1107**

	FY 2019-20	FY 2020-21	FY 2021-22
Department of Labor & Employment			
Personal Services	\$28,186	\$56,373	\$56,373
Operating Expenses and Capital Outlay Costs	\$5,178	\$1,440	\$1,440
Grant to Administering Entity	\$959,720	\$950,000	\$950,000
Centrally Appropriated Costs*	\$6,916	\$13,831	\$13,831
FTE – Personal Services	0.5 FTE	1.0 FTE	1.0 FTE
Total Cost	\$1,000,000	\$1,021,644	\$1,021,644
Total FTE	0.5 FTE	1.0 FTE	1.0 FTE

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

Department of Labor and Employment. CDLE will require 0.5 FTE to implement this program in FY 2019-20 and 1.0 FTE to administer the program in FY 2020-21 and FY 2021-22. This fiscal note assumes that CDLE will begin administering the program in January 2020. The staff person will develop the competitive solicitation process for the administering entity; establish the program's procedures and guideline; solicit feedback from key stakeholders; manage the contract with the administering entity; analyze and review reports from the administering entity; and report to the General Assembly. CDLE may use up to 5 percent annually to oversee the program; see Technical Note. The remainder of the funds will be granted to the administering entity for the program, approximately \$950,000 per year.

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 appropriation bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$6,916 in FY 2019-20 and \$13,831 in FY 2020-21 and FY 2021-22.

Local Government

To the extent that any local governments contract to become service providers for the program, revenue and expenditures will increase for that local government. 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.

Technical Note

As stated above, CDLE may use up to 5 percent annually to oversee the program. However, personal services in CDLE are expected to exceed the 5 percent cap.

Effective Date

The bill takes effect July 1, 2019.

State and Local Government Contacts

Information Technology

Labor and Employment