This bill creates the Stimulus Investments in Reskilling, Upskilling, and Next-skilling Workers Program and appropriates funds for use by the Colorado Workforce Development Council to invest in programs and grants that support training for the unemployed and underemployed. The bill increases expenditures from FY 2020-21 to FY 2022-23.

Appropriation Summary: For FY 2020-21, this bill includes an appropriation of $25.0 million to the Department of Labor and Employment.

This fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 21-1264

<table>
<thead>
<tr>
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<th>Current Year FY 2020-21</th>
<th>Budget Year FY 2021-22</th>
<th>Out Year FY 2022-23</th>
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</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
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<tr>
<td><strong>Expenditures</strong></td>
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<td>$25,000,000</td>
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<tr>
<td><strong>Transfers</strong></td>
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<td><strong>TABOR Refund</strong></td>
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Summary of Legislation

This bill creates the Stimulus Investments in Reskilling, Upskilling, and Next-skilling Workers Program as an initiative of the Colorado Workforce Development Council (CWDC) to train unemployed and underemployed Coloradans during times of substantial unemployment. The bill appropriates $25.0 million from the General Fund to the Department of Labor and Employment (CDLE) for use by the CWDC for FY 2020-21, and any money not expended in FY 2020-21 is further appropriated to the CDLE for FY 2021-22 and FY 2022-23 for the same purpose.

The CWDC, in coordination with the CDLE, will allocate the funds to programs and entities for reskilling, upskilling, or next-skilling purposes. Specifically, the program will:

- support unemployed and underemployed workers to change industries to return to work or obtain more appropriate work;
- assist workers in increasing skill levels to retain or advance their employment; and
- support workers in developing skills necessary for employment in future industries.

The bill prohibits the CDLE and the CWDC from adding permanent staff to implement the bill but the agencies may use temporary personnel. This bill clarifies that any limitations or requirements imposed on the use of federal funds do not apply to state appropriated funds. In December 2022 and 2023, the CWDC is required to report on activities and outcomes to the General Assembly as part of the Colorado Talent Report. The program is repealed on June 30, 2024.

Background

The CWDC is a state workforce investment board formed in accordance with the federal Workforce Investment Act of 1998 with the purpose of improving the state’s workforce system. Membership of the CWDC includes the governor, four members of the General Assembly, and representatives from the business community, and other local stakeholders. The CWDC is responsible for the oversight of the federal Workforce Innovation and Opportunity Act funds, which are $26.3 million in FY 2020-21.

The COVID-19 pandemic has greatly impacted Colorado’s economy and workforce. According to the U.S. Bureau of Labor Statistics, in January 2020 Colorado’s unemployment was at 2.7 percent. As of February 2021 unemployment is at 6.6 percent, an increase in roughly 125,000 people.

State Expenditures

This bill will increase General Fund expenditures for the CDLE by $25.0 million starting in FY 2020-21 to support the CWDC from FY 2020-21 to FY 2022-23. The CDLE will expend $1.25 million to purchase statewide software licenses for courses related to training and reskilling workers, as well as for a marketing and outreach campaign over the duration of the program. The remaining funds will be used for CWDC strategies, local programs, and grants.
Local Government

The CWDC will establish a grant program to award funding to local partners to provide reskilling, upskilling, and next-skilling supports to eligible individuals for up to 13 months. To the extent that local government entities are awarded grant funding, this will increase local expenditures.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2020-21, this bill includes a General Fund appropriation of $25.0 million to the Department of Labor and Employment for use by the Colorado Workforce Development Council. Remaining funds are further appropriated to the department for the FY 2021-22 and FY 2022-23 for the same purpose.

State and Local Government Contacts

Information Technology          Labor