



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated April 1, 2022)

Drafting Number:	LLS 22-0937	Date:	May 3, 2022
Prime Sponsors:	Rep. McCormick Sen. Donovan	Bill Status:	Senate Appropriations
		Fiscal Analyst:	Clare Pramuk 303-866-2677 clare.pramuk@state.co.us

Bill Topic: **AGRICULTURAL WORKFORCE SERVICES PROGRAM**

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

This bill creates the Agricultural Workforce Services Program in the Department of Agriculture. The program consists of an online resource portal for agricultural employees and employers and a grant program to fund workplace improvements or changes to comply with labor and workplace standards. It increases state expenditures beginning in FY 2022-23 and may increase state revenue.

Appropriation Summary: For FY 2022-23, the bill includes an appropriation of \$257,859 to multiple state agencies. An additional appropriation of \$200,000 may be provided to fund the grant program created by the bill.

Fiscal Note Status: The revised fiscal note reflects the reengrossed bill.

**Table 1
State Fiscal Impacts Under HB 22-1308**

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-
Expenditures	General Fund ¹	\$457,859	\$24,948
	Centrally Appropriated	\$13,981	\$12,654
	Total Expenditures	\$471,840	\$37,602
	Total FTE	0.9 FTE	0.8 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$68,679	\$3,742

¹ The FY 2022-23 General Fund amount includes \$200,000 for grants, which is not currently included in the bill's appropriation and is provided for informational purposes. The amount of funding may be set at the discretion of the General Assembly.

Summary of Legislation

This bill creates the Agricultural Workforce Services Program in the Department of Agriculture (CDA). The program consists of an online resource portal for agricultural employees and employers and a grant program for workplace improvements or changes to comply with labor and workplace standards.

Online resource portal. Resources on the portal must help agricultural employers comply with labor laws and help agricultural employees understand their rights including links to relevant state agencies and nongovernmental organizations. The portal must include a wage and hour calculator, and explanations of the provisions of Senate Bill 21-1087 regarding wages and workplace protections. All resources must be available in English and Spanish.

Colorado Agricultural Workplace Improvement Grant Program. The CDA may determine eligibility requirements for grant recipients but is required to consider certain criteria listed in the bill. The Commissioner of Agriculture is required to promulgate rules as necessary to implement the grant program. Grant awards are limited to entities that provide services to Colorado agricultural employers or employees for the purposes of facilitating labor law compliance, improving workplaces, and providing education to agricultural employees to help them understand their rights.

Reporting and funding. By January 1, 2023, and annually thereafter, the CDA is required to report on the operations of the program to the agriculture committees of the General Assembly. The bill requires a \$215,000 General Fund appropriation to the CDA for FY 2022-23 to fund the online resource portal, which is continuously appropriated to the department and any unspent money at the end of the year does not revert back to the General Fund. The CDA may also seek, solicit, accept, and expend gifts, grants, and donations for the program.

Background

Agricultural worker rights and protections. SB 21-087 granted agricultural workers the right to organize and join labor unions, engage in collective bargaining and strike, entitled them to meal breaks and rest periods, and to have visitors at employer-provided housing. It provided aggrieved employees, whistleblowers, and service providers ways to seek remedies and enforcement actions by allowing them to file claims in court and with the Department of Labor and Employment (CDLE). It removed the exemption for agricultural workers from state and local minimum wage laws and overtime pay and required that wages be adjusted annually for cost of living, and that overtime pay be established.

Employer requirements. SB 21-087 required that agricultural worker employers provide some workers access and transportation to key service providers, provide overwork and health protections, and increase protections and safety precautions during public health emergencies.

State Revenue

To the extent that the CDA receives gifts, grants, or donations, state revenue will increase. No source of these funds has been identified. These funds are not subject to TABOR.

State Expenditures

The bill increases state expenditures in CDA and CDLE by \$209,060 in FY 2022-23 and \$86,492 in FY 2023-24 from the General Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2
 Expenditures Under HB 22-1308**

Cost Components	FY 2022-23	FY 2023-24
Department of Agriculture		
Personal Services	\$22,211	\$29,615
Operating Expenses	\$675	\$675
Capital Outlay Costs	\$6,200	-
Grant Program ¹	\$200,000	-
Module Creation and Maintenance	\$44,100	\$18,600
Translation	\$50,000	-
Portal Contractor	\$29,034	-
Centrally Appropriated Costs ²	\$6,000	\$7,667
FTE – Personal Services	0.4 FTE	0.5 FTE
CDA Subtotal	\$358,220	\$56,557
Department of Labor and Employment		
Personal Services	\$33,107	\$22,071
Operating Expenses	\$675	-
Capital Outlay Costs	\$6,200	-
Software Licenses	\$2,877	\$2,877
Centrally Appropriated Costs ²	\$7,981	\$4,987
FTE – Personal Services	0.5 FTE	0.3 FTE
CDLE Subtotal	\$50,840	\$29,935
Total	\$409,060	\$86,492
Total FTE	0.9 FTE	0.8 FTE

¹ Funding for the grant program is not currently included in the bill's appropriation and is shown for informational purposes.

² Centrally appropriated costs are not included in the bill's appropriation.

Department of Agriculture. The CDA requires 0.5 FTE in FY 2022-23 for a grant specialist to administer the grant program. Because the bill requires a \$215,000 General Fund appropriation to the CDA, the fiscal note assumes that two years of staff costs will be covered by this amount. Other costs include creation of an online module and translation services. Existing staff will collect stakeholder input, conduct rulemaking, contract for module creation, work with the CDLE to develop and implement the resources for the online portal, and develop reports. Personal services costs are prorated for the General Fund pay date shift and assume a September 1, 2022, start date. Standard operating and capital outlay costs are included.

- *Grant funding.* The reengrossed bill does not currently include an appropriation for the newly created grant program to disburse grants. Funding for grants may be set at the discretion of the General Assembly. If funding is not appropriated, the CDA would be required to find an alternate source to fund grants, such as federal funds or gifts grants, and donations. For a grant program of the scope described in the bill, it is assumed that at least \$200,000 is required in FY 2022-23.

Department of Labor and Employment. The CDLE requires a policy advisor beginning in FY 2022-23 to develop the wage and hour calculator and provide content on the provisions of SB 21-087 to the CDA for the online resource portal. This will be 0.6 FTE prorated to 0.5 FTE in FY 2022-23 and reduced to 0.3 FTE in FY 2023-24. Standard operating and capital outlay costs are included, as well as agency specific software licenses.

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 shown in Table 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve beginning in FY 2022-23. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, which will decrease the amount of General Fund available for other purposes.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2022-23, the bill includes the following General Fund appropriations:

- \$215,000 to the Department of Agriculture and 0.4 FTE; and
- \$42,859 to the Department of Labor and Employment and 0.5 FTE.

In addition, if the General Assembly chooses to fund the new grant program created by the bill, an additional General Fund appropriation of at least \$200,000 to the Department of Agriculture is required.

State and Local Government Contacts

Agriculture

Information Technology

Labor

Law