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Fiscal Note

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Prime Sponsors: Sen. Coleman Bill Status: Senate Business
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Bill Topic: EXPANSION OF EXPERIENTIAL LEARNING OPPORTUNITIES

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

The bill creates multiple programs to support work-based experiential learning opportunities through partnerships with businesses and colleges in Colorado. The bill will increase state expenditures from FY 2022-23 to FY 2023-24.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$6,100,000 to the Department of Labor and Employment. Out year costs will be covered by the FY 2022-23 appropriation.

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

Table 1
State Fiscal Impacts Under SB 22-140

Table with 3 columns: Category, Budget Year FY 2022-23, and Out Year FY 2023-24. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

Summary of Legislation

The bill requires multiple state agencies to support work-based experiential learning opportunities through programs that partner with businesses and colleges in Colorado. All the programs created by the bill have specific data collection requirements for reporting beginning in 2023 to the Department of Labor and Employment's (CDLE) SMART Act hearing.

Work-based Learning Incentive Program. By January 1, 2023, the CDLE, in collaboration with the Business Experiential-Learning Commission and multiple state departments, is required to create a program that provides monetary incentives to employers who create work-based learning opportunities for adults and youth. The CDLE will select employers and at least two program intermediaries through an application process. Intermediaries will facilitate work-based learning opportunities through incentive payments made directly to employers for technical assistance, business coaching, and other types of support. The bill appropriates \$3.0 million dollars from the General Fund to the CDLE for this program with roll-forward spending authority.

Statewide Digital Navigator Program. By January 1, 2023, the Office of Future Work (office) is required to create a statewide digital navigator program with the work-based learning program to address digital inequities. The program will conduct outreach, provide technology and literacy support, connect target populations to resources, and offer several other resources outlined in the bill. The digital navigator providers will be selected through an application process run by the office and must partner with a public entity or nonprofit to qualify. The bill appropriates \$2.0 million dollars from the General Fund for the program with roll-forward spending authority.

Virtual Career-aligned English as a Second Language Program. By January 1, 2023, the Office of New Americans (ONA) in the CDLE is required to create a virtual career-aligned English as a Second Language (ESL) program to provide ESL training for English language learners (ELL) to help ELLs transition into the workforce while training. The ONA will select a vendor to provide the virtual platform for ESL training. Additionally, the ONA will establish the rules and procedures for providing access to the ESL training in collaboration with other state departments, employers, and potential partners. The bill appropriates \$1.1 million from the General Fund to the CDLE for this program with roll-forward spending authority.

Global Talent Task Force. Lastly, the bill requires the ONA to establish and provide staff support for a Global Talent Task Force by September 1, 2022. Appointments to the task force will be made by the director of the ONA, legislative leadership, and the Governor. Other members of the task force include five members of agency leadership. The task force will evaluate processes for obtaining in demand occupational licenses and international credentials, expand current work in the CDLE and other state agencies to integrate new Americans and internationally trained professionals into the Colorado workforce, and provide policy recommendations to the Governor and General Assembly. The task force is required to submit its report by December 31, 2023.

State Expenditures

The bill increases state expenditures in the Department of Labor and Employment by \$5,632,811 in FY 2022-23 and \$568,984 in FY 2023-24 from the General Fund. The fiscal note assumes that the \$6.1 million appropriated in the bill will be expended over two fiscal years and that centrally appropriated costs are not paid from that amount. Expenditures are shown in Table 2 and detailed on the next page.

**Table 2
 Expenditures Under SB 22-140**

	FY 2022-23	FY 2023-24
Department of Labor and Employment		
Personal Services	\$412,662	\$450,175
Operating Expenses	\$9,315	\$9,315
Capital Outlay Costs	\$43,400	-
Work-based Learning Incentive Program	\$2,545,147	-
Statewide Digital Navigator Program	\$1,696,765	-
Virtual Career-Aligned ESL Program	\$933,221	-
Centrally Appropriated Costs ¹	\$101,120	\$109,494
Total Cost	\$5,741,630	\$568,984
Total FTE	6.4 FTE	6.9 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Labor and Employment. The CDLE requires an increase of 6.9 FTE to implement all the programs included in the bill. The FTE are divided across multiple offices within CDLE as shown below. Standard operating and capital outlay costs are included and personal services are prorated to reflect the General Fund pay date shift. These positions are expected to end by June 30, 2024.

- **Division of Employment and Training.** The division requires 2.0 FTE for grant and employment specialists to administer the work-based learning incentive program. These positions will coordinate the program, establish and monitor resources, process reimbursements, and other administrative functions.
- **Workforce Development Council.** The Council will have an increase in workload to serve an advisory role for the work-based learning incentive program. The additional workload can be accomplished within existing appropriations.
- **Office of Future of Work.** The office will create the digital navigation program and requires 1.0 FTE for an administrator to oversee the program. The position will conduct stakeholder outreach, raise awareness of the program, develop outreach materials, and other administrative tasks such as data collection and analysis and meeting reporting requirements.

- **Procurement and Contracts Unit.** The unit requires a 0.5 FTE Contract Administrator to set up the systems for tracking information and the creation of agreements for the bill's implementation.
- **Office of New Americans.** The ONA requires 3.4 FTE to develop and establish the virtual career-aligned ESL program and to establish and support the Global Talent Taskforce. Establishing the virtual career-aligned ESL program will include identifying and collaborating with vendors, determining curricula for in-demand industries, recruiting employer partners, building communication lines between the various parties, and oversight and evaluation of the program vendors, employers, and participants.

Program funding. Funding for the three programs with appropriation amounts set in the bill are shown in Table 2 as proportionate to the original funding split established in the bill after personal services, operating expenses, and capital outlay costs are subtracted from the total appropriation.

Other state agencies. The bill increases workload for the Governor's Office, the Departments of Education, Early Childhood, Higher Education, and Human Services, and the Offices of Economic Development and Information Technology to collaborate, where required, on programs and task forces within the bill. No change in appropriations is required for these agencies.

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 totals shown in Table 1, which will decrease the amount of General Fund available for other purposes.

Effective Date

The bill takes effect July 1, 2022.

State Appropriations

For FY 2022-23, the bill requires a General Fund appropriation of \$6,100,000 to the Department of Labor and Employment and 6.4 FTE.

State and Local Government Contacts

Counties
Higher Education
Labor
Regulatory Agencies

Education
Human Services
Law

Governor
Information Technology
Municipalities